

**SERIES RESOLUTION
PORT OF SEATTLE, WASHINGTON**

RESOLUTION NO 3275, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of Revenue Refunding Bonds, Series 1998A of the Port in the principal amount of \$73,180,000 for the purpose of refunding certain outstanding revenue bonds of the Port, fixing the date, forms, terms, and maturities for such bonds, authorizing the sale of such bonds, providing for ongoing disclosure, approving an escrow agreement and appointing an escrow agent

ADOPTED May 7, 1998

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A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of Revenue Refunding Bonds, Series 1998A of the Port in the principal amount of \$73,180,000 for the purpose of refunding certain outstanding revenue bonds of the Port, fixing the date, forms, terms, and maturities for such bonds; authorizing the sale of such bonds, providing for ongoing disclosure, approving an escrow agreement and appointing an escrow agent

WHEREAS, the Port of Seattle (the "Port") has issued and has outstanding a series of senior lien revenue bonds designated as "Revenue Bonds, Series 1990A" under date of February 1, 1990 pursuant to Resolution No 3060, as amended, maturing on December 1 of the following years in the following principal amounts

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 500,000	6 70%
1999	535,000	6 80
2000	575,000	6 90
2003	17,635,000	7 20
2009	12,555,000	7 40
2011	10,375,000	7 50
2014	18,420,000	6 00

(the "Series 1990A Bonds"), and

WHEREAS, Resolution No 3060, as amended, authorizes the defeasance and redemption of the outstanding 1990A Bonds maturing on December 1, 2003 at a price of 102% of par on December 1, 2000 and the 1990A Bonds maturing on December 1, 2014 at a price of 100% of par on December 1, 2000; and

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

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 455,000	6.90%
1999	485,000	7 00
2000	520,000	7 10
2003	15,965,000	7.40
2009	11,365,000	7 60
2011	9,390,000	7 70
2014	16,675,000	6 00

(the "Series 1990B Bonds"); and

WHEREAS, Resolution No 3060, as amended, authorizes the defeasance and redemption of the outstanding 1990B Bonds maturing between December 1, 2003 and December 1, 2011 at a

price of 102% of par on December 1, 2000 and the 1990B Bonds maturing on December 1, 2014 at a price of 100% of par on December 1, 2000, and

WHEREAS, the Port has issued and has outstanding a series of senior lien revenue bonds designated as "Revenue Bonds, Series 1992A" under date of April 1, 1992 pursuant to Resolution No 3111, as amended, maturing on November 1 of the following years in the following principal amounts

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 1,125,000	5 60%
1999	1,190,000	5 75
2000	1,260,000	5 90
2001	1,335,000	6 00
2002	600,000	6 10
2003	635,000	6 20
2004	675,000	6 30
2005	720,000	6 40
2006	770,000	6 40
2010	3,700,000	6 25
2017	8,535,000	6 25

(the "Series 1992A Bonds") , and

WHEREAS, Resolution No 3111, as amended authorizes the defeasance and redemption of the outstanding 1992A Bonds maturing on November 1, 2006 and November 1, 2010 at a price of 102% of par on November 1, 2002, and the 1992A Bonds maturing on November 1, 2017 at a price of 101% of par on November 1, 2002, and

WHEREAS, the Port has issued and has outstanding a series of senior lien revenue bonds designated as "Revenue Bonds, Series 1992B" under date of April 1, 1992 pursuant to Resolution No 3111, as amended, maturing on November 1 of the following years in the following principal amounts

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 5,030,000	5 70%
1999	5,310,000	5 90
2000	5,630,000	6 00
2001	5,970,000	6 10
2002	2,675,000	6 30
2003	2,850,000	6 40
2004	3,025,000	6 50
2005	3,230,000	6 50
2006	3,430,000	6 50
2010	16,095,000	6 70
2017	40,265,000	6 00

(the "Series 1992B Bonds") , and

WHEREAS, Resolution No 3111, as amended authorizes the defeasance and redemption of the outstanding 1992B Bonds maturing on November 1, 2006 and November 1, 2010 at a

price of 102% of par on November 1, 2002, and the 1992B Bonds maturing on November 1, 2017 at a price of 101% of par on November 1, 2002, and

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No 3059, adopted on February 2, 1990 and most recently amended by Resolution No 3241, adopted on April 8, 1996 (the "Master Resolution"); and

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

Resolution Number	Date of Issue		Original Principal Amt	Currently Outstanding (2/28/98)	Final Maturity Dates
3060	2/1/90	(A)	\$ 66,240,492 05	\$ 40,290,492	12/1/14
3060	2/1/90	(B)	59,969,771 35	57,229,771	12/1/14
3060	2/1/90	(C)	24,805,000 00	15,250,000	12/1/05
3111	4/1/92	(A)	25,450,000.00	20,545,000	11/1/17
3111	4/1/92	(B)	115,440.000 00	93,510,000	11/1/17
3120	2/1/93	(A)	21,655,000.00	7,905,000	4/1/00
3120	2/1/93	(B)	60,750,000.00	28,455,000	11/1/01
3155	2/1/94	(A)	27,135,000 00	8,930,000	12/1/11
3155	2/1/94	(B)	50,000,000 00	25,900,000	5/1/19
3155	2/1/94	(C)	51,755,000 00	50,000,000	7/1/09
3158	11/1/93	(C)	21,170,000 00	42,570,000	1/1/99
3196	9/1/95	(A)	26,345,000 00	12,755,000	2/1/01
3215	4/1/96	(A)	31,820,000 00	31,820,000	9/1/21
3215	4/1/96	(B)	74,520,000 00	74,520,000	9/1/17
3242	4/1/97	(A)	120,375,000 00	120,375,000	10/1/22
3242	4/1/97	(B)	19,985,000 00	19,985,000	10/1/05

(the "Outstanding Senior Bonds"), and

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

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

WHEREAS, the Port Commission has received and reviewed a plan to refund the 1990A Bonds maturing on December 1, 2003 and December 2014 (the "1990A Refunded Bonds") and the 1992A Bonds maturing on November 1, 2006, November 1, 2010 and November 1, 2017 (the "1992A Refunded Bonds") (the 1990A Refunded Bonds and the 1992A Refunded Bonds being referred to herein as the "Refunded Bonds"), and

WHEREAS, the net interest rate borne by the Refunded Bonds is higher than the net interest rate which would be borne by refunding bonds if sold on this date, and

WHEREAS, it is necessary that the date, form, terms and maturities of such revenue bonds be fixed and that the lien thereof on the Net Revenues of the Port be established as herein provided, 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:

"Annual Disclosure Report" has the meaning given such term in Section 18(b) of this Series Resolution.

"Beneficial Owner" means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 1998A Bonds (including persons holding Series 1998A Bonds through nominees, depositories or other intermediaries).

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

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

"Credit Facility" means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement or other financial instrument which obligates a third party to make payment or provide funds for the payment of financial obligations of the Port, including but not limited to payment of the principal of, interest on or purchase price of Bonds or meeting reserve requirements therefor.

"Default" has the meaning given such term in Section 15 of this Series Resolution.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Series 1998A Bonds pursuant to Section 6 hereof.

"Escrow Agent" means U S Bank Trust National Association, a national banking association.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of the date of the closing and delivery of the Series 1998A Bonds between the Port and the Escrow Agent, substantially in the form attached hereto as Exhibit A 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.

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

"Master Resolution" means Resolution No 3059, as amended, of the Commission adopted on February 2, 1990, as most recently amended by Resolution No 3214, adopted on March 26, 1996 and Resolution No 3241, adopted on April 8, 1997

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

"Municipal Bond Insurance Commitment" means the commitment for the issuance of the Municipal Bond Insurance Policy issued by the Municipal Bond Insurer under date of April 28, 1998

"Municipal Bond Insurance Policy" means the policy of municipal bond insurance delivered by the Municipal Bond Insurer at the time of issuance and delivery of the Series 1998A Bonds.

"Municipal Bond Insurer" means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto, as issuer of the Municipal Bond Insurance Policy with respect to the Series 1998A Bonds

"Net Proceeds," when used with reference to Series 1998A Bonds, means the principal amount of such Series 1998A Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any, and proceeds, if any, deposited in the Series 1998A Reserve Fund.

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

"1990A Bonds" means the outstanding series of senior lien revenue bonds of the Port designated as "Revenue Bonds, Series 1990A" dated February 1, 1990, issued pursuant to Resolution No 3060, as amended, and maturing on December 1 of the following years in the following principal amounts.

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 500,000	6.70%
1999	535,000	6.80
2000	575,000	6.90
2003	17,635,000	7.20
2009	12,555,000	7.40
2011	10,375,000	7.50
2014	18,420,000	6.00

"1990A Refunded Bonds" means the 1990A Bonds maturing on December 1, 2003 and December 2014.

"1990B Bonds" means the outstanding series of senior lien revenue bonds of the Port designated as "Revenue Bonds, Series 1990B" dated February 1, 1990, issued pursuant to Resolution No 3060, as amended, and maturing on December 1 of the following years in the following principal amounts

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 455,000	6 90%
1999	485,000	7 00
2000	520,000	7 10
2003	15,965,000	7 40
2009	11,365,000	7 60
2011	9,390,000	7 70
2014	16,675,000	6 00

"1990B Refunded Bonds" means the following principal amounts of the 1990B Bonds maturing in the following years

<u>Years</u>	<u>Principal Amounts</u>
2003	\$ 4,880,000
2009	3,475,000
2011	2,865,000
2014	5,080,000

"1992A Bonds" means the outstanding series of senior lien revenue bonds designated as "Revenue Bonds, Series 1992A" dated April 1, 1992, issued pursuant to Resolution No 3111, as amended, and maturing on November 1 of the following years in the following principal amounts

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 1,125,000	5 60%
1999	1,190,000	5 75
2000	1,260,000	5 90
2001	1,335,000	6 00
2002	600,000	6 10
2003	635,000	6 20
2004	675,000	6 30
2005	720,000	6 40
2006	770,000	6 40
2010	3,700,000	6 25
2017	8,535,000	6 25

"1992A Refunded Bonds" means the 1992A Bonds maturing on November 1, 2006, November 1, 2010 and November 1, 2017

"1992B Bonds" means the outstanding series of senior lien revenue bonds designated as "Revenue Bonds, Series 1992B" dated April 1, 1992, issued pursuant to Resolution No 3111, as

amended, and maturing on November 1 of the following years in the following principal amounts

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 1,125,000	5 60%
1999	1,190,000	5 75
2000	1,260,000	5.90
2001	1,335,000	6 00
2002	600,000	6 10
2003	635,000	6 20
2004	675,000	6 30
2005	720,000	6 40
2006	770,000	6 40
2010	3,700,000	6 25
2017	8,535,000	6 25

"1992B Refunded Bonds" means the following principal amounts of the 1992B Bonds maturing in the following years

<u>Years</u>	<u>Principal Amounts</u>
2006	\$ 255,000
2010	1,185,000
2017	2,935,000

"Outstanding Senior 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, Revenue Refunding Bonds, Series 1993A and Series 1993B, issued pursuant to the Resolution No 3120, Revenue Refunding Bonds, Series 1993C, issued pursuant to Resolution No 3160, Revenue Refunding Bonds, Series 1994A, Revenue Bonds, Series 1994B, and Revenue Refunding Bonds, Series 1994C issued pursuant to Resolution No 3155, as amended, Revenue Refunding Bonds, Series 1995A issued pursuant to Resolution No 3196, as amended, Revenue Bonds, Series 1996A and Series 1996B issued pursuant to Resolution No 3215, as amended, and Revenue Bonds, Series 1997A and Series 1997B issued pursuant to Resolution No 3242, as amended

"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

"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 by one or more of the Rating Agencies

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

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

"Refunded Bond Resolutions" means Resolution No 3060, as amended, and Resolution No 3111, as amended, of the Port

"Refunded Bonds" means the 1990A Refunded Bonds and the 1992A Refunded Bonds

"Refunding Account" means a special account designated as the "Refunding Account, 1998", created pursuant to Section 9(a) hereof

"Registered Owner" means the person named as the registered owner of a Series 1998A 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 the Treasurer for the purposes of registering and authenticating the Series 1998A Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 1998A Bonds The term "Registrar" shall include any successor to the fiscal agency, if any, hereinafter appointed by the Treasurer

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

"SFC" means the Securities and Exchange Commission

"Series 1998A Bond Fund" means the Port of Seattle Revenue Refunding Bond Fund, Series 1998A created in the office of the Treasurer by Section 7 of this Series Resolution

"Series 1998A Bonds" means the Port of Seattle, Washington, Revenue Refunding Bonds, Series 1998A, authorized to be issued by Section 3 of this Series Resolution

"Series 1998A Reserve Fund" means the fund of that name created by Section 7(b) of this Series Resolution

"Series 1998A Reserve Fund Requirement" means \$2,977,380 61

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

"Surety Bond" means the surety bond issued by the Surety Bond Issuer on the date of issuance of the Series 1998A Bonds for the purpose of satisfying the Series 1998A Reserve Fund Requirement

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

"Surety Bond Issuer" means Ambac Assurance Corporation, a Wisconsin Stock Assurance Company

"Term Bonds" means the Series 1998A Bonds maturing on June 1, 2017

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

"Underwriters" mean, collectively, PaineWebber Incorporated, Goldman, Sachs & Co., Lehman Brothers Inc., Artemis Capital Group, Inc. and Siebert Brandford Shank & Co., a Division of Muriel Siebert & Co.

Words importing the singular number include the plural number and vice versa

Section 2 Authorization of Series 1998A Bonds The Port shall issue the Series 1998A Bonds in the principal amount of \$73,180,000 for the purpose of refunding the Refunded Bonds and to pay all costs incidental thereto and to the issuance of the Series 1998A Bonds, including all or a portion of the Insurance Policy premium

Section 3 Bond Details The Series 1998A Bonds shall be designated as "Port of Seattle, Washington, Revenue Refunding Bonds, Series 1998A," 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 May 1, 1998, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, shall bear interest at the following per annum rates, from May 1, 1998 until the Series 1998A Bonds bearing such interest have been paid or their payment duly provided for, payable

semiannually on the first days of each June and December, beginning on December 1, 1998 and shall mature in the following amounts on June 1 of the following years

Maturity Dates (June 1)	Principal Amounts	Interest Rates
1999	\$ 505,000	4.000%
2000	525,000	4.000
2001	3,950,000	4.750
2002	10,025,000	5.000
2003	10,480,000	5.000
2004	595,000	4.400
2005	615,000	4.500
2006	1,690,000	4.600
2007	1,825,000	5.000
2008	1,950,000	5.375
2009	2,075,000	5.250
2010	2,795,000	5.250
2011	2,880,000	5.250
2012	9,000,000	5.375
2013	9,465,000	5.375
2014	9,985,000	5.125
2017	4,820,000	5.000

The Series 1998A Bonds shall be obligations only of the Series 1998A Bond Fund and the Series 1998A Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 1998A Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 4 Redemption and Purchase

(a) *Optional Redemption* The Series 1998A Bonds are subject to redemption on and after June 1, 2008 in whole or in part at any time, with maturities to be selected by the Port, at the following prices, expressed as a percentage of par, plus accrued interest to the date of redemption

Redemption Dates	Redemption Prices
June 1, 2008 through May 31, 2009	101%
June 1, 2009 and thereafter	100%

(b) *Mandatory Redemption* Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 1998A Term Bonds stated to mature on June 1, 2017 are subject to mandatory redemption on June 1 of the following years in the following principal amounts, at a price of par.

Redemption Dates	Amounts
2015	\$ 1,525,000
2016	1,610,000
2017*	1,685,000

• Maturity

(c) *Purchase of Series 1998A Bonds for Retirement* The Port reserves the right to use at any time any surplus Gross Revenue available after providing for the payments required by paragraph First through Fifth of Section 2(a) of the Master Resolution to purchase for retirement any of the Series 1998A Bonds offered to the Port at any price deemed reasonable to the Port's Chief Financial Officer

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

(e) *Selection of Series 1998A Bonds for Redemption.* As long as the Series 1998A Bonds are held in book-entry only form, the maturities to be redeemed shall be selected by the Port and, within a maturity, the selection of Series 1998A Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Series 1998A Bonds are no longer held in uncertificated form, the selection of such Series 1998A Bonds to be redeemed shall be made as provided in this subsection (d). If the Port redeems at any one time fewer than all of the Series 1998A Bonds having the same maturity date, the particular Series 1998A Bonds or portions of Series 1998A Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a Series 1998A Bond of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 1998A Bond as representing such number of separate Series 1998A Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 1998A Bond by \$5,000. In the event that only a portion of the principal sum of a Series 1998A Bond is redeemed, upon surrender of the such Series 1998A 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 1998A Bond of like maturity and interest rate in any of the denominations herein authorized

(f) *Notice of Redemption*

(i) Official Notice Unless waived by any owner of Series 1998A Bonds to be redeemed, official notice of any such redemption (which notice, in the case of an optional redemption, shall state that redemption is conditioned by the Registrar on the receipt of sufficient funds for redemption) shall be given by the Registrar on behalf of the Port by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 1998A

Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Registrar

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 1998A Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Series 1998A Bonds to be redeemed,

(D) that on the redemption date, provided that in the case of optional redemption the full amount of the redemption price is on deposit therefor, the redemption price will become due and payable upon each such Series 1998A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(E) the place where such Series 1998A Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar

Unless the Port has revoked a the notice of redemption, on or prior to any redemption date, the Treasurer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 1998A Bonds or portions of Series 1998A Bonds which are to be redeemed on that date

Failure to give notice as to redemption of any Series 1998A Bond or any defect in such notice shall not invalidate redemption of any other Series 1998A Bond

Notwithstanding the foregoing, if the Series 1998A Bonds are then held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then effect at DTC but not less than 30 days prior to the date of redemption

(ii) Effect of Notice, Bonds Due Official notice of redemption having been given as aforesaid, the Series 1998A Bonds or portions of Series 1998A Bonds so to be redeemed shall, on the redemption date (unless in the case of optional redemption the Port shall default in the payment of the redemption price), become due and payable at the redemption price therein specified, and from and after such date such Series 1998A Bonds or portions of Series 1998A Bonds shall cease to bear interest. Upon surrender of such Series 1998A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to a mandatory redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 1998A Bond, there shall be prepared for the Registered Owner a new Series 1998A Bond of the same maturity in the aggregate amount of the unpaid principal. All Series 1998A

Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued

(iii) Additional Notice. In addition to the foregoing notice, further notice shall be given by the Port as set out below, but no defect in said further notice nor any 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 (A) the CUSIP numbers of all Series 1998A Bonds being redeemed, (B) the date of issue of the Series 1998A Bonds as originally issued, (C) the rate of interest borne by each Series 1998A Bond being redeemed; (D) the maturity date of each Series 1998A Bond being redeemed, and (E) any other descriptive information needed to identify accurately the Series 1998A Bonds being redeemed. Each further notice of redemption may be sent at least 35 days before the redemption date to the Municipal Bond Insurer and to each NRMSIR, the SID, if any, and to the Underwriters or to their business successors, if any and to such Persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the SEC) and with such additional information as the Registrar deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Series 1998A Bonds

(iv) Use of CUSIP Numbers. Upon the payment of the redemption price of Series 1998A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Series 1998A Bonds being redeemed with the proceeds of such check or other transfer

(v) Amendment of Notice Provisions The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities

Section 5 Place and Medium of Payment The principal of, premium, if any, and interest on the Series 1998A Bonds shall be payable in lawful money of the United States of America. Interest on the Series 1998A Bonds shall be calculated on the basis of a 360-day year (twelve 30-day months). For so long as all Series 1998A Bonds are in fully immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations

In the event that the Series 1998A Bonds are no longer in fully immobilized form, interest on the Series 1998A Bonds shall be paid by check or draft mailed (or by wire transfer, without transfer fee, to a Registered Owner of such Series 1998A Bonds in aggregate principal

amount of \$1,000,000 or more who so requests) to the Registered Owners of the Series 1998A Bonds 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 and premium, if any, of the Series 1998A Bonds shall be payable upon presentation and surrender of such Series 1998A Bonds by the Registered Owners at the principal office of the Registrar.

Section 6 Registration

(a) *Registrar/Bond Register* The Port hereby requests that the Treasurer appoint the fiscal agency of the State of Washington as the Registrar for the Series 1998A Bonds. The Port shall cause a bond register to be maintained by the Registrar. So long as any Series 1998A Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of Series 1998A Bonds at its principal corporate trust office. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar, the Municipal Bond Insurer, DTC, each NRMSIR and the SID, if any, and a successor Registrar appointed by the Treasurer. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 1998A Bonds transferred or exchanged in accordance with the provisions of such Series 1998A 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 1998A Bonds.

(b) *Registered Ownership*. The Port and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Series 1998A Bond as the absolute owner thereof for all purposes (except as provided in Section 18 of this Series Resolution), and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 1998A Bond shall be made only as described in Section 5 hereof, but such Series 1998A Bond 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 1998A Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations* To induce DTC to accept the Series 1998A Bonds as eligible for deposit at DTC, the Port has executed and delivered to DTC the Letter of Representations.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Series 1998A Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor

depository) or any DTC participant of any amount in respect of the principal of or interest on Series 1998A 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 successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Series 1998A 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 any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Series 1998A Bonds.

If any Series 1998A 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 1998A Bond until such Series 1998A Bond is paid.

(d) *Use of Depository*

(i) The Series 1998A Bonds shall be registered initially in the name of "Cede & Co", as nominee of DTC, with one Series 1998A Bond maturing on each of the maturity dates for the Series 1998A Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Series 1998A 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 provide 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 1998A Bonds, together with a written request on behalf of the Commission, issue a single new Series 1998A Bond for each maturity of the Series 1998A Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Commission.

(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 the Series 1998A Bonds that such owners be able to obtain such bonds in the form of Series 1998A Bond certificates, the ownership of such Series 1998A Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Commission shall deliver a written request to the Registrar, together with a supply of definitive Series 1998A Bonds, to issue Series 1998A Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 1998A Bonds together with a written request on behalf of the Commission to the Registrar, new Series 1998A Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange, Change in Denominations*. The transfer of any Series 1998A Bond may be registered and Series 1998A Bonds may be exchanged, but no transfer of any such Series 1998A Bond shall be valid unless such Series 1998A Bond is surrendered to the Registrar with the assignment form appearing on such Series 1998A 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 1998A Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Series 1998A Bond (or Series 1998A Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 1998A Bond, in exchange for such surrendered and canceled Series 1998A Bond. Any Series 1998A Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Series 1998A Bonds of the same date, maturity and interest rate, in any authorized denomination or denominations. The Registrar shall not be obligated to register the transfer or to exchange any Series 1998A Bond during the 15 days preceding the date any such Series 1998A Bond is to be redeemed.

(f) *Registrar's Ownership of Series 1998A Bonds*. The Registrar may become the Registered Owner of any Series 1998A 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 1998A Bonds.

(g) *Registration Covenant* The Port covenants that, until all Series 1998A Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 1998A Bond that complies with the provisions of Section 149 of the Code

Section 7 Bond Fund and Reserve Fund

(a) *Series 1998A Bond Fund* A special fund of the Port designated the "Port of Seattle Revenue Refunding Bond Fund, Series 1998A" (the "Series 1998A Bond Fund") is hereby authorized to be created in the office of the Treasurer for the purpose of paying and securing the payment of the Series 1998A Bonds. The Series 1998A 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 1998A Bonds

The Port hereby irrevocably obligates and binds itself for so long as any Series 1998A Bonds remain Outstanding to set aside and pay into the Series 1998A Bond Fund from Net Revenues or money in the Revenue Fund, on or prior to the respective dates on which the same become due

(1) such amounts as are required to pay the interest scheduled to become due and redemption premium, if any, on Outstanding Series 1998A Bonds, and

(2) such amounts as are required to pay maturing principal or principal being redeemed of Outstanding Series 1998A Bonds

(b) *Series 1998A Reserve Fund.* A Series 1998A Reserve Fund (the "Series 1998A Reserve Fund") is hereby authorized to be created for the purpose of securing the payment of the principal of, premium, if any, and interest on the Series 1998A Bonds,

The Port hereby covenants and agrees that on the date of issuance of the Series 1998A Bonds, it will cause the Surety Bond Issuer to deliver the Surety Bond in an amount equal to the sum of \$2,977,380.61 in the Series 1998A Reserve Fund in satisfaction of the Series 1998A Reserve Fund Requirement. The Designated Port Representative is hereby authorized to execute and deliver a Guaranty Agreement with the Surety Bond Issuer substantially in the form of Exhibit I to the commitment dated April 24, 1998, from the Surety Bond Insurer

The Series 1998A Reserve Fund Requirement may be maintained by deposits of cash, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. To the extent that the Port obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Series 1998A Reserve Fund, all or a portion of the money on hand in the Series 1998A Reserve Fund shall be transferred to the fund or account, specified by the Designated Port Representative within the limitations permitted by Section 11(c) of this Series Resolution. In computing the amount on hand in the Series 1998A Reserve Fund, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all

other obligations purchased as an investment of moneys therein shall be valued at cost. As used herein, the term "cash" shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier's check, and the deposit to the Series 1998A Reserve Fund may be satisfied by the transfer of qualified investments to such account.

If the balance on hand in the Series 1998A Reserve Fund is sufficient to satisfy the Series 1998A Reserve Fund Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1998A Bond Fund and the Series 1998A Reserve Fund to pay the principal of, premium, if any, and interest on all Outstanding Series 1998A Bonds, the money in the Series 1998A Reserve Fund may be used to pay such principal and interest. So long as the money left remaining on deposit in the Series 1998A Reserve Fund is equal to the Series 1998A Reserve Fund Requirement, money in the Series 1998A Reserve Fund may be transferred to the fund or account specified by the Designated Port Representative within the limitations permitted by Section 11 of this Series Resolution. The Port also may transfer out of the Series 1998A Reserve Fund any money required in order to prevent any Series 1998A Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1998A Bond Fund shall occur, such deficiency shall be made up from the Series 1998A Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1998A Reserve Fund, in such amounts as will provide cash in the Series 1998A Reserve Fund sufficient to make up any such deficiency with respect to the Series 1998A Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from any Qualified Letter of Credit or Qualified Insurance for the Series 1998A Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. Reimbursement may be made to the issuer of any Qualified Letter of Credit in accordance with the reimbursement agreement related thereto, and after making necessary provision for the payments required to be made in paragraphs First and Second of Section 2(a) of the Master Resolution. If the Port shall have failed to make any payment required to be made under such reimbursement agreement for the Series 1998A Bonds, the issuer shall be entitled to exercise all remedies available at law or under this Series Resolution, provided, however, that no acceleration of the Series 1998A Bonds shall be permitted, and no remedies which adversely affect Registered Owners of the Series 1998A Bonds shall be permitted. Any deficiency created in the Series 1998A Reserve Fund by reason of any such withdrawal shall be made up within one year from Qualified Insurance or a Qualified Letter of Credit or out of Net Revenues (or out of any other moneys on hand legally available for such purpose) (in 12 equal monthly installments).

after making necessary provision for the payments required to be made into the Series 1998A Bond Fund or Series 1998A Reserve Bond Fund, as the case may be, within such year

In making the payments and credits to the Series 1998A Reserve Fund required by this Section 7(c), 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 1998A Reserve Fund such amounts so covered by Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Series 1998A Reserve Fund by this Section 7(c) to the extent that such payments and credits to be made are to be made or insured by an insurance company, or are to be made or guaranteed by a letter of credit from a financial institution. In the event of termination of a Qualified Letter of Credit or if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent or no longer in existence, the Series 1998A Reserve Fund Requirement shall be satisfied (A) within one year of the insolvency or incapacity, but no later than the date of cancellation, with other Qualified Insurance or another Qualified Letter of Credit, or (B) within three years (in three equal annual installments) after the 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 other money on hand and legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1998A Bond Fund

(c) *Pledge and Lien* Said amounts so pledged to be paid into the Series 1998A Bond Fund and the Series 1998A Reserve Fund are hereby declared to be an equal and prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, except for Operating Expenses and except that the amounts so pledged are of equal lien to the lien and charge thereon of the Outstanding Senior Bonds, and to any lien and charge thereon which may hereafter be made to pay and secure the payment of the principal of, premium, if any, and interest on any Future Parity Bonds

(d) *Use of Excess Money* Money in the Series 1998A Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1998A Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1998A Bonds within the limitations provided in Section 2 of the Master Resolution Money in the Series 1998A Bond Fund and the Series 1998A Reserve Fund and money in the Revenue Fund of the Port may be invested in any investments legal for port districts; subject to the limitations set forth in Section 11 hereof

(e) *Provisions Relating to Surety Bond Issuer*

(i) Any provision of this Series Resolution expressly recognizing or granting rights in or to Surety Bond Issuer may not be amended in any manner which affects the rights of Surety Bond Issuer hereunder without the prior written consent of Surety Bond Issuer

(ii) Unless otherwise provided in this Series Resolution, Surety Bond Issuer consent shall be required in addition to Registered Owner consent, when required, for the following purposes (i) execution and delivery of any supplemental resolution or any amendment, supplement or change to or modification of the resolution, and (ii) initiation or approval of any action not described in (i) above which requires Registered Owner's consent

(f) *Information to be Given to Surety Bond Issuer*

(i) While the Surety Bond is in effect, the Port, as appropriate, shall furnish to Surety Bond Issuer

(A) as soon as practicable after the filing thereof, a copy of any financial statement of the Port and a copy of any audit and annual report of the Port,

(B) a copy of any notice to be given to the Registered Owners of the Series 1998A Bonds and any certificate rendered pursuant to this resolution relating to the security for the Series 1998A Bonds, and

(C) such additional information it may reasonably request

(ii) The Port will permit Surety Bond Issuer to discuss the affairs, finances and accounts of the Port or any information Surety Bond Issuer may reasonably request regarding the security for the Bonds with appropriate officers of the Surety Bond Issuer. The Port will permit Surety Bond Issuer to have access to and to make copies of all books and records relating to the Series 1998A Bonds at any reasonable time

(iii) Notwithstanding any other provision of this Series Resolution, the Registrar shall immediately notify Surety Bond Issuer if at any time there are insufficient moneys to make any payments of principal and interest as required and immediately upon the occurrence of (i) any event of default hereunder or (ii) any payment default under any related security agreement

(iv) To the extent that the Port has entered into a continuing disclosure agreement with respect to the bonds, Surety Bond Issuer shall be included as party to be notified

(g) *Payment Procedure Pursuant to the Surety Bond*

(i) As long as the Surety Bond shall be in full force and effect, the Port and Registrar, if appropriate, agree to comply with the following provisions:

(A) In the event and to the extent that moneys on deposit in the Series 1998A Bond Fund plus all amounts on deposit in and credited to the Series 1998A Reserve Fund in excess of the amount of the Surety Bond, are insufficient to pay the amount of principal and interest coming due, then upon the later of (i) one (1) day after receipt by the General Counsel of Surety Bond Issuer of a demand for payment in the form attached to the Surety Bond as Attachment 1 (the "Demand for Payment"), duly executed by the Registrar certifying that payment due under the Series Resolution has not been made to the Paying Agent,

or (ii) the payment date of the Obligations as specified in the Demand for Payment presented by the Registrar to the General Counsel of the Surety Bond Issuer will make a deposit of funds in an account with the Registrar of amount which are then due to the Registrar under the Series Resolution (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Surety Bond, provided, however, that in the event that the amount on deposit in, or credited to, the Series 1998A Reserve Fund, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency

(B) the Registrar shall, after submitting to Surety Bond Issuer the Demand for Payment as provided in (a) above, make available to Surety Bond Issuer records relating to the Funds and Accounts maintained under this Series Resolution

(C) the Registrar shall, upon receipt of moneys received from the draw on the Surety Bond, as specified in the Demand for Payment, credit the Series 1998A Reserve Fund to the extent of the moneys received pursuant to such Demand

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 1998A Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, and, if such Series 1998A Bonds are to be redeemed prior to maturity, irrevocable notice, or instructions to give notice of such redemption has been delivered to the Registrar, then no further payments need be made into the Series 1998A Bond Fund or any account therein for the payment of the principal of, premium, if any, and interest on the Series 1998A Bonds so provided for and such Series 1998A 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 1998A 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

Within 45 days of any defeasance of Series 1998A Bonds, the Port shall provide notice of defeasance of Series 1998A Bonds to Registered Owners of Series 1998A Bonds being defeased, to the Municipal Bond Insurer and to each NRMSIR and SID, if any, in accordance with Section 18

Section 9. Refunding Procedures

(a) *Creation of Refunding Account, 1998* A special account designated as the "Refunding Account, 1998" is hereby authorized to be created in the Series 1998A Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the Refunded Bonds

(b) *Application of Series 1998A Bond Proceeds* A portion of the net proceeds of sale of the Series 1998A Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1998A Bond Fund and used to pay a portion of the interest on the Series 1998A Bonds on December 1, 1998 and proceeds allocated to costs of issuance which shall be remitted to the Port directly) shall be credited to the Refunding Account, 1998

(c) The premium cost for the Surety Bond for the Series 1998A Bonds, designated by the Designated Port Representative, shall be paid from the proceeds of the Series 1998A Bonds on the date of issuance and delivery of the Series 1998A Bonds, and

(d) *Defeasance of 1998 Refunded Bonds* Money in the Refunding Account, 1998, together with funds that may be deposited by the Port, shall be used immediately upon receipt thereof to defease the Refunded Bonds and discharge the other obligations of the Port relating thereto under the Refunded Bond Resolutions by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section

(e) *Acquired Obligations* The Controller of the Port is hereby authorized to deposit into the Refunding Account, 1998 a portion of the proceeds of the Series 1998A Bonds that are required to provide a cash balance and to defease the Refunded Bonds. The Port shall defease the Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1998 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

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

(ii) the price of redemption of the 1990A Refunded Bonds (102% for the 2003 maturity and 100% for the 2014 maturity) on December 1, 2000,

(iii) the interest on the 1992A Refunded Bonds as such becomes due on and before November 1, 2002, and

(iv) the price of redemption of the 1992A Refunded Bonds (102% for the 2006 and 2010 maturities and 101% for the 2017 maturity) on November 1, 2002

(f) *Appointment of Escrow Agent* The Port hereby appoints the corporate trust department of U.S. Bank Trust National Association, a national banking association, 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 in accordance with this Section 9 and Section 10 of this Series Resolution

Section 10 Redemption of Refunded Bonds The Commission hereby irrevocably calls the 1990A Refunded Bonds for redemption on December 1, 2000 and the 1992A Refunded Bonds for redemption on November 1, 2002 in accordance with the provisions of Section 4 of Resolution No 3060 and Section 4 of Resolution No 3111, authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, 1998 and delivery of the Acquired Obligations described in Section 9(b) to the Escrow Agent

Further, upon the defeasance of the Refunded Bonds, any money remaining in the Port's Reserve Account in the Bond Redemption Fund and all sub-accounts therein maintained for the Refunded Bonds may be transferred to any fund designated by the Port

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 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 Section 9(d) 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

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 Agreement to the Escrow Agent when the provisions thereof have been fixed and determined for each closing and delivery of the Series 1998A Bonds. Such Escrow Agreement shall be substantially in the form of Exhibit A attached to this Series Resolution and by this reference hereby made a part of this Series Resolution

Section 11 Tax Covenants The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Series 1998A Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under

applicable law to continue the exemption from federal income taxation of the interest on the Series 1998A Bonds

(a) *Arbitrage Covenant* Without limiting the generality of the foregoing, the Port covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Series 1998A Bonds or any other funds of the Port which may be deemed to be proceeds of the Series 1998A Bonds pursuant to Section 148 of the Code and the regulations promulgated thereunder which, if such use had been reasonably expected on the dates of delivery of the Series 1998A Bonds to the initial purchasers thereof, would have caused the Series 1998A Bonds as "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code

The Port represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is an issuer whose arbitrage certifications may not be relied upon. The Port will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Series 1998A Bonds

(b) *Private Person Use Limitation for Series 1998A Bonds.* The Port covenants that for as long as the Series 1998A Bonds are outstanding, it will not permit

(i) More than 10% of the Net Proceeds of the Series 1998A Bonds to be used for any Private Person Use, and

(ii) More than 10% of the principal or interest payments on the Series 1998A Bonds in a Bond Year to be 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 1998A 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 1998A Bonds in a Bond Year are (under the terms of 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 are 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 1998A 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 1998A Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 1998A Bonds.

(c) *Modification of Tax Covenants* The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 1998A Bonds. To that end, the provisions of this section 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 1998A Bonds.

Section 12 Lost, Stolen, Mutilated or Destroyed Series 1998A Bonds. In case any Series 1998A Bond or Series 1998A Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 1998A Bond or Series 1998A Bonds of like date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith and upon his/her filing with the Port evidence satisfactory to the Port that such Series 1998A Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Bond) and of his/her ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port.

Section 13 Forms of Series 1998A Bonds and Registration Certificate

(a) *Series 1998A Bonds* The Series 1998A Bonds shall be in substantially the following form:

FGIC

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the Port of Seattle Revenue Refunding Bonds, Series 1998A (the "Bonds"), such policy being on file at the principal office of the Bond Registrar, as paying agent (the "Paying Agent"):

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

acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest

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

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

The policy is non-cancelable for any reason

FINANCIAL GUARANTY INSURANCE COMPANY

UNITED STATES OF AMERICA

NO _____

\$ _____

STATE OF WASHINGTON
PORT OF SEATTLE
REVENUE REFUNDING BOND, SERIES 1998A

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 Refunding Bond Fund, Series 1998A" (the "Series 1998A Bond Fund") created by Resolution No 3275 as amended of the Port Commission, as amended (together with Resolution No 3059, as amended, most recently by Resolution No 3241, as amended, hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Series 1998A Bond Fund from May 1, 1998, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each June and December, beginning on December 1, 1998 The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the Port to The Depository Trust Company ("DTC") 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 \$73,180,000, 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 bonds of this issue maturing on and after June 1, 2009 shall be subject to optional redemption in advance of their scheduled maturity on and after June 1, 2008 in whole or in part on any date at the following prices, expressed as a percentage of par, plus accrued interest to the date of redemption

Redemption Periods	Redemption Prices
June 1, 2008 through May 31, 2009	101%
June 1, 2009 and thereafter	100%

Unless redeemed pursuant to the foregoing optional redemption provisions, the bonds maturing on June 1, 2017 shall be redeemed by the Port on December 1 of the following years in the following principal amounts at a price of par plus accrued interest to the date of redemption

Redemption Dates	Amounts
2015	\$ 1,525,000
2016	1,610,000
2017*	1,685,000

*** Final Maturity**

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

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

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

The Port does hereby pledge and bind itself to set aside from Gross Revenue after payment of Operating Expenses, and to pay into the Series 1998A Bond Fund and the Series 1998A Reserve Fund the various amounts required by the Bond Resolution to be paid into and maintained in said Funds, all within the times provided by said Bond Resolution

Said amounts so pledged to be paid out of Gross Revenue into the Series 1998A Bond Fund and Series 1998A Reserve Fund are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to payment of the Operating Expenses of the Port and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of the Outstanding Senior Bonds and any revenue bonds of the Port hereafter issued on a parity with the bonds of this issue

The Port has further bound itself to maintain all of its properties and facilities 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 May, 1998

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 1998A of the Port of Seattle, Washington, dated May 1, 1998

WASHINGTON STATE FISCAL
AGENCY, Registrar

By _____
Authorized Signer

In the event any Series 1998A Bonds are no longer in fully immobilized form, the form of such Bonds may be modified to conform to printing requirements and the terms of this Series Resolution

Section 14 Execution The Series 1998A 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 1998A 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 1998A Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Series Resolution.

In case either of the officers of the Port who shall have executed the Series 1998A Bonds shall cease to be such officer or officers of the Port before the Series 1998A Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 1998A 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 1998A 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 1998A Bond shall be the proper officers of the Port although at the original date of such Series 1998A Bond any such person shall not have been such officer

Section 15 Additional Covenant, Defaults and Remedies

(a) *Disposal of Income Properties* In the event of voluntary or involuntary sale, lease, or other conveyance, transfer or disposal of all or substantially all of the marine or aviation properties, assets or facilities, the Port shall require that contemporaneously with such disposition, there shall be paid into a special fund a sum which shall be sufficient to defease all 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 then Outstanding

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

(1) The Port shall fail to make payment of the principal of any Series 1998A Bond when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity; or

(2) The Port shall fail to make payments of any installment of interest on any Series 1998A Bond when the same shall become due and payable, or

(3) The Port shall default in the observance or performance of any other covenants other than conditions, or agreements on the part of the Port contained in Section 16 of this Series Resolution, and such default shall have continued for a period of 90 days.

In determining whether a payment default has occurred or whether a payment on the Series 1998A Bonds has been made under this Series Resolution, no effect shall be given to payments made under the Insurance Policy. Upon the occurrence and continuation of any Default, the Registered Owners of the Series 1998A Bonds shall be entitled to exercise the remedies specified in Section 20 of the Master Resolution, but only with respect to the Series 1998A Bonds.

Section 16 Sale of Bonds The Series 1998A Bonds shall be sold by negotiated sale to PaineWebber Incorporated, Goldman, Sachs & Co., Lehman Brothers Inc., Artemis Capital Group, Inc. and Siebert Brandford Shank & Co., a Division of Muriel Siebert & Co. (collectively, the "Underwriters") under the terms of a Bond Purchase Contract, dated this date (the "Bond Purchase Contract"). The Bond Purchase Contract is hereby approved, and the Designated Port Representative is hereby authorized and directed to execute the Bond Purchase Contract. Upon the adoption of this Series Resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Series 1998A Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 1998A Bonds in accordance with the terms of the Bond Purchase Contract.

The Designated Port Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the Port, the Official Statement (and any Preliminary Official Statement) relating to the issuance and sale of the Series 1998A Bonds and the distribution of the Series 1998A Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

Section 17 Compliance with Parity Conditions The Commission hereby finds and determines as required by Section 5 of the Master Resolution, as follows:

First The Port has not been in default of its covenant under Section 7 of the Master Resolution for the immediately preceding fiscal year (1997), and

Second The Series 1998A Bonds are being issued for refunding purposes.

The limitations contained in the conditions provided in Sections 5 and 6 of the Master Resolution having been complied with, the payments required herein to be made out of the Net Revenues to pay and secure the payment of the principal of, premium, if any, and interest on the Series 1998A Bonds shall constitute a lien and charge upon such Net Revenues equal in rank to the lien and charge thereon of the Outstanding Senior Bonds.

Section 18. Undertaking to Provide Ongoing Disclosure

(a) Contract/Undertaking This section constitutes the Port's written undertaking for the benefit of the Beneficial Owners of the Series 1998A Bonds in order to assist the Underwriters in complying with of the Rule.

(b) *Financial Statements/Operating Data*

(1) *Annual Disclosure Report* The Port covenants and agrees that not later than six months after the end of each fiscal year (the "Submission Date"), commencing June 30, 1999 for the fiscal year ending December 31, 1998, the Port shall provide or cause to be provided to each NRMSIR and to the SID, if any, an annual report (the "Annual Disclosure Report") that is consistent with the requirements of part (2) of this subsection (b). The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (2) of this subsection (b), provided that any annual financial statements (as defined in RCW 43.09 200) may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such Audited Financial Statements are not available by the Submission Date. If the Port's fiscal year changes, the Port shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection 18(c) hereof, and if for any fiscal year the Port does not furnish an Annual Disclosure Report to the NRMSIRs and to the SID, if any, by the Submission Date, the Port shall send to each NRMSIR and to the MSRB notice of its failure to furnish such report.

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

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

(B) *Tax levy* Updated versions of the type of information contained in the final Official Statement in the charts entitled "Port of Seattle Recent Tax Levy Activity" and "Port of Seattle Tax Collection Record 1993-1997."

(C) *Aviation* Updated versions of the type of information contained in the final Official Statement:

(i) in the charts entitled "Seattle-Tacoma International Airport Primary Domestic Origin and Destination Markets" but only to the extent such information is provided to the Port by Back Information Services or by another third-party prior to the Submission Date, "Seattle-Tacoma International Airport Annual Enplanements 1988-1997," "Seattle-Tacoma International Airport Enplanement Market Share by Airline 1993-1997;" "Seattle-Tacoma International Airport Landed Weights of Top Ten Passenger

Carriers 1993-1997 Landed Weights," and "Port of Seattle Aviation Division Operating Statement 1993-1997,"

(ii) relating to (A) the number of total operations for the year and (B) the number of domestic and foreign all-cargo carriers that provide air-cargo service to the Airport and the number of metric tons of enplaned and deplaned cargo at the Airport each year, and

(iii) relating to any change in the method of charging for use of Airport facilities

(D) *Marine Division* Updated versions of the type of information contained in the final Official Statement in the charts entitled "Port of Seattle International Container Volumes (1992-1997)," "Seattle Harbor Top Ten Foreign Trade Partners Total Exports and Imports (1996)," and "West Coast Ports International Containerized Trade 1992-1996" but only to the extent such information is provided to the Port by a third party prior to the Submission Date, "Major Marine Terminal Agreements," and "Port of Seattle Marine Division Operating Statement 1993-1997" and updated versions of the type of operating data relating to the value and type of goods imported and exported through the Port, but only to the extent information as to the value of such goods is provided to the Port by the U S Customs Bureau prior to the Submission Date "

(E) *Other Financial Information* Updated versions of the type of historical financial information and operating data contained in the final Official Statement (i) under the heading "Management Discussion of Historical Financial Results 1993-1997 and (ii) in the chart entitled "Port of Seattle Historical Debt Service Coverage (in thousands) for the Years Ended December 31, 1993-1997 "

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

If not provided as part of the annual financial information discussed above, the Port shall provide the Port's audited annual financial statements prepared in accordance with regulations prescribed by the State auditor pursuant to the statute cited above (or any successor statutes) when and if available to each then existing NRMSIR and the SID, if any.

(c) *Material Events* The Port agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the Series 1998A Bonds, if material:

- Principal and interest payment delinquencies;
- Non-payment related defaults,
- Unscheduled draws on debt service reserves reflecting financial difficulties,
- Unscheduled draws on credit enhancements reflecting financial difficulties,
- Substitution of credit or liquidity providers, or their failure to perform,
- Adverse tax opinions or events affecting the tax-exempt status of the Series 1998A Bonds,
- Modifications to rights of owners,
- Optional, contingent or unscheduled Series 1998A Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856,
- Defeasances,
- Release, substitution or sale of property securing the repayment of the Series 1998A Bonds, and
- Rating changes

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Series 1998A Bonds, the Port will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Series 1998A Bonds. The Port shall promptly determine whether the events described above are material.

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

(e) *Termination/Modification.* The Port's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above) or payment in full of all of the Series 1998A Bonds. This section, or any provision hereof, shall be null and void if the Port (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, have been repealed retroactively or otherwise do not apply to the Series 1998A Bonds; and (2) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section. Notwithstanding any other provision of this Series Resolution, the Port may amend this Section 18 and any provision of this Section 18 may be waived, in accordance with the Rule

In the event of any amendment of or waiver of a provision of this Section 18, the Port shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Port. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(f) *Registered Owner's and Beneficial Owners' Remedies Under this Section*

A Registered Owner's and the Beneficial Owners' right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the Port's obligations hereunder, and any failure by the Port to comply with the provisions of this undertaking shall not be a default with respect to the Series 1998A Bonds under this Series Resolution.

(g) *Additional Information* Nothing in this Section 18 shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in this Section 18 or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of a material event, in addition to that which is required by this Section 18. If the Port chooses to include any information in any Annual Disclosure Report or notice of the occurrence of a material event in addition to that specifically required by this Section 18, the Port shall have no obligation under this Series Resolution to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of a material event.

Section 19 Municipal Bond Insurance Policy, Provisions Relating to Municipal Bond

Insurer The Port has received a commitment dated April 28, 1998 (the "Municipal Bond Insurance Commitment") for the issuance of a policy of municipal bond insurance (each an "Municipal Bond Insurance Policy") with respect to the Series 1998A Bonds. The execution and delivery of the same to the Municipal Bond Insurer by the Designated Port Representative is hereby ratified and approved. The issuance of the Series 1998A Bonds shall be made in accordance with the Municipal Bond Insurance Commitment, with only those changes that shall have been agreed upon by the Municipal Bond Insurer and the Port which agreement may be presumed upon the issuance and delivery of the Municipal Bond Insurance Policy and the remittance by the Port of the premium to the Municipal Bond Insurer for such Municipal Bond Insurance Policy. To that end, the Designated Port Representative is hereby further authorized to

deliver such certificates and additional documentation as shall be necessary to comply with the agreed upon terms of the Municipal Bond Insurance Commitment

(a) *Investment Guidelines* If the Port has not adopted an investment policy that has been approved in writing by the Municipal Bond Insurer permitting the waiver of the following notification requirement, the Port shall provide notice to the Municipal Bond Insurer within 30 days after the release of its annual year-end audit if the total dollar amount of Port funds invested in investments not meeting the minimum investment criteria set forth in the Insurance Commitment (Exhibit E thereto) exceeds 25% of the Port's Net Revenues for such fiscal year

(b) *Information Reporting* The Municipal Bond Insurer shall be provided with the following information by the Port

(i) Within 120 days after the end of each of fiscal year, a budget for the new year, annual audited financial statements and, if not presented in the audited financial statements, a statement of the net revenues pledged to the payment of Series 1998A Bonds in each such fiscal year,

(ii) Official statement or other disclosure, if any, prepared in connection with the issuance of additional indebtedness by the Port whether or not on a parity with the Series 1998A Bonds within 30 days of the sale thereof,

(iii) Notice of any draw upon or deficiency due to market fluctuation in the amount, if any, on deposit in the Series 1998A Reserve Fund,

(iv) Notice of the redemption, other than mandatory sinking fund redemption, of any Series 1998A Bonds, or of any advance refunding of Series 1998A Bonds, including the series, principal amount, maturities and CUSIP numbers thereof,

(v) Simultaneously with the delivery of the annual audited financial statements,

(A) Annual traffic data, including number of enplanements/deplanements and number of airlines operating and percentage of enplanements/deplanements allocable to each such airline,

(B) Number and names of airlines that maintain maintenance facilities at Seattle -Tacoma International Airport,

(C) Current landing fee rates (\$/1000 pounds),

(D) Current terminal space rental rate (\$/square foot); and

(E) Expansion and improvement projects planned or undertaken since the last reporting date; and

(vi) Such additional information as the Municipal Bond Insurer may reasonably request from time to time

The foregoing information reporting requirements may be modified as to time of receipt and content by agreement between the Municipal Bond Insurer and the Port from time to time.

(c) *Amendments or Supplements* Any amendment to the Master Resolution, other than an amendment or supplement relating to the issuance of Future Parity Bonds, shall be subject to the prior written consent of the Municipal Bond Insurer for so long as the Insurance Policies remain in full force and effect and the Municipal Bond Insurer is not in default thereunder. Notice of any such amendment to the Master Resolution and a copy thereof also shall be provided to the Rating Agencies then maintaining a rating on the Series 1998A Bonds at least 15 days prior to its execution or adoption. The Municipal Bond Insurer shall receive a transcript of all proceeding relating to the execution of any such amendment or supplement.

(d) *Payments Under Insurance Policies*

(i) If, on third day preceding any interest payment date for the Series 1998A Bonds, either the Port or the Registrar shall have knowledge that sufficient funds will not be available on such upcoming interest payment date to pay all principal of and interest on such Series 1998A Bonds coming due on such date, the Registrar shall notify the Municipal Bond Insurer and State Street Bank and Trust Company, N A , New York, New York or its successor as fiscal agent for the Municipal Bond Insurer (the "Fiscal Agent") immediately (and in any event shall notify the Municipal Bond Insurer and "Fiscal Agent" immediately upon the occurrence of a payment default) of the amount of such deficiency. If, by said interest payment date, the Port has not provided the amount of such deficiency, the Registrar shall simultaneously make available to the Municipal Bond Insurer and to the "Fiscal Agent" the registration books for the Series 1998A Bonds maintained by the Registrar. In addition:

(A) The Registrar shall provide the Municipal Bond Insurer with a list of Registered Owners entitled to receive principal or interest payments from the Municipal Bond Insurer under the terms of the applicable Insurance Policy and shall make arrangements for the Municipal Bond Insurer and its "Fiscal Agent" (1) to mail checks or drafts to Registered Owners entitled to receive full or partial interest payments from the Municipal Bond Insurer and (2) to pay principal of the Series 1998A Bonds surrendered to the Fiscal Agent by the Registered Owners entitled to receive full or partial principal payments from the Municipal Bond Insurer, and

(B) The Registrar shall, at the time it makes the registration books available to the Municipal Bond Insurer pursuant to (A) above, notify the Registered Owners entitled to receive the payment of principal of or interest on the Series 1998A Bonds from the Municipal Bond Insurer (1) as to the fact of such entitlement, (2) that the Municipal Bond Insurer will remit to them all or part of the interest payments coming due subject to the terms of the respective Insurance Policy, (3) that, except as provided in paragraph (ii) below, in

the event that any Registered Owner is entitled to receive full payment of principal from the Municipal Bond Insurer, such Registered Owner must tender his Series 1998A Bond with the instrument of transfer in the form provided on the Series 1998A Bond executed in the name of the Municipal Bond Insurer, and (4) that, except as provided in paragraph (ii) below, in the event that such Registered Owner is entitled to receive partial payment of principal from the Municipal Bond Insurer, such Registered Owner must tender his Series 1998A Bond for payment first to the Registrar, which shall note on such Series 1998A Bond the portion of principal paid by the Registrar, and then, with an acceptable form of assignment executed in the name of the Municipal Bond Insurer, to the "Fiscal Agent", which will then pay the unpaid portion of principal to the Registered Owner subject to the terms of the respective Insurance Policy

(ii) In the event that the Registrar has notice that any payment of principal of or interest on a Series 1998A Bond has been recovered from a Registered Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Registrar shall, at the time it provides notice to the Municipal Bond Insurer, notify all Registered Owners that in the event that any Registered Owner's payment is so recovered, such Registered Owner will be entitled to payment from the Municipal Bond Insurer to the extent of such recovery, and the Registrar shall furnish to the Municipal Bond Insurer its records evidencing the payments of principal of and interest on the Series 1998A Bonds which have been made by the Registrar and subsequently recovered from Registered Owners, and the dates on which such payments were made

(iii) The Municipal Bond Insurer shall, to the extent it makes payment of principal of or interest on the Series 1998A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the respective Insurance Policies and, to evidence such subrogation, (A) in the case of subrogation as to claims for past due interest, the Registrar shall note the Municipal Bond Insurer's rights as subrogee on the registration books maintained by the Registrar upon receipt from the Municipal Bond Insurer of proof of the payment of interest thereon to the Registered Owners of such Series 1998A Bonds and (B) in the case of subrogation as to claims for past due principal, the Registrar shall note the Municipal Bond Insurer's rights as subrogee on the registration books for the Series 1998A Bonds maintained by the Registrar upon receipt of proof of the payment of principal thereof to the Registered Owners of such Series 1998A Bonds. Notwithstanding anything in this Series Resolution or the Series 1998A Bonds to the contrary, the Registrar shall make payment of such past due interest and past due principal directly to the Municipal Bond Insurer to the extent that the Municipal Bond Insurer is a subrogee with respect thereto

(e) *Notice Addresses*. For purposes of delivering notices to the Municipal Bond Insurer and the "Fiscal Agent" required by this Series Resolution, notices may be delivered by first class mail to the following

Municipal Bond Insurer Financial Guaranty Insurance Company
115 Broadway
New York, New York 10006
Attention: General Counsel

"Fiscal Agent" State Street Bank and Trust Company, N.A
61 Broadway
New York, New York 10006
Attention: Corporate Trust Department

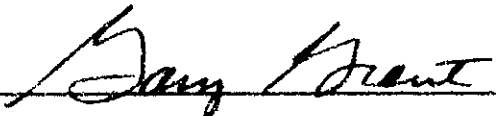
The foregoing notice addresses may be changed by delivery of a written notice to the Port and the Registrar from the Municipal Bond Insurer and/or the "Fiscal Agent".

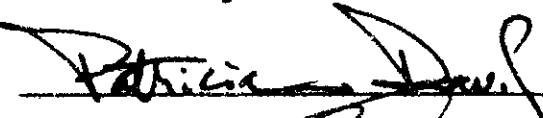
Section 20 Severability. If any one or more of the covenants or agreements provided in this Series Resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Series Resolution and shall in no way affect the validity of the other provisions of this Series Resolution or of any Parity Bonds


Section 21 Effective Date This Series Resolution shall be effective immediately upon its adoption


ADOPTED by the Port Commission of the Port of Seattle at a special meeting thereof, held this 7th day of May, 1998, 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. 3275, AS AMENDED
FORM OF ESCROW AGREEMENT**

ESCROW DEPOSIT AGREEMENT

PORT OF SEATTLE

**Revenue Refunding Bonds
Series 1998A**

THIS ESCROW DEPOSIT AGREEMENT, dated as of the 2nd day of June, 1998, (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 U S Bank Trust National Association, a national banking association, 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 3275, as amended, adopted on _____, 1998 (the "Series Resolution"), the Port has determined to issue its Revenue Refunding Bonds, Series 1998A (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 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, certain of 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 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 effect 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 redemption or 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 from _____, 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 and/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 resolution and escrow verification. Any such transaction may be effected by the Escrow Agent only if 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 1990A Refunded Bonds for redemption on December 1, 2000, and the 1992 Refunded Bonds for redemption on December 1, 2002

Section 6.2. Notice of Redemption.

The Escrow Agent agrees to deliver notices of the redemption and defeasance of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the forms attached hereto as Appendices A-1 through A-6, and as described on said Appendices A-1 through A-6, to the Paying Agent for distribution by the Paying Agent as described therein. The notices of defeasance shall be given immediately following the execution of this Agreement, and the notices of redemption shall be given in accordance with Resolution Nos 3060 and 3111 authorizing the issuance of the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notices of redemption of the Refunded Bonds. The cost of publication of the notices will be paid by the Port.

Section 6.3. 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 6.4. Reports.

While this Agreement remains in effect, the Escrow Agent 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 7. Concerning the Escrow Agent

Section 7.1. 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 7.2. Limitation on Liability.

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

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

The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except 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 7.3. 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 7.4. 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 60 days after a vacancy shall

have occurred, the owner of any Senior Lien Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Washington, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Washington, having a combined capital and surplus of at least \$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 7.4 are satisfied, (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement, and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent

Article 8. Miscellaneous

Section 8.1. 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 8.2. 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 8.3. 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 8.4. 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 8.5. Washington Law Governs.

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

Section 8.6. 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 8.7. 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

**U.S. BANK TRUST NATIONAL
ASSOCIATION**

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 - Notices of Redemption and defeasance
- 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:

Attention: Corporate Trust

EXHIBIT B
Description of the Refunded Bonds

1990A Bonds

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2003	\$17,635,000	7.20%
2014	18,420,000	6.00

1990B Bonds

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2003	\$4,800,000	7.40%
2009	3,475,000	7.60
2011	2,865,000	7.70
2014	5,080,000	6.00

1992A Bonds

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2006	\$ 770,000	6.40%
2010	3,700,000	6.25
2017	8,535,000	6.25

1992B Bonds

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2006	\$ 255,000	6.50%
2010	1,185,000	6.70
2017	2,935,000	6.00

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

Refunded Bonds

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$

**EXHIBIT D
Escrow Deposit**

Series 1998A Bonds

Date of Deposit: _____

I. Cash - \$ _____

II. Other Obligations

<u>Description</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Cost</u>	<u>Accrued Interest</u>	<u>Total Cost</u>
	\$	%	%	\$	\$	\$	\$

**APPENDIX A-1
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, all of its then outstanding Revenue Bonds, Series 1990A maturing on December 1, 2003 and December 1, 2014 (the "Bonds"). The Bonds maturing on December 1, 2003 will be redeemed at a price of 102 percent (102%) of their principal amount, plus interest accrued to December 1, 2000, and the Bonds maturing on December 1, 2014 will be redeemed at a price of 100 percent (100%) 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-

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

The following Bonds are being redeemed:

Maturity Year (December 1)	Principal Amount	Interest Rates	CUSIP Nos.
2003	\$17,635,000	7.20%	735388VC1
2014	18,420,000	6.00	735388VF4

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated _____.

* This notice shall be given in accordance with the operational arrangements then in effect at the Depository Trust Company

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

PORT OF SEATTLE, REVENUE BONDS, SERIES 1990B

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on December 1, 2000, \$4,800,000 of its then outstanding Revenue Bonds, Series 1990B (the "1990B Bonds") maturing on December 1, 2003, \$3,420,000 of the 1990B Bonds maturing on December 1, 2009, \$2,820,000 of the 1990B Bonds maturing on December 1, 2011 and \$5,010,000 of the 1990B Bonds maturing on December 1, 2014 (the "Bonds"). The Bonds maturing on December 1, 2003 through December 1, 2011 will be redeemed at a price of 102 percent (102%) of their principal amount, plus interest accrued to December 1, 2000, and the Bonds maturing on December 1, 2014 will be redeemed at a price of 100 percent (100%) 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-

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

The following Bonds are being redeemed:

<u>Maturity Year (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>CUSIP Nos.</u>
2003	\$4,800,000	7.40%	735388VD9
2009	3,420,000	7.60	735388VJ6
2011	2,820,000	7.70	735388VL1
2014	5,010,000	6.00	735388VG2

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated: _____

* This notice shall be given in accordance with the operational arrangements then in effect at the Depository Trust Company

**APPENDIX A-3
Notice of Redemption**

PORT OF SEATTLE, REVENUE BONDS, SERIES 1992A

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on November 1, 2002, all of its then outstanding Revenue Bonds, Series 1992A maturing on November 1, 2006, November 1, 2010 and November 1, 2017 (the "Bonds") The Bonds maturing on November 1, 2006 and November 1, 2010 will be redeemed at a price of 102 percent (102%) of their principal amount, plus interest accrued to November 1, 2002, and the Bonds maturing on November 1, 2017 will be redeemed at a price of 101 percent (101%) of their principal amount, plus interest accrued to November 1, 2002. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on November 1, 2002. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of

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

-or-

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

The following Bonds are being redeemed

<u>Maturity Year (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>CUSIP Nos</u>
2006	\$ 770,000	6.40%	735388XF2
2010	3,700,000	6.25	735388X14
2017	8,535,000	6.25	735388XM

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated _____.

* This notice shall be given in accordance with the operational arrangements then in effect at the Depository Trust Company.

**APPENDIX A-4
Notice of Redemption**

PORT OF SEATTLE, REVENUE BONDS, SERIES 1992B

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on November 1, 2002, \$245,000 of its then outstanding Revenue Bonds, Series 1992B (the "1992B Bonds") maturing on November 1, 2006, \$1,135,000 of the 1992B Bonds maturing on November 1, 2010 and \$2,835,000 of the 1992B Bonds maturing on November 1, 2017 (the "Bonds") The Bonds maturing on November 1, 2006 and November 1, 2010 will be redeemed at a price of 102 percent (102%) of their principal amount, plus interest accrued to November 1, 2002, and the Bonds maturing on November 1, 2017 will be redeemed at a price of 101 percent (101%) of their principal amount, plus interest accrued to November 1, 2002 Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on November 1, 2002 The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of.

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

-or-

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

The following Bonds are being redeemed.

<u>Maturity Year (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>CUSIP Nos</u>
2006	\$ 245,000	6.50%	735388XG0
2010	1,135,000	6.70	735388XK1
2017	2,835,000	6.00	735388XN5

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated: _____

This notice shall be given in accordance with the operational arrangements then in effect at the Depository Trust Company

APPENDIX A-5
Notice of Defeasance*

PORT OF SEATTLE, WASHINGTON REVENUE BONDS, SERIES 1990A

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 1998, by and between the Port of Seattle, Washington (the "Port") and U S Bank Trust National Association, a national banking association (the "Escrow Trustee"), the Port has deposited into an escrow account, held by the Escrow Trustee, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption date of such bonds so provided for, the principal thereof and interest thereon (the "1990A Defeased Bonds") Such 1990A Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No _____ of the Port, authorizing the issuance of the 1990A Defeased Bonds, respectively, but will be paid by application of the assets of such escrow account

The 1990A Defeased Bonds are described as follows

Port of Seattle, Series 1990A Revenue Bonds (Dated February 1, 1990)

Maturity Year (December 1)	Principal Amount	Interest Rates	Call Date (Price)
2003	\$17,635,000	7.20%	12/1/2000 (102%)
2014	18,420,000	6 00	12/1/2000 (100%)

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No _____ of the 1990A Defeased Bonds described above, which certificate is in the principal amount of \$_____.

_____, 1998, means U.S Bank Trust National Association, a national banking association, as Escrow Trustee.

* This notice shall be given to The Depository Trust Company of New York, New York; Moody's Investors Service, New York, New York, and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc , New York, New York

**APPENDIX A-6
Notice of Defeasance***

PORT OF SEATTLE, WASHINGTON REVENUE BONDS, SERIES 1990B

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 1998, by and between the Port of Seattle, Washington (the "Port") and means U S Bank Trust National Association, a national banking association (the "Escrow Trustee"), the Port has deposited into an escrow account, held by the Escrow Trustee, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption date of such bonds so provided for, the principal thereof and interest thereon (the "1990B Defeased Bonds"). Such 1990B Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No _____ of the Port, authorizing the issuance of the 1990B Defeased Bonds, respectively, but will be paid by application of the assets of such escrow account

The 1990B Defeased Bonds are described as follows

Port of Seattle, Series 1990B Revenue Bonds (Dated February 1, 1990)

Maturity Year (December 1)	Principal Amount	Interest Rates	Call Date (Price)
2003*	\$4,800,000	7 40%	12/1/2000 (102%)
2009*	3,420,000	7 60	12/1/2000 (102%)
2011*	2,820,000	7 70	12/1/2000 (102%)
2014	5,010,000	6 00	12/1/2000 (100%)

*New CUSIP numbers have been assigned to these bonds

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No _____ of the 1990B Defeased Bonds described above, which certificate is in the principal amount of \$ _____

_____, 1998, means U S Bank Trust National Association, a national banking association, as Escrow Trustee

New CUSIP numbers have been assigned to maturities of the 1990B Defeased Bonds designated above with an asterisk (*) Such Defeased Bonds must be submitted to the Fiscal Agent for the State of Washington for reissue with the appropriate CUSIP number(s) If your bond has been assigned a new CUSIP number, please submit it to the address listed below along with a copy of this notice

The Bonds should be presented as follows.

IF BY MAIL:

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

IF BY HAND:

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

_____, 1998

The Bank of New York as Bond Registrar

* This notice shall be given to The Depository Trust Company of New York, New York, Moody's Investors Service, New York, New York, and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., New York, New York

**APPENDIX A-7
Notice of Defeasance***

PORT OF SEATTLE, REVENUE BONDS, SERIES 1992A

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 1998, by and between the Port of Seattle, Washington (the "Port") and means U.S. Bank Trust National Association, a national banking association (the "Escrow Trustee"), the Port has deposited into an escrow account, held by the Escrow Trustee, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption date of such bonds so provided for, the principal thereof and interest thereon (the "1992A Defeased Bonds"). Such 1992A Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No. _____ of the Port, authorizing the issuance of the 1992A Defeased Bonds, respectively, but will be paid by application of the assets of such escrow account.

The 1992A Defeased Bonds are described as follows:

Port of Seattle, Series 1992 Series A (Dated April 1, 1992)

Maturity Year (December 1)	Principal Amount	Interest Rates	Call Date (Price)
2006	\$ 770,000	6.40%	11/1/2002 (102%)
2010	3,700,000	6.25	11/1/2002 (102%)
2017	8,535,000	6.25	11/1/2002 (101%)

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the 1992A Defeased Bonds described above, which certificate is in the principal amount of \$_____.

_____, 1998, means U.S. Bank Trust National Association, a national banking association, as Escrow Trustee.

* This notice shall be given to The Depository Trust Company of New York, New York; Moody's Investors Service, New York, New York; and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., New York, New York.

**APPENDIX A-8
Notice of Defeasance**

PORT OF SEATTLE, REVENUE BONDS, SERIES 1992B

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 1998, by and between the Port of Seattle, Washington (the "Port") and means U S Bank Trust National Association, a national banking association (the "Escrow Trustee"), the Port has deposited into an escrow account, held by the Escrow Trustee, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption date of such bonds so provided for. the principal thereof and interest thereon (the "1992B Defeased Bonds") Such 1992B Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No _____ of the Port, authorizing the issuance of the 1992B Defeased Bonds, respectively, but will be paid by application of the assets of such escrow account

The 1992B Defeased Bonds are described as follows

Port of Seattle, Series 1992 Series B (Dated April 1, 1992)

<u>Maturity Year (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>Call Date (Price)</u>
2006*	\$ 245,000	6 50%	11/1/2002 (102%)
2010*	1,135,000	6 70	11/1/2002 (102%)
2017*	2,835,000	6 00	11/1/2002 (101%)

*New CUSIP numbers have been assigned to these bonds

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No _____ of the 1992B Defeased Bonds described above, which certificate is in the principal amount of \$ _____

_____, 1998, means U.S. Bank Trust National Association, a national banking association, as Escrow Trustee

New CUSIP numbers have been assigned to maturities of the 1992B Defeased Bonds designated above with an asterisk (*) Such Defeased Bonds must be submitted to the Fiscal Agent for the State of Washington for reissue with the appropriate CUSIP number(s) If your bond has been assigned a new CUSIP number, please submit it to the address listed below along with a copy of this notice

The Bonds should be presented as follows

IF BY MAIL

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

IF BY HAND:

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

_____, 1998

The Bank of New York as Bond Registrar

* This notice shall be given to The Depository Trust Company of New York, New York; Moody's Investors Service, New York, New York, and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., New York, New York

APPENDIX B

Fee of Escrow Agent: \$

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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 3275, 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 7th day of May, 1998, 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 7th day of May, 1998.

Paige R Miller
Secretary