

RESOLUTION NO. 3156, AS AMENDED

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

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

WHEREAS, the facilities of the Port are in need of expansion and improvement within the terms of the Port's comprehensive scheme of harbor area improvements; and

WHEREAS, the Port is authorized by RCW 53.36.030 and ch. 39.46 to issue general obligation bonds payable, *inter alia*, from regular tax levies of the Port; and

WHEREAS, on November 9, 1993, and on December 14, 1993, the Port Commission held public hearings on the issuance of such bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended; and

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

WHEREAS, it is deemed necessary and desirable that such 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 resolution shall have the following meanings:

"Arbitrage Certificate" means the certificate of that name executed and delivered by the Port at the time of issuance and delivery of the Bonds.

"Bond Fund" means the Port of Seattle Limited Tax General Obligation Bond Fund, 1994 created in the office of the Treasurer of the Port by Section 7 of this resolution.

"Bonds" means the Port of Seattle, Washington, Limited Tax General Obligation Bonds, 1994, authorized to be issued by Section 3 of this resolution.

"Bond Register" means the registration books on which are maintained the names and addresses of the owners or nominees of the owners of the Bonds.

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

the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

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

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

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

"Computation Period" means the period between Computation Dates.

"Construction Fund" means the "Construction Fund--Southwest Harbor Project" of the Port maintained in the Office of the Treasurer.

"Designated Port Representative" means the Executive Director or the Chief Financial Officer of the Port.

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

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

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

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

"Payments" mean:

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

"Port" means the Port of Seattle, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

"Rebatable Arbitrage" means the amount(s) computed pursuant to the Arbitrage Certificate.

"Receipts" mean:

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

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

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

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

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

"Treasurer of the Port" means the Director of Finance of King County, Washington, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

"Yield Reduction Payments" mean payments made to the United States in the manner permitted by Internal Revenue Service regulations that reduce the yield on investments.

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

Section 2. Authorization of Projects. The Port is considering the undertaking of one or more of the following capital improvements, including the following:

1. The Southwest Harbor Development Project (as described in the Preliminary Official Statement with respect to the Bonds).

2. Terminal 18, which is situated at 2400 to 2900 - 11th Avenue S.W., Seattle, Washington 98134, shall be improved with the following projects: miscellaneous yard improvements and container crane upgrade.

3. Terminal 30, which is situated at 2715 East Marginal Way South, Seattle, Washington 98134, shall be improved by container yard development.

4. Terminal 46, which is situated at 401 Alaskan Way South shall be improved through upgrades of container cranes and improvements to container yard space and other miscellaneous improvements to fencing, utilities and gates.

5. Container crane modernization and replacement including various crane improvements projects and acquisitions at various Port terminals.

6. Terminal 108, which is situated at East Marginal Way at Diagonal Way South shall be expanded and improved through the acquisition of unimproved land located in the 4500 Block of Diagonal Way South and preliminary planning and development.

7. Piers 27/28 which are situated at 2715 E. Marginal Way South, Seattle, Washington 98134, shall be improved by property acquisition and development of a container yard.

8. Terminal 37 which is situated at 1201 Alaskan Way South, Seattle, Washington 98134 shall be improved by demolition of a container freight station and development of a container yard.

9. Pier 48, which is situated at 101 Alaskan Way South, Seattle, Washington 98104, shall be improved by the rehabilitation of an existing building and underdock, redesign and construction of an existing park and the design of a new terminal.

10. Piers 64/65 which are situated at 2201 Alaskan Way, Seattle, Washington 98121, shall be improved by construction of transient moorage facilities, including breakwater and floats.

11. Pier 64, which is situated at 2201 Alaskan Way, Seattle, Washington, shall be improved by demolition of timber structure and installation of seismic bracing to the underdock structure, development of additional Port staff office space, modifications to heating and ventilation systems, and demolition of sheds and the acquisition of adjacent property.

12. Terminal 91, which is situated at 2001 West Garfield, Seattle, Washington 98119, shall undergo miscellaneous improvements including roof replacement and rehabilitation of timber apron.

13. Terminal 105, which is situated at 4260 West Marginal Way, S.W., Seattle, Washington 98134, shall be improved by the inspection and repair of terminal piling, straighten shoreline, fill uplands and yard improvements.

The foregoing items (1-13) are referred to collectively as the "Project". The total costs of the Southwest Harbor Project are estimated to be approximately \$210,000,000 a portion of which shall be paid from the proceeds of the Bonds. The Port may allocate Bond proceeds among the foregoing components of the Project at its discretion.

Section 3. Authorization of Bonds and Bond Details.

(a) Authorization. For the purpose of paying the costs of the Project and costs of issuance, the Port shall issue the Bonds in the principal amount of \$154,690,000. The Bonds shall

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

Maturity Years (May 1)	Principal Amounts	Interest Rates
1995	\$ 4,600,000	3.55%
1996	4,780,000	4.20
1997	4,995,000	4.50
1998	5,230,000	4.70
1999	5,485,000	4.80
2000	5,760,000	5.00
2001	6,055,000	5.10
2002	6,375,000	5.15
2003	6,715,000	5.25
2004	7,080,000	5.35
2005	7,475,000	5.50
2006	7,900,000	5.50
2007	8,345,000	5.50
2008	8,815,000	5.50
2009	9,330,000	5.80
2010	9,890,000	5.85
2011	10,490,000	5.90
2014	35,370,000	5.75

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

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

Section 4. Redemption and Purchase.

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

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

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

<u>Redemption Years</u>	<u>Redemption Amount</u>
2012	\$11,120,000
2013	11,775,000
2014*	12,475,000

* Final Maturity.

(c) Selection of Bonds for Redemption. If Bonds are called for redemption, portions of the principal amount of such Bonds, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such 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 amount thereof, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any denomination authorized by this resolution.

(d) Purchase of Bonds for Retirement. The Port further reserves the right to use at any time any legally available funds to purchase any of the Bonds for retirement.

Section 5. Notice of Redemption.

(a) Official Notice. Unless waived by any owner of Bonds to be redeemed, official notice of any such 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 Bond or 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:

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

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

(b) Effect of Notice; Bonds Due. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Port shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such 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 the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

(c) 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.

(i) 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 Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption may be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being DTC; Midwest Securities Trust Company of Chicago, Illinois; and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and shall be sent to one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Investors Service and Standard & Poor's Corporation at their respective offices in New York, New York) and to the Underwriters or to their business successor(s), if any, and to such persons and with such additional information as the Treasurer shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

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

(d) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, 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 6. Registration.

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

(b) Registered Ownership. The Port and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes, and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3 hereof, but such registration may be transferred as herein provided. All such payments made as described in Section 4 shall be valid and shall satisfy and discharge the liability of the Port upon such Bond to the extent of the amount or amounts so paid. The Port and the Registrar shall be entitled to treat the person in whose name any Bond is registered as the absolute owner thereof for all purposes of this resolution and any applicable laws, notwithstanding any notice to the contrary received by the Registrar or the Port. Neither the Port nor the Registrar will have any responsibility or

obligations, legal or otherwise, to any other party including DTC or its successor (or substitute depository or its successor), except for the Registered Owners of the Bonds.

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

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds in respect of the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on the Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the Port to the Registrar or to DTC), or any consent given or other action taken by DTC as the Registered Owner. For so long as any Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in the Bonds.

If any 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 Bond until it is paid.

(d) Use of Depository.

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

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Commission to

discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Commission may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of subsection (1) above, the Registrar shall, upon receipt of all Outstanding Bonds, together with a written request on behalf of the Commission, issue a single new Bond for each maturity of such Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Commission.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Commission determines that it is in the best interest of the beneficial owners of any series of the Bonds that they be able to obtain such series in the form of Bond certificates, the ownership of Bonds may then be transferred to any person or entity as herein provided, and such series shall no longer be held in fully immobilized form. The Commission shall deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt of all then outstanding Bonds by the Registrar together with a written request on behalf of the Commission to the Registrar, new Bonds shall be issued in such denominations and registered in the names of such persons as are requested in such written request.

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

(f) Registrar's Ownership of Bonds. The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of the Bonds.

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

Section 7. Bond Fund. A special fund of the Port designated the "Port of Seattle Limited Tax General Obligation Bond Fund, 1994" (the "Bond Fund") is hereby authorized to be created in the office of the Treasurer of the Port for the purpose of paying and securing the payment of the Bonds. The 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 Bonds.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes upon all of the property in the Port subject to taxation within and as a part of the tax levy permitted to port districts without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 8. Defeasance. In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal of and interest on the certain Bonds so provided for and such Bonds shall then cease to be entitled to any lien, benefit or security of this resolution, except the right to receive the funds so set aside and pledged and notices of early redemption, if any, and such Bonds shall no longer be deemed to be outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

Section 9. Construction Fund. The Treasurer has heretofore created a special fund for the Port designated as the "Construction Fund--Southwest Harbor Project" (the "Construction Fund"). The proceeds of the Bonds shall be deposited in the Construction Fund and shall be used, along with other moneys deposited in the Construction Fund by the Port, for the payment of the costs of issuance of the Bonds and the costs of the Project. Money in the Construction Fund shall

be invested in any legal investment for Port funds, at the direction of the Port provided to the Treasurer. When the Project has been completed and all costs thereof paid, the Construction Fund may be closed, and all money remaining in the Construction Fund shall be transferred to the Bond Fund.

Section 10. Tax Covenants.

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

(b) Use of Proceeds of Bonds.

(1) The Project includes only facilities that are (A) directly related and essential to transferring passengers or cargo to or from docks or wharves or (B) functionally related and subordinate to such docks or wharves (the projects referred to in this subsection (b) are hereinafter referred to as the "marine projects").

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

(3) The Project shall not include any:

(i) lodging facility,

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

(iii) retail facility (other than parking) for passengers or the general public located outside the marine terminal,

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

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

(4) Any element of the Project that is an office must be located at the marine terminal, and no more than a de minimis amount of the functions performed at such office may not be directly related to day-to-day operations of the marine terminal. Any storage or training facilities included in the Project must be located at the marine terminal and

must be of a character and size commensurate with the character and size of the marine terminal.

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

(c) Arbitrage Rebate.

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

(2) Computation of Rebatable Arbitrage. As of any Computation Date, the Rebate Amount for the Bonds is the excess of the future value, as of such date, of all Receipts over the future value, as of such date, of all Payments.

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

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

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

(d) Modification of Tax Covenants. The covenants of this Section 10 are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds. To that end, the provisions of this Section 10 may be modified or eliminated without any requirement for formal amendment thereof upon receipt of an opinion of the Port's bond counsel that such modification or elimination will not adversely affect the tax exemption of interest on the Bonds.

Section 11. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Bond or 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 Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port.

Section 12. Form of Bonds and Registration Certificate.

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

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

LIMITED TAX GENERAL OBLIGATION BOND, 1994

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 the Principal Amount indicated above and to pay interest thereon from the Bond Fund from March 1, 1994, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable on November 1, 1994, and semiannually thereafter on the first days of each May and November. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft to the Registered Owner or assigns at the address shown on the Bond Register on the 15th day of the month prior to the interest payment date (or, if this bond is held in fully immobilized form or otherwise if agreed to by the Port, by wire transfer). Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York (collectively the "Registrar"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Resolution No. 3156 of the Port Commission, as amended (the "Bond Resolution").

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$154,690,000, of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to pay the costs of certain capital improvements to Port facilities.

The bonds of this issue maturing on and prior to May 1, 2004 are not subject to redemption in advance of their scheduled maturity. The bonds of this issue maturing on and after May 1, 2005 are subject to redemption at the option of the Port on and after May 1, 2004 in whole or in part on any date, and if in part, with maturities to be selected by the Port and by lot

within a maturity as determined by the Registrar at the following prices expressed as a percentage of par plus accrued interest to the date of redemption:

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

Unless previously redeemed pursuant to the foregoing optional redemption provisions, the bonds of this issue maturing in the year 2014 are subject to mandatory redemption on May 1 of the following years at a price of par plus accrued interest to the date of redemption:

Redemption Years	Redemption Amount
2012	\$11,120,000
2013	11,775,000
2014*	12,475,000

* Final Maturity.

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

This bond is transferable only on the records maintained by the Registrar for that purpose upon the surrender of this bond by the registered owner hereof or his/her duly authorized agent and only if endorsed in the manner provided hereon, and thereupon a new fully registered bond of like principal amount, series, maturity and interest rate shall be issued to the transferee in exchange therefor. Such exchange or transfer shall be without cost to the registered owner or transferee. The Port and Registrar may deem the person in whose name this bond is registered to be the absolute owner hereof for the purpose of receiving payment of the principal of and interest on the bond and for any and all other purposes whatsoever.

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

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to port districts without a vote of the electors and in amounts sufficient, with other money legally available therefor, to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and resolutions of the Port and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the Port of Seattle, 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 March, 1994.

PORT OF SEATTLE, WASHINGTON

By _____ /s/ _____
President, Port Commission

ATTEST:

_____/s/_____
Secretary, Port Commission

King County Comptroller's Reference No. _____

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Limited Tax General Obligation Bonds, 1994 of the Port of Seattle, Washington, dated March 1, 1994.

WASHINGTON STATE FISCAL AGENCY,
Registrar

By _____
Authorized Signer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

[Empty rectangular box for Social Security or Taxpayer Identification Number]

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

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

DATED: _____, 19 ____.

SIGNATURE GUARANTEED:

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

(b) Bonds in Certificated Form. In the event the Bonds are no longer in fully immobilized form, the form of Bonds may be modified to conform to printing requirements and the terms of this resolution.

Section 13. Execution. The 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 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 resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either of the officers of the Port who shall have executed the Bonds shall cease to be such officer or officers of the Port before the Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such 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 Bond may also be signed and attested on behalf of the Port by such persons as at the actual date of execution of such Bond shall be the proper officers of the Port although at the original date of such Bond any such person shall not have been such officer.

Section 14. Registrar. The Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds which shall at all times be open to inspection by the Port. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution.

The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds. The Registrar may become the owner of Bonds with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners of the Bonds.

Section 15. Secondary Market Disclosure. The Port appreciates the support of the investment community for its financing efforts relating to its outstanding bonds and bonds that the Port may issue in the future. The Port, therefore, agrees that it will provide annual audited financial statements and other pertinent credit information relevant to the securities of the Port (which may be contained in official statements), including the Port's Annual Financial Report, upon request, and will provide copies to one or more information providers in the state and local government securities market. Periodic credit information also will be provided to rating agencies as necessary for maintaining outstanding ratings on the Bonds. The official statements of the Port will reflect this commitment.

Section 16. Sale of Bonds. The Bonds shall be sold at negotiated sale to an underwriting group consisting of Goldman, Sachs & Co., Lehman Brothers Inc., PaineWebber Incorporated, M.R. Beal & Company and Artemis Capital Group, Inc. (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. 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 Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Contract.

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

Section 17. Effective Date. This resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof, held this 10th day of March, 1994, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission duly affixed.

PORT OF SEATTLE, WASHINGTON

Patricia Davis
John S. Black
Paige R. Miller

Commissioners

EXHIBIT A

BOOK ENTRY ONLY MUNICIPAL BONDS

Letter of Representations

[Name of Issuer]

[Name of Agent]

Date

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

Re: _____

(Issue Description)

Ladies and Gentlemen:

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

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

1. Prior to closing on the Bonds on _____, 199____, there shall be deposited with DTC one Bond certificate registered in the name of DTC's nominee, Cede & Co., for each stated maturity of the Bonds in the face amounts set forth on Schedule A hereto, the total of which represents 100% of the principal amount of such Bonds. If, however, the aggregate principal amount of any maturity exceeds \$150 million, one certificate will be issued with respect to each \$150 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount. Each \$150 million Bond certificate shall bear the following legend:

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

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

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

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

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

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

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

7. Notices to DTC pursuant to Paragraph 3 by telecopy shall be sent to DTC's Call Notification Department at (516) 227-4164 or (516) 227-4190. If the party sending the notice does not receive a telecopy receipt from DTC confirming that the notice has been received, such party shall telephone (516) 227-4070. Notices to DTC pursuant to Paragraph 3 by mail or by any other means shall be sent to:

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

8. Notices to DTC pursuant to Paragraph 4 and notices of other actions (including mandatory tenders, exchanges, and capital changes) by telecopy shall be sent to DTC's Reorganization Department at (212) 709-1093 or (212) 709-1094, and receipt of such notices shall be confirmed by telephoning (212) 709-6884. Notices to DTC pursuant to the above by mail or by any other means shall be sent to:

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

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

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

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

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

NDFS Redemption Department
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

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

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

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

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

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

Notes:

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

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

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

Very truly yours,

(Issuer)

By: _____
(Authorized Officer's Signature)

(Agent)

By: _____
(Authorized Officer's Signature)

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: _____
(Authorized Officer)

CC: Underwriter
Underwriter's Counsel

SCHEDULE A

(Describe Issue)

CUSIP

Principal Amount

Maturity Date

Interest Rate

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

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

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

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

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

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

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

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

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

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in 'street name,' and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository), in that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.