

SERIES RESOLUTION
PORT OF SEATTLE, WASHINGTON

RESOLUTION NO. 3060, AS AMENDED

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF SEATTLE, WASHINGTON, AUTHORIZING THE SALE AND ISSUANCE OF REVENUE BONDS, SERIES 1990A, SERIES 1990B AND SERIES 1990C OF THE PORT IN THE PRINCIPAL AMOUNTS OF \$66,240,492.05, \$59,969,771.35 AND \$24,805,000, RESPECTIVELY, FOR THE PURPOSE OF FINANCING ADDITIONS AND IMPROVEMENTS TO ITS PROPERTIES AND FACILITIES AND REFUNDING CERTAIN OUTSTANDING BONDS; FIXING THE DATE, FORMS, TERMS, MATURITIES FOR EACH SERIES; AND AUTHORIZING THE APPROVAL OF INTEREST RATES AND SALE OF THE SERIES 1990 BONDS.

ADOPTED: February 2 1990

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PORT OF SEATTLE

RESOLUTION NO. 3060, AS AMENDED

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SERIES RESOLUTION

PORT OF SEATTLE, WASHINGTON

RESOLUTION NO. 3060, As Amended

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of revenue bonds, Series 1990A, Series 1990B and Series 1990C of the Port in the principal amounts of \$66,240,492.05, \$59,969,771.35 and \$24,805,000, respectively, for the purpose of financing additions and improvements to its properties and facilities and refunding certain outstanding bonds; fixing the date, forms, terms, maturities for each series; and authorizing the approval of interest rates and sale of the bonds.

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

WHEREAS, the airport and marine facilities of the Port are in need of capital expansion and improvement; and

WHEREAS, the Port currently has outstanding its Unit Priced Demand Adjustable Junior Lien Revenue Bonds, Series 1985 in the aggregate principal amount of \$24,400,000 (the "Junior Lien Bonds"); and

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

<u>Resolution Number</u>	<u>Date of Issue</u>	<u>Original Principal Amt.</u>	<u>Currently Outstanding (2/1/90)</u>	<u>Final Maturity Dates</u>
2286	Feb 1, 1969	\$ 20,000,000	\$13,265,000	Feb 1, 1999
2397	Nov 1, 1971	22,300,000	14,735,000	Nov 1, 2001
2504	Nov 1, 1973	111,000,000	75,160,000	Nov 1, 2001
2653	Oct 1, 1976	55,000,000	33,365,000	Apr 1, 2000
2764	July 1, 1979	55,000,000	44,150,000	July 1, 2009
2919	Jan 1, 1984	26,900,000	20,080,000	Jan 1, 1999
2983	Dec 1, 1985	40,800,000	36,245,000	Dec 1, 2001

; and

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No. 3059, as amended, adopted on this date (the "Master Resolution"); and

WHEREAS, the bonds authorized under the Master Resolution will be payable from Net Revenues (as such term is defined in the

Master Resolution) and shall have a lien subordinate to the lien of the Senior Lien Bonds; and

WHEREAS, it is now deemed necessary that three series of bonds be issued under authority of the Master Resolution to finance necessary capital improvements and the refunding of the Junior Lien Bonds; and

WHEREAS, the Port Commission has held a public hearing on the issuance of two of the series 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 series of revenue bonds be fixed; and

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

"AMBAC Indemnity" means AMBAC Indemnity Corporation, a Wisconsin-domiciled stock insurance company.

"Bond Year" means each one year period (or shorter period from the date of issue) that ends at the close of business on each November 30 following the issuance and delivery of the Series 1990 Bonds.

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

"Computation Date" means the Installment Computation Date or the Final Computation Date.

"Construction Fund--A, Airport" means the account by that name maintained in the office of the Treasurer for the purpose of holding a portion of the proceeds of the Series 1990A Bonds to be used for airport purposes.

"Construction Fund-A, Marine" means the account by that name maintained in the office of the Treasurer for the purpose of holding a portion of the proceeds of the Series 1990A Bonds to be used for marine division purposes.

"Construction Fund-B, Airport" means the account by that name maintained in the office of the Treasurer for the purpose of holding a portion of the proceeds of the Series 1990B Bonds to be used for airport purposes.

"Construction Fund-B, Marine" means the account by that name maintained in the office of the Treasurer for the purpose of holding a portion of the proceeds of the Series 1990B Bonds to be used for marine division purposes.

"Co-Paying Agents" means the Registrar appointed for purposes of paying the principal of and interest and premium, if any, on the Series 1990 Bonds.

"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 1990 Bonds pursuant to Section 3 hereof.

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

"Escrow Agreement" means the Escrow Agreement dated as of the date of closing and delivery of the Series 1990C Bonds, between the Port and the Escrow Agent.

"Federal Securities" means direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, not redeemable at the option of the obligor prior to the time the proceeds thereof are required for the purpose of paying and redeeming the Junior Lien Bonds to which such Federal Securities are pledged.

"Final Computation Date" means the date that the last Series 1990A Bond, Series 1990B Bond or Series 1990C Bond, as the case may be, is discharged. A Series 1990 Bond is discharged on the date that all amounts due under the terms of the Series 1990 Bond are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Series 1990 Bond after such date.

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

"Installment Computation Date" means the last day of the fifth Bond Year and of each succeeding fifth Bond Year.

"Junior Lien Bonds" means the Port's Unit Priced Demand Adjustable Junior Lien Revenue Bonds, Series 1985, currently outstanding in the principal amount of \$24,400,000.

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

"1990 Junior Lien Bond Refunding Account" means the account of that name in the Junior Lien Bond Fund created pursuant to Section 9(c)(2) of this resolution.

"Junior Lien Bond Fund" means the Port of Seattle Unit Priced Demand Adjustable Junior Lien Revenue Bond Fund, 1985 created in the office of the Treasurer and maintained with the fiscal agent of the State of Washington pursuant to Section 5.2 of Resolution No. 2164 of the Commission.

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

"Nonpurpose Payments" means, in general, any payment with respect to an investment allocated to the Series 1990A Bonds, the

Series 1990B Bonds or Series 1990C Bonds, as the case may be. The following types of payments are specifically included:

(1) Direct Payments. The amount of gross proceeds of the Series 1990A Bonds, the Series 1990B Bonds or the Series 1990C Bonds, as the case may be, directly used to purchase the investment. Direct payments do not include brokerage commissions, administrative expenses or similar expenses.

(2) Constructive Payments. The fair market value (as of the date of allocation to the Series 1990A Bonds, the Series 1990B Bonds or Series 1990C Bonds, as the case may be) of any investment that was not directly purchased with gross proceeds of the Series 1990A Bonds, the Series 1990B Bonds or Series 1990C Bonds, as the case may be, but which is allocated to the Series 1990A Bonds, the Series 1990B Bonds or Series 1990C Bonds, as the case may be.

(3) Payments of Rebatable Arbitrage. Any payment of Rebatable Arbitrage if such payment is made no later than the due date for such payment.

"Nonpurpose Receipts" means, in general, any receipt with respect to an investment allocated to the Series 1990A Bonds, the Series 1990B Bonds or Series 1990C Bonds, as the case may be. The following types of receipts are specifically included:

(1) Actual Receipts. Any amount actually or constructively received with respect to an investment. Actual receipts may not be reduced by selling commissions, administrative expenses or similar expenses.

(2) Disposition Receipts. An amount determined by treating an investment that ceases to be allocated to the Series 1990A Bonds, the Series 1990B Bonds or Series 1990C Bonds, as the case may be, (other than by reason of a sale or retirement) as if sold for fair market value on the date that the investment ceases to be allocated to the Series 1990A Bonds, the Series 1990B Bonds or the Series 1990C Bonds, as the case may be.

(3) Installment Date Receipts. The fair market value (or, for fixed rate investments, present value) of all investments allocated to the Series 1990A Bonds, the Series 1990B Bonds or the Series 1990C Bonds, as the case may be, at the close of business on any Computation Date.

(4) Imputed Receipts. Any receipts that are required to be imputed and taken into account pursuant to Section 1.148-5T of the Temporary Income Tax Regulations or any successor Temporary or Final Income Tax Regulations.

"Parity Bonds" means any revenue obligations issued by the Port pursuant to Section 7 of the Master Resolution, which Parity Bonds have a lien upon the Net Revenues for the payment of the principal thereof and interest thereon equal to the lien created upon Net Revenues for the payment of the principal of and interest on the Series 1990 Bonds, and the term "Parity Bonds" shall mean and include the Series 1990 Bonds and any Future Parity Bonds.

"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 com-

munity 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.

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

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

"Rebatable Arbitrage" means the amount computed from time to time pursuant to Section 10(a) of this Series Resolution.

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

"Registered Owner" means the person named as the registered owner of a Series 1990 Bond in the Bond Register.

"Registrar" means, collectively, the fiscal agency of the State of Washington in Seattle, Washington, and New York, New

York, appointed by this Series Resolution for the purposes of registering and authenticating the Series 1990 Bonds, maintaining the Bond Register, and effecting transfer of ownership of the Series 1990 Bonds.

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

"Series 1990 Bonds" means, collectively, the Series 1990A Bonds, the Series 1990B Bonds and the Series 1990C Bonds.

"Series 1990 Debt Service Account" means the account of that name created in the Series 1990 Bond Fund by Section 7(a) of this Series Resolution.

"Series 1990 Reserve Account" means the account of that name created in the Series 1990 Bond Fund by Section 7(a) of this Series Resolution.

"Series 1990 Reserve Account Requirement" means the lesser of (i) \$11,600,000 or (ii) average Annual Debt Service with respect to the Series 1990 Bonds.

"Series 1990A Bonds" means the Port of Seattle, Washington, Revenue Bonds, Series 1990A, authorized to be issued by Section 2(a) of this Series Resolution.

"Series 1990A Capital Appreciation Bonds" means the Series 1990A Bonds which are Capital Appreciation Bonds.

"Series 1990A Current Interest Bonds" means the Series 1990A Bonds with respect to which interest is payable semiannually until maturity or prior redemption.

"Series 1990B Bonds" means the Port of Seattle, Washington, Revenue Bonds, Series 1990B, authorized to be issued by Section 2(b) of this Series Resolution.

"Series 1990B Capital Appreciation Bonds" means the Series 1990B Bonds which are Capital Appreciation Bonds.

"Series 1990B Current Interest Bonds" means the Series 1990B Bonds with respect to which interest is payable semiannually until maturity or prior redemption.

"Series 1990C Bonds" means the Port of Seattle, Washington, Revenue Bonds, Series 1990C, authorized to be issued by Section 2(c) of this Series Resolution.

"Surety Bond" means the surety bond issued by AMBAC Indemnity on the date of issuance and delivery of the Series 1990 Bonds for the purpose of satisfying the Series 1990 Reserve Account Requirement.

"Surety Bond Agreement" means the Guaranty Agreement between the Port and AMBAC Indemnity, in substantially the form of Exhibit E attached hereto and made a part hereof by this reference.

Section 2. Authorization of Series 1990 Bonds.

(a) The Port shall issue the Series 1990A Bonds in the principal amount of \$66,240,492.05 for the purpose of providing part of the funds necessary to (i) pay the Costs of Construction of any or all of the projects described on Exhibit A attached hereto and (ii) pay all costs incidental to the foregoing and to the issuance of the Series 1990A Bonds.

(b) The Port shall issue the Series 1990B Bonds in the principal amount of \$59,969,771.35 for the purpose of providing all or part of the funds necessary to (i) pay the Costs of Construction of any or all of the projects described on Exhibit B attached hereto and (ii) pay all costs incidental to the foregoing and to the issuance of the Series 1990B Bonds.

(c) The Port shall issue the Series 1990C Bonds in the principal amount of \$24,805,000 for the purpose of providing all or part of the funds necessary to (i) refund the Junior Lien Bonds and (ii) pay all costs incidental thereto and to the issuance of the Series 1990C Bonds.

(d) In the event that it shall not be possible or practicable to accomplish all of the improvements specified in the preceding paragraphs (a) or (b), the Port may apply the proceeds of the Series 1990A Bonds or the Series 1990B Bonds, as the case may be, to pay the Costs of Construction of such portion thereof

as the Port Commission shall determine to be in the best interests of the Port, subject to the limitations of Section 10 of this Series Resolution.

Section 3. Series 1990 Bond Details.

(a) Series 1990A Bonds. The Series 1990A Bonds shall be designated as "Port of Seattle, Washington, Revenue Bonds, Series 1990A," shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Series 1990A Current Interest Bonds shall be dated February 1, 1990, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided no Series 1990A Current Interest Bond shall represent more than one maturity, shall bear interest from February 1, 1990 until the Series 1990A Current Interest Bond bearing such interest has been paid or its payment duly provided for, payable on December 1, 1990, and semiannually on the first days of each June and December thereafter, and shall mature on December 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Year (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1990	\$ 250,000	5.90%
1991	330,000	6.00
1992	350,000	6.10
1993	365,000	6.25
1994	390,000	6.30
1995	415,000	6.40
1996	445,000	6.50
1997	475,000	6.60
1998	500,000	6.70
1999	535,000	6.80
2000	575,000	6.90
2003	17,635,000	7.20
2009	12,555,000	7.40
2011	10,375,000	7.50
2014	18,420,000	6.00

The Series 1990A Capital Appreciation Bonds shall bear interest from their date compounded semiannually on June 1 and

December 1, commencing on December 1, 1990, until such Series 1990A Capital Appreciation Bonds are paid, which interest shall be payable only upon maturity or earlier redemption of such Series 1990A Capital Appreciation Bonds. The Series 1990A Capital Appreciation Bonds shall be issued as registered bonds without coupons in the denominations of \$5,000 amount of Accreted Value at maturity or an integral multiple thereof.

The Series 1990A Capital Appreciation Bonds shall be issued in the following initial principal amounts, shall be dated as of their date of issuance, shall bear interest from their date of issuance, payable at maturity at the following approximate yields to maturity, compounded semiannually on each June 1 and December 1, commencing on December 1, 1990 and shall mature in the following aggregate Accreted Values:

<u>Initial Principal Amount</u>	<u>Yield to Maturity</u>	<u>Maturity Year (December 1)</u>	<u>Final Maturity Amount (Accreted Value)</u>
\$ 653,028.75	7.10%	2001	\$1,485,000.00
1,025,114.00	7.15	2002	2,515,000.00
947,349.30	7.20	2003	2,510,000.00

Current values per \$5,000 of Accreted Value of the Series 1990A Capital Appreciation Bonds at maturity are shown below:

<u>Current Value Date</u>	<u>Accreted Value</u>		
	<u>Maturing Dec. 1, 2001</u>	<u>Maturing Dec. 1, 2002</u>	<u>Maturing Dec. 1, 2003</u>
Feb. 22, 1990	2198.75	2038.00	1887.15
Dec. 1, 1990	2320.91	2151.24	1992.00
Jun. 1, 1991	2403.31	2228.18	2063.77
Dec. 1, 1991	2488.63	2307.87	2138.13
Jun. 1, 1992	2576.98	2390.41	2215.17
Dec. 1, 1992	2668.46	2475.91	2294.98
Jun. 1, 1993	2763.19	2564.46	2377.67
Dec. 1, 1993	2861.29	2656.19	2463.33
Jun. 1, 1994	2962.87	2751.19	2552.09
Dec. 1, 1994	3068.05	2849.59	2644.04
Jun. 1, 1995	3176.97	2951.51	2739.30
Dec. 1, 1995	3289.76	3057.07	2838.00
Jun. 1, 1996	3406.55	3166.41	2940.26
Dec. 1, 1996	3527.48	3279.66	3046.19
Jun. 1, 1997	3652.71	3396.96	3155.95
Dec. 1, 1997	3782.39	3518.46	3269.66
Jun. 1, 1998	3916.67	3644.30	3387.46
Dec. 1, 1998	4055.71	3774.64	3509.51
Jun. 1, 1999	4199.69	3909.65	3635.96

Dec. 1, 1999	4348.79	4049.48	3766.96
Jun. 1, 2000	4503.17	4194.32	3902.69
Dec. 1, 2000	4663.04	4344.33	4043.30
Jun. 1, 2001	4828.58	4499.71	4188.98
Dec. 1, 2001	5000.00	4660.65	4339.91
Jun. 1, 2002		4827.34	4496.28
Dec. 1, 2002		5000.00	4658.28
Jun. 1, 2003			4826.12
Dec. 1, 2003			5000.00

(b) Series 1990B Bonds. The Series 1990B Bonds shall be designated as "Port of Seattle, Washington, Revenue Bonds, Series 1990B," shall be registered as to both principal and interest, and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Series 1990B Current Interest Bonds shall be dated February 1, 1990, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided no Series 1990B Current Interest Bond shall represent more than one maturity, shall bear interest from February 1, 1990, until the Series 1990B Current Interest Bond bearing such interest has been paid or its payment duly provided for, payable on December 1, 1990, and semiannually thereafter on the first days of each June and December and shall mature on December 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Year</u> <u>(December 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1990	\$ 225,000	6.00%
1991	300,000	6.10
1992	315,000	6.25
1993	335,000	6.40
1994	355,000	6.50
1995	380,000	6.60
1996	400,000	6.70
1997	430,000	6.80
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 Capital Appreciation Bonds shall bear interest from their date compounded semiannually on June 1 and December 1, commencing on December 1, 1990, until such Series 1990B Capital Appreciation Bonds are paid, which interest shall be payable only upon maturity or earlier redemption of such Series 1990B Capital Appreciation Bonds. The Series 1990B Capital Appreciation Bonds shall be issued as registered bonds without coupons in the denominations of \$5,000 amount of Accreted Value at maturity or an integral multiple thereof.

The Series 1990B Capital Appreciation Bonds shall be issued in the following initial principal amounts, shall be dated as of their date of issuance, shall bear interest from their date of issuance, payable at maturity at the following approximate yields to maturity, compounded semiannually on each June 1 and December 1, commencing on December 1, 1990, and shall mature in the following aggregate Accreted Values:

<u>Initial Principal Amount</u>	<u>Yield to Maturity</u>	<u>Maturity Year (December 1)</u>	<u>Final Maturity Amount (Accreted Value)</u>
\$590,116.80	7.25	2001	\$ 1,365,000
926,300.95	7.30	2002	2,315,000
858,353.60	7.35	2003	2,320,000

Current values per \$5,000 of Accreted Value of the Series 1990B Capital Appreciation Bonds at Maturity are shown below:

<u>Current Value Date</u>	<u>Accreted Value</u>		
	<u>Maturing Dec. 1, 2001</u>	<u>Maturing Dec. 1, 2002</u>	<u>Maturing Dec. 1, 2003</u>
Feb. 22, 1990	2161.60	2000.65	1849.90
Dec. 1, 1990	2284.28	2114.98	1956.34
Jun. 1, 1991	2367.09	2192.18	2028.24
Dec. 1, 1991	2452.90	2272.19	2102.78
Jun. 1, 1992	2541.81	2355.13	2180.05
Dec. 1, 1992	2633.92	2441.09	2260.17
Jun. 1, 1993	2729.44	2530.19	2343.23
Dec. 1, 1993	2828.38	2622.54	2429.34
Jun. 1, 1994	2930.91	2718.27	2518.62
Dec. 1, 1994	3037.15	2817.48	2611.18
Jun. 1, 1995	3147.25	2920.32	2707.14
Dec. 1, 1995	3261.34	3026.91	2806.63
Jun. 1, 1996	3379.56	3137.39	2909.77
Dec. 1, 1996	3502.07	3251.91	3016.71
Jun. 1, 1997	3629.02	3370.60	3127.57
Dec. 1, 1997	3760.57	3493.63	3242.51
Jun. 1, 1998	3896.89	3621.15	3361.67
Dec. 1, 1998	4038.15	3753.32	3485.21

Jun. 1, 1999	4184.54	3890.32	3613.30
Dec. 1, 1999	4336.23	4032.31	3746.09
Jun. 1, 2000	4493.41	4179.49	3883.75
Dec. 1, 2000	4656.30	4332.04	4026.48
Jun. 1, 2001	4825.09	4490.16	4174.46
Dec. 1, 2001	5000.00	4654.05	4327.87
Jun. 1, 2002		4823.93	4486.92
Dec. 1, 2002		5000.00	4651.81
Jun. 1, 2003			4822.76
Dec. 1, 2003			5000.00

(c) Series 1990C Bonds. The Series 1990C Bonds shall be designated as "Port of Seattle, Washington, Revenue Bonds, Series 1990C," shall be dated February 1, 1990, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided no Series 1990C Bond shall represent more than one maturity, shall be registered as to both principal and interest, and shall bear interest from February 1, 1990, until the Series 1990C Bond bearing such interest has been paid or its payment duly provided for, payable on December 1, 1990, and semiannually on the first days of each June and December thereafter. The Series 1990C Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, and shall mature on December 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Year</u> <u>(December 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1990	\$ 915,000	5.90%
1991	1,015,000	6.00
1992	1,220,000	6.10
1993	1,120,000	6.25
1994	1,220,000	6.30
1995	1,320,000	6.40
1996	1,320,000	6.50
1997	1,425,000	6.60
1998	1,625,000	6.70
1999	1,625,000	6.80
2000	1,730,000	6.90
2005	10,270,000	7.30

Section 4. Right of Prior Redemption and Purchase.

(a) Mandatory Redemption.

(1) The Series 1990A Current Interest Bonds maturing on December 1, 2003, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(1) hereof, shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2001	\$2,600,000
2002	7,275,000
2003	7,760,000*

* Final Maturity

(2) The Series 1990A Current Interest Bonds maturing on December 1, 2009, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(1) hereof, shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2004	\$1,660,000
2005	1,765,000
2006	1,890,000
2007	2,140,000
2008	2,430,000
2009	2,670,000*

*Final Maturity

(3) The Series 1990A Current Interest Bonds maturing on December 1, 2011, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(1) hereof, shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2010	\$5,000,000
2011	5,375,000*

*Final Maturity

(4) The Series 1990A Current Interest Bonds maturing on December 1, 2014, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(1) hereof, shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2012	\$5,785,000
2013	6,135,000
2014	6,500,000*

*Final Maturity

(5) The Series 1990B Bonds Current Interest maturing on December 1, 2003, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(2), shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2001	\$2,355,000
2002	6,585,000
2003	7,025,000

* Final Maturity

(6) The Series 1990B Current Interest Bonds maturing on December 1, 2009, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(1) hereof, shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2004	\$1,500,000
2005	1,595,000
2006	1,715,000
2007	1,935,000
2008	2,200,000
2009	2,420,000*

*Final Maturity

(7) The Series 1990B Current Interest Bonds maturing on December 1, 2011, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(1) hereof, shall

be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2010	\$4,525,000
2011	4,865,000*

*Final Maturity

(8) The Series 1990B Current Interest Bonds maturing on December 1, 2014, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(1) hereof, shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2012	\$5,240,000
2013	5,550,000
2014	5,885,000*

*Final Maturity

(9) The Series 1990C Bonds maturing on December 1, 2005, unless previously redeemed pursuant to optional redemption provisions of Section 4(b)(3), shall be redeemed by lot at par plus accrued interest to the date of redemption in the following amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2001	\$1,830,000
2002	1,930,000
2003	2,135,000
2004	2,135,000
2005	2,240,000*

* Final Maturity

(10) To the extent that the Port shall have optionally redeemed or purchased the Series 1990 Bonds of any series pursuant to subsection (b) or (f) of this Section 4 since the last scheduled mandatory redemption of the Series 1990 Bonds of such series, the Port may reduce the principal amount of Series 1990 Bonds of such series to be redeemed in like principal

amount. Such reduction may be applied in the year specified by the Designated Port Representative.

(b) Optional Redemption.

(1) The Port hereby reserves the right, at its option, to redeem the Series 1990A Current Interest Bonds and/or the Series 1990B Current Interest Bonds which mature on December 1, 2014 on and after December 1, 2000 in whole on any date or in part and if in part by lot on any interest payment date at a price of par plus accrued interest to the date of redemption.

(2) In addition to the optional redemption provisions of subsection (1) above, the Port hereby reserves the right, at its option, to redeem the Outstanding Series 1990A Current Interest Bonds maturing after December 1, 2001 on and after December 1, 2000 in whole on any date or in part and if in part on any interest payment date, with maturities to be selected by the Port and by lot within a maturity, at the following prices, expressed as a percentage of the principal amount of the Series 1990A Current Interest Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Prices</u>
December 1, 2000 through November 30, 2001	102%
December 1, 2001 through November 30, 2002	101%
December 1, 2002 and thereafter	100%

(3) In addition to the optional redemption provisions of subsection (1) above, the Port hereby reserves the right, at its option, to redeem the Outstanding Series 1990B Current Interest Bonds maturing after December 1, 2001 on and after December 1, 2000 in whole on any date or in part and if in part on any interest payment date, with maturities to be selected by the Port and by lot within a maturity, at the following prices, expressed as a percentage of the principal amount of the Series 1990B Current Interest Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2000 through November 30, 2001	102%
December 1, 2001 through November 30, 2002	101
December 1, 2002 and thereafter	100

(4) The Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds are not subject to optional redemption prior to their scheduled maturity.

(5) The Port hereby reserves the right, at its option, to redeem the Outstanding Series 1990C Bonds maturing after December 1, 2001 on and after December 1, 2000 in whole on any date or in part and if in part on any interest payment date, with maturities to be selected by the Port and by lot within a maturity, at the following prices, expressed as a percentage of the Series 1990C Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2000 through November 30, 2001	102%
December 1, 2001 through November 30, 2002	101
December 1, 2002 and thereafter	100

(c) Selection of Series 1990 Bonds for Redemption. If the Port redeems at any one time fewer than all of the Series 1990 Bonds having the same maturity date, the particular Series 1990 Bonds or portions of Series 1990 Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Registrar) in increments of \$5,000 (of principal or Accreted Value at maturity, as the case may be). In the case of a Series 1990 Bond of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 1990 Bond as representing such number of separate Series 1990 Bonds each of the denomination of \$5,000 (of principal or Accreted Value at maturity, as the case may be) as is obtained by dividing the actual principal amount of such Series 1990 Bond by \$5,000 of actual principal amount or Accreted Value at maturity. In the event that only a portion of the principal sum of a Series 1990 Bond is redeemed, upon surrender of the Series 1990 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 1990 Bond or Series 1990 Bonds of like maturity and interest rate in any of the denominations herein authorized.

(d) Notice of Redemption. Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption, by first class mail, postage prepaid, to the Registered Owner of any Series 1990 Bond to be redeemed at the address appearing on the Series 1990 Bond Register provided, however that for so long as the Series 1990 Bonds are registered in the name of Cede & Co. or its registered assign, all notices shall be given only as provided in the Letter of Representation. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Series 1990 Bond. Notice shall also be mailed within the same time period, postage prepaid, to The First Boston Corporation and to Shearson Lehman Hutton Inc. or to their respective business successors, if any, but mailing of the notice shall not be a condition precedent to the call of any Series 1990 Bonds for redemption.

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

- (1) the redemption date;
- (2) the redemption price;
- (3) if fewer than all outstanding Series 1990 Bonds are to be redeemed the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 1990 Bonds to be redeemed;

- (4) that on the redemption date the redemption price will become due and payable upon each such Series 1990 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(5) the place where such Series 1990 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar; and

(6) that the notice of redemption may be withdrawn and the proposed redemption of Series 1990 Bonds cancelled if for any reason funds will not be available on the date fixed for redemption.

On or prior to any redemption date, the Port shall deposit with the Registrar from money available therefor an amount of money sufficient to pay the redemption price of all the Series 1990 Bonds or portions of Series 1990 Bonds which are to be redeemed on that date.

Any notice of redemption may be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for payment in full of the Series 1990 Bonds then called for redemption.

Official notice of redemption having been given as aforesaid, the Series 1990 Bonds or portions of Series 1990 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 Series 1990 Bonds or portions of Series 1990 Bonds shall cease to bear interest. If said moneys shall not be so available on the redemption date, such Series 1990 Bonds or portions thereof shall continue to bear interest or accrete in value, as the case may be, until paid at the same rate as they would have borne had they not been called for redemption. Upon surrender of such Series 1990 Bonds for redemption in accordance with said notice, such Series 1990 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 hereir provided for payment of interest. Upon surrender for any partial redemption of any Series 1990 Bond, there shall be prepared for the Registered Owner a new Series 1990 Bond or Series 1990 Bonds

of the same maturity in the amount of the unpaid principal or Accreted Value at maturity. All Series 1990 Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

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

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus: (i) the CUSIP numbers of all Series 1990 Bonds being redeemed; (ii) the date of issue of the Series 1990 Bonds as originally issued; (iii) the rate of interest borne by each Series 1990 Bond being redeemed; (iv) the maturity date of each Series 1990 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Series 1990 Bonds being redeemed.

Each further notice of redemption shall 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 Series 1990 Bonds (such depositories now being DTC, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania).

Upon the payment of the redemption price of Series 1990 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue or maturity, the Series 1990 Bonds being redeemed with the proceeds of such check or other transfer.

(e) Effect of Call. Interest on any Series 1990 Bonds so called for redemption shall cease on such redemption date

unless the same shall not be redeemed upon presentation made pursuant to such call.

(f) Purchase of Series 1990 Bonds for Retirement. The Port further reserves the right to use at any time any surplus Gross Revenue available after providing for the payment required by paragraph First through Sixth of Section 4(a) of the Master Resolution to purchase any of the Series 1990 Bonds in the open market for retirement.

(g) Source of Funds for Series 1990 Bond Redemption. Redemption of the Series 1990 Bonds, pursuant to this Section 4, other than mandatory redemption pursuant to subsection (a) hereof shall be made only from and to the extent of funds deposited with the Treasurer of the Port and available for such purpose.

Section 5. Place and Medium of Payment. Both principal of (or Accreted Value in the case of Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds) and interest on the Series 1990 Bonds shall be payable in lawful money of the United States of America. For so long as all Outstanding Series 1990 Bonds are registered in the name of Cede & Co. or its registered assign, payments of principal (or Accreted Value in the case of Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds) and interest thereon shall be made as provided in the Letter of Representation.

In the event that the Series 1990 Bonds are no longer registered in the name of Cede & Co. or its registered assign, interest on the Series 1990 Bonds (other than the Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds) shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of Series 1990 Bonds in aggregate principal amount (or Accreted Value in the case of Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds) of \$1,000,000 or more who so request) to the Registered Owners of the Series 1990 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 of the Series 1990 Bonds (or Accreted Value in the case of Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds) shall be payable upon presentation and surrender of the Series 1990 Bonds by the Registered Owners at the principal office of the Registrar.

Section 6. Registration.

(a) Series 1990 Bond Register. The Port hereby appoints the fiscal agency of the State of Washington as the Registrar. The Port shall cause a bond register to be maintained by the Registrar. So long as any Series 1990 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Series 1990 Bonds at its principal office.

(b) Registered Ownership. The Port and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Series 1990 Bond as the absolute owner thereof for all purposes, and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 1990 Bond shall be made only as described in Section 5 hereof, but such registration may be transferred as herein provided. All such payments made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the Port upon such Series 1990 Bond to the extent of the amount or amounts so paid.

(c) DTC Acceptance/Letter of Representation. In order to induce DTC to accept the Series 1990 Bonds as eligible for deposit at DTC, the Port shall execute and deliver the Letter of Representation. The Designated Port Representative is hereby authorized to execute the Letter of Representation with such changes as may hereafter be approved by the Designated Port Representative, and such approval shall be conclusively presumed by the Designated Port Representative's execution thereof. The Series 1990 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 C attached hereto; shall be issued in denominations equal to the aggregate principal amount of each maturity and initially shall be registered in the name of Cede & Co., as the nominee of DTC.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Series 1990 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 (or Accreted Value in the case of Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds) or redemption price of or interest on the Series 1990 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), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Series 1990 Bonds or any consent given or other action taken by DTC as the Registered Owner. For so long as any Series 1990 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in the Series 1990 Bonds.

If any Series 1990 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 (or Accreted Value in the case of Series 1990A Capital Appreciation Bonds) at the rate stated on such Series 1990 Bond until it is paid.

(d) Use of Depository.

(1) The Series 1990 Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Series 1990 Bond maturing on each of the maturity dates for the Series 1990 Bonds of each series in a denomination corresponding to the total principal therein designated to mature on such date or the Accreted Value at maturity with respect to the Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds. Registered ownership of such immobilized Series 1990 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 that it is no longer in the best interests of owners of beneficial interests of the Series 1990 Bonds to continue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Commission may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provided the services proposed to be provided by it.

(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 Series 1990 Bond for each maturity of such Series 1990 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 the Series 1990 Bonds that they be able to obtain Series 1990 Bonds certificates, the ownership of Series 1990 Bonds may then be transferred to any person or entity as herein provided, and the Series 1990 Bonds 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 1990 Bonds, to issue Series 1990 Bonds as herein provided in any authorized denomination (or for a like aggregate Accreted Value at maturity for the Series 1990A Capital Appreciation Bonds and the Series 1990B Capital Appreciation Bonds). Upon receipt of all then outstanding Series 1990 Bonds by the Registrar together with a written request on behalf of the Commission to the Registrar, new Series 1990 Bonds shall be issued in such denominations and registered in the names of such persons as are requested in such written request.

(5) The Port and the Registrar shall be entitled to treat the person in whose name any Series 1990 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 Series 1990 Bonds.

(e) Transfer or Exchange of Registered Ownership; Change in Denominations. The registered ownership of any Series 1990 Bond may be transferred or exchanged, but no transfer of any

Series 1990 Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Series 1990 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 1990 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Series 1990 Bond (or Series 1990 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 (or for a like aggregate Accreted Value at maturity for the Series 1990A Capital Appreciation Bonds or Series 1990B Capital Appreciation Bonds), naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 1990 Bond, in exchange for such surrendered and cancelled Series 1990 Bond. Any Series 1990 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Series 1990 Bonds of the same date, maturity and interest rate, in any authorized denomination (or for a like aggregate Accreted Value at maturity for the Series 1990A Capital Appreciation Bonds and Series 1990B Capital Appreciation Bonds). The Registrar shall not be obligated to transfer or exchange any Series 1990 Bond during the 15 days preceding any interest payment or principal payment date or following any publication of notice of redemption.

(f) Registrar's Ownership of Series 1990 Bonds. The Registrar may become the Registered Owner of any Series 1990 Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of the Series 1990 Bonds.

(g) Registration Covenant. The Port covenants that, until all Series 1990 Bonds have been surrendered and cancelled, it will maintain a system for recording the ownership of each Series 1990 Bond that complies with the provisions of Section 149 of the Code.

(h) Series 1990 Bonds Payable from Series 1990 Bond Fund. The Series 1990 Bonds shall be obligations only of the Series 1990 Bond Fund and shall be payable and secured as provided herein. The Series 1990 Bonds are not general obligations of the Port. The Series 1990 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 7. Series 1990 Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1990" (the "Series 1990 Bond Fund") is hereby authorized to be created in the office of the Treasurer of the Port for the purpose of paying and securing the payment of the Series 1990 Bonds. The Series 1990 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 1990 Bonds.

(a) A Series 1990 Debt Service Account is hereby authorized to be created in the Series 1990 Bond Fund for the purpose of paying the principal of, premium, if any, and interest on the Series 1990 Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Series 1990 Bonds remain Outstanding to set aside and pay into the Series 1990 Debt Service Account from Net Revenues or moneys in the Revenue Fund, on or prior to the respective dates the same become due:

(1) Such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1990 Bonds; and

(2) Such amounts with respect to Outstanding Series 1990 Bonds as are required (A) to pay maturing principal,

(B) to make required sinking fund payments, and (C) to redeem Outstanding Series 1990 Bonds in accordance with any mandatory redemption provisions.

(b) A Series 1990 Bond Reserve Account (the "Series 1990 Reserve Account") is hereby authorized to be created in the Series 1990 Bond Fund for the purpose of securing the payment of the principal of and interest on Series 1990 Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1990 Bonds, it will purchase the Surety Bond, as Qualified Insurance, in the aggregate total policy amount of \$11,600,000, in satisfaction of the Series 1990 Reserve Account Requirement for deposit in the Series 1990 Reserve Account. At the time of issuance of the Surety Bond, the Port shall enter into, and the Designated Port Representative is hereby authorized to execute, a Surety Bond Agreement, substantially in the form attached hereto as Exhibit E, incorporated by this reference herein. The Designated may negotiate such modifications of said Surety Bond Agreement on his/her discretion, and the terms of said Surety Bond Agreement shall be deemed approved conclusively by the Port upon the execution of the Surety Bond Agreement by the Designated Port Representative.

In consideration of the issuance and maintenance of the Surety Bond, the covenants of the Port in this Series Resolution and in the Master Resolution are hereby declared to be for the further benefit of AMBAC Indemnity as issuer of the Surety Bond, and said Corporation shall be a beneficiary of all said covenants.

In addition, the Port hereby covenants and agrees that any provision of this Series Resolution which expressly recognizes or grants rights in or to AMBAC Indemnity may not be amended in any manner which affects the rights of AMBAC Indemnity hereunder without the prior written consent of AMBAC Indemnity. The consent of AMBAC Indemnity shall be required in addition to the consent of the Registered Owners, when required, for the

following purposes: (1) adoption of supplemental resolutions and (ii) the initiation or approval of any other action which requires the consent of the Registered Owners. The Designated Port Representative may provide such additional information and/or notices to AMBAC Indemnity as he/she shall determine in his/her discretion.

The Port further covenants and agrees that it will maintain the Surety Bond or equivalent thereof (as provided in the following paragraph) in the Series 1990 Reserve Account in an amount at least equal to the Series 1990 Reserve Account Requirement. The Series 1990 Reserve Account Requirement may be maintained by deposits of cash, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. In computing the amount on hand in the Series 1990A Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other obligations purchased as an investment of moneys therein shall be valued at cost.

If the balance on hand in the Series 1990 Reserve Account is sufficient to satisfy the Series 1990 Reserve Account Requirement, and prior to the completion of the projects authorized in Section 2 hereof, interest earnings thereon shall be transferred to the Construction Fund and used to pay the Costs of Construction of such projects and thereafter such interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1990 Bond Fund, including the Series 1990 Reserve Account and the Series 1990 Debt Service Account to pay the principal of, premium, if any, and interest on all outstanding Series 1990 Bonds, the money in the Series 1990 Reserve Account may be used to pay such principal, premium, if any, and interest. Money in the Series 1990A Reserve Account may be withdrawn to redeem and retire, and to pay the interest due to such date of redemption and premium, if any, on any Outstanding Series 1990 Bonds, so long as the moneys left remaining on deposit in the Series 1990 Reserve Account are equal

to the Series 1990 Reserve Account Requirement. The Port may also transfer out of the Series 1990 Reserve Account any moneys required in order to prevent any Series 1990 Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1990 Debt Service Account shall occur, such deficiency shall be made up from the Series 1990 Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1990 Reserve Account, if necessary, in such amounts as will provide cash in the Series 1990 Reserve Account sufficient to make up any such deficiency, 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, Qualified Insurance, or other equivalent credit facility for the Series 1990 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 shall be made to the issuer of the Surety Bond in accordance with the terms of the Surety Bond Agreement, and after making necessary provision for the payments required to be made in paragraph First through Third of Section 4(a) of the Master Resolution. Any deficiency created in the Series 1990 Reserve Account by reason of any such withdrawal shall be made up within one year from Qualified Insurance or a Qualified Letter of Credit or out of Net Revenues (or out of any other moneys on hand legally available for such purpose) (in 12 equal installments) after making necessary provision for the payments required to be made into the Series 1990 Debt Service Account within such year.

In making the payments and credits to the Series 1990 Reserve Account required by this Section 7(b), to the extent that the Port has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this section to be paid out of the Series 1990 Reserve Account, such amounts

so covered by Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Series 1990 Reserve Account by this Section 7(b) to the extent that such payments and credits to be made are insured by an insurance company, or guaranteed by a letter of credit from a financial institution. Such Qualified Letter of Credit or Qualified Insurance shall not be cancellable on less than one year's notice. In the event of any cancellation or if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent, the Reserve Account Requirement shall be satisfied (i) within one year of the insolvency but in any event no later than the date of cancellation with Qualified Insurance or another Qualified Letter of Credit, or (ii) within one year (in 12 equal installments) of the insolvency or cancellation out of Net Revenues (or out of moneys on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1990 Debt Service Account.

(c) Said amounts so pledged to be paid into the Series 1990 Debt Service Account and Series 1990 Reserve Account with respect to the Series 1990 Bonds are hereby declared to be an equal and prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, except for the lien and charge thereon of the Senior Lien Bonds and except for Operating Expenses and except that the amounts so pledged are of equal lien to any lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

(d) Use of Excess Money. Money in the Series 1990 Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1990 Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1990 Bonds. Money in the Series 1990 Debt Service Account and the Series 1990 Reserve Account may be invested in any investments legal for port districts.

Section 8. Defeasance. In the event that money and/or Government Obligations (as defined in RCW ch. 39.53) maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Series 1990 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 respective Bond Fund or any account therein for the payment of the principal of and interest on the certain Series 1990 Bonds so provided for and such Series 1990 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 1990 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. Disposition of the Proceeds of Sale of Series 1990 Bonds.

(a) The proceeds of the Series 1990A Bonds shall be applied as follows:

(1) All interest on the Series 1990A Bonds accrued from their date to the date of delivery shall be paid into the Series 1990 Debt Service Account;

(2) An allocable portion of the premium cost for the Surety Bond designated by the Designated Port Representative, shall be paid from the proceeds of the Series 1990A Bonds on the date of issuance and delivery of the Series 1990A Bonds; and

(3) The remainder of the proceeds of the Series 1990A Bonds shall be paid into the Construction Fund-A, Marine and the Construction Fund-A, Airport, in amounts designated by the Designated Port Representative to the Treasurer.

The Treasurer of the Port is hereby authorized and directed to create two special funds of the Port, to be designated as the "Port of Seattle Construction Fund-A, Airport" (the "Construction Fund-A, Airport") and the "Port of Seattle Construction Fund-A, Marine" (the "Construction Fund-A, Marine"). The proceeds on deposit in the Construction Fund-A, Airport, shall be utilized to pay Costs of Construction of the projects identified on Exhibit A, item (1) and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 1990A Bonds, to the extent designated by the Port. The proceeds on deposit in the Construction Fund-A, Marine, shall be utilized to pay Costs of Construction of the projects identified on Exhibit A, items (2) through (10) and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 1990A Bonds, to the extent designated by the Port.

All or part of the proceeds of the Series 1990A Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law which will mature prior to the date on which such money shall be needed provided however, such proceeds shall not be invested in the obligations of any municipality with a credit rating lower than that of the Port.

Any part of the proceeds of the Series 1990A Bonds remaining in the Construction Fund-A, Airport and the Construction Fund-A, Marine, after all costs referred to in this Section have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port subject to the limitations of Section 10(c) hereof or may be transferred to the Series 1990 Bond Fund for the uses and purposes therein provided.

(b) The proceeds of the Series 1990B Bonds shall be applied as follows:

(1) All interest on the Series 1990B Bonds accrued from their date to the date of delivery shall be paid into the Series 1990 Debt Service Account;

(2) An allocable portion of the premium cost for the Surety Bond designated by the Designated Port Representative, shall be paid from the proceeds of the Series 1990B Bonds on the date of issuance and delivery of the Series 1990B Bonds; and

(3) The remainder of the proceeds of the Series 1990B Bonds shall be paid into the Construction Fund-B, Airport, and the Construction Fund-B, Marine, in amounts designated by the Designated Port Representative to the Treasurer.

The Treasurer of the Port is hereby authorized and directed to create two special funds of the Port, to be designated as the "Port of Seattle Construction Fund-B, Airport" (the "Construction Fund-B, Airport") and the "Port of Seattle Construction Fund-B, Marine" (the "Construction Fund-B, Marine"). The proceeds on deposit in the Construction Fund-A, Airport, shall be utilized to pay Costs of Construction of the Facilities identified on Exhibit B, items (1) through (7) and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 1990B Bonds, to the extent designated by the Port. The proceeds on deposit in the Construction Fund-B, Marine, shall be utilized to pay Costs of Construction of the Facilities identified on Exhibit B, items (8) through (24) and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 1990B Bonds, to the extent designated by the Port.

All or part of the proceeds of the Series 1990B Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law which will mature prior to the date on which such money shall be needed; provided however, such proceeds shall not be invested in the obligations

of any municipality with a credit rating lower than that of the Port.

Any part of the proceeds of the Series 1990B Bonds remaining in the Construction Fund-B, Airport, and the Construction Fund-B, Marine, after all costs referred to in this Section have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port subject to the limitations of Section 10(d) hereof or may be transferred to the Series 1990B Bond Fund for the uses and purposes therein provided.

(c) The proceeds of the Series 1990C Bonds shall be applied as follows:

(1) All interest on the Series 1990C Bonds accrued from their date to the date of delivery shall be paid into the Series 1990 Debt Service Account in the Series 1990 Bond Fund;

(2) An amount designated by the Designated Port Representative on or prior to the date of issuance of the Series 1990C Bonds shall be set aside and deposited in the Revenue Fund and shall be used to pay costs of issuance allocable to the Series 1990C Bonds; and

(3) The balance of the proceeds of the Series 1990C Bonds shall be deposited into the 1990 Junior Lien Bond Refunding Account.

The Junior Lien Bonds are payable, both principal and interest, out of the Junior Lien Bond Fund. Said Fund is a trust fund for the payment of the principal of and interest on the Junior Lien Bonds.

Section 10.1 of Resolution No. 2164 provides for the defeasance of the Junior Lien Bonds by irrevocably setting aside in a special trust account in the Junior Lien Bond Fund moneys sufficient to make such payment or Federal Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such pay-

ment, and all necessary and proper fees, compensation and expense of the Fiscal Agent (as defined in said Resolution No. 2164), if any, pertaining to the Junior Lien Bonds shall have been paid or the payment thereof provided for to the satisfaction of the Fiscal Agent. For purposes of such provisions a special account designated the "1990 Junior Lien Bond Refunding Account" is hereby created.

The proceeds of the Series 1990C Bonds deposited in the 1990 Junior Lien Bond Refunding Account shall be held in cash and/or used to acquire Federal Securities on the date of issuance of the Series 1990C Bonds maturing as to principal and interest in such amounts and at such times as to provide sufficient funds to pay the interest on and redemption price of the Outstanding Junior Lien Bonds in accordance with the schedule shown in the Escrow Agreement. Such cash and Federal Securities shall be deposited in the 1990 Junior Lien Bond Refunding Account in amounts sufficient for the above purpose and shall be used solely for such purpose.

Such cash and Federal Securities shall be deposited irrevocably with the Escrow Agent, to be held in trust for the purpose herein set forth and subject to the provisions of this Section.

The Junior Lien Bonds shall be and the same are hereby called for redemption on each of the dates shown on Schedule C to the Escrow Agreement. Such call for redemption shall be irrevocable upon the delivery of the Series 1990C Bonds to the initial purchasers thereof. The Junior Lien Bonds shall be called for redemption in accordance with the terms of Resolution No. 2164 and the Escrow Agreement. The Escrow Agent, acting in concert with the Designated Port Representative of the Port, is hereby authorized and directed to provide for the giving of notice of the redemption of the Junior Lien Bonds in accordance with the provisions of Resolution No. 2164.

Seattle-First National Bank, Seattle, Washington, is hereby appointed as the Escrow Agent to act as such under the terms of the Escrow Agreement. The form of Escrow Agreement, on file with the Secretary of the Commission, is hereby approved and its execution by the Designated Port Representative on behalf of the Port is hereby authorized.

The Port irrevocably sets aside for and pledges to the payment of the Outstanding Junior Lien Bonds the moneys and obligations to be deposited with the Escrow Agent pursuant to the Escrow Agreement to accomplish the plan of refunding and defeasance of the Junior Lien Bonds. When all the Outstanding Junior Lien Bonds shall have been redeemed and retired, the Port may cause to be transferred from the 1990 Junior Lien Bond Refunding Account to the Revenue Fund any moneys not required for the purposes set forth above.

The Commission hereby finds and determines that the moneys and Federal Securities to be deposited with the Escrow Agent to pay the principal and interest due and to become due on the Outstanding Junior Lien Bonds are sufficient to pay such amounts and will discharge and satisfy the obligations of the Port under Resolution No. 2164 and the pledges, charges, trusts, covenants and agreements of the Port therein made. The Outstanding Junior Lien Bonds shall be deemed to be no longer Outstanding immediately upon the deposit of such moneys and Federal Securities with the Escrow Agent.

Section 10. Tax Covenants/Rebate.

(a) Arbitrage Covenant. The Port hereby covenants that it will not make any use of the proceeds of sale of the Series 1990 Bonds or any other funds of the Port which may be deemed to be proceeds of such Series 1990 Bonds pursuant to Section 148 of the Code, as amended, and the applicable regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Series 1990 Bonds to the initial purchasers thereof, would have caused the Series 1990 Bonds to be

"arbitrage bonds" within the meaning of said section and said regulations. The Port will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Series 1990 Bonds.

(b) Rebate. (1) The Port will pay to the United States of America in accordance with the provisions of this section (i) at least 90% of the Rebatable Arbitrage with respect to the Series 1990 Bonds as of each Installment Computation Date, (ii) 100% of the Rebatable Arbitrage with respect to the Series 1990 Bonds as of the Final Computation Date and (iii) any income attributable to such Rebatable Arbitrage.

(2) The Rebatable Arbitrage with respect to the Series 1990 Bonds computed in accordance with the Rebate Computation Certificate and, as of each Computation Date, will be the excess of:

(1) The future value of all Nonpurpose Receipts with respect to the Series 1990 Bonds; over

(ii) The future value of all Nonpurpose Payments with respect to the Series 1990 Bonds.

The future value will be computed as of each Computation Date.

(3) Payment Procedure.

(i) The payment of Rebatable Arbitrage due as of each Installment Computation Date will be paid no later than the date that is 60 days after the Installment Computation Date.

(ii) The payment of Rebatable Arbitrage due as of the Final Computation Date will be paid no later than the latest of (A) the date that is 60 days after the Final Computation Date, (B) the date that is eight months after the date of issuance of the Series 1990 Bonds, or (C) the earlier of the date that the Port no longer expects to spend gross proceeds of the Series 1990 Bonds within six months of the date of issuance of the Series 1990 Bonds or 14 months after the date of issuance of the Series 1990 Bonds.

(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.

(4) Other Methodology. Notwithstanding the foregoing, payments of Rebatable Arbitrage will be made in accordance with instructions provided by Preston Thorgrimson Shidler Gates & Ellis if necessary to maintain the federal income tax exemption for interest payments made on the Series 1990 Bonds.

(c) Private Person Use Limitation for Series 1990A Bonds. The Port covenants that for as long as the Series 1990A Bonds are outstanding, it will not permit:

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

(2) More than 10% of the principal or interest payments on the Series 1990A Bonds in a Bond Year to be (under the terms of this Series Resolution or any underlying arrangement) directly or indirectly: (i) 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 (ii) 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:

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

(4) More than 5% of the principal or interest payments on the Series 1990A Bonds in a Bond Year are (under the terms of this Series Resolution or any underlying arrangement) directly or indirectly: (i) 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 (ii) 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, (i) any Private Person Use of the projects described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the 5% limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the Project, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Series 1990 Bonds used for the state or local governmental use portion of the project to which the Private Person Use of such portion of the projects relates. The Port further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its Bond Counsel, to preserve the tax exemption of the interest on the Series 1990A Bonds.

(d) Use of Proceeds of Series 1990B Bonds and Series 1990C Bonds.

(1) The projects financed with the Series 1990B Bonds and Series 1990C Bonds (collectively, the "projects") include only facilities that are (i) directly related and essential to (A) servicing aircraft or enabling aircraft to take off and land or (B) transferring passengers or cargo, to or from aircraft (the projects referred to in this subsection (d)(i) are hereinafter referred to as the "airport projects") and (ii)(A) docks or wharfs or (B) functionally related and subordinate to such docks or wharfs (the projects referred to in this subsection (d)(ii) are hereinafter referred to as the "marine projects").

(2) The Port will, at all times while the Series 1990A Bonds and Series 1990C Bonds are Outstanding be the owner of all elements of the projects financed with such Bonds. If any portion of the projects is the subject of a lease or management contract with an entity other than a governmental unit, then the

lease or management contract must meet the requirements of Section 142(b)(1)(B) of the Code.

(3) The projects 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 airport (in the case of an airport project) or the marine terminal (in the case of a marine project),

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

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

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

(6) Any land acquired by the Port as a part of the airport projects will be (i) acquired solely to mitigate

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

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

(e) The covenants of this Section 10 are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 1990 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, Preston Thorgrimson Shidler Gates & Ellis that such modification or elimination will not adversely affect the tax exemption of interest on the Series 1990 Bonds.

Section 11. Lost, Stolen or Destroyed Series 1990 Bonds.
In case any Series 1990 Bond or Series 1990 Bonds shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Series 1990 Bond or Series 1990 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 filing with the Port evidence satisfactory to the Port that such Series 1990 Bond was actually lost, stolen or destroyed and

of his ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port.

Section 12. Form of Series 1990 Bonds and Registration Certificate.

(a) The Series 1990A Current Interest Bonds shall be in substantially the following form:

NO. _____ UNITED STATES OF AMERICA \$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE BOND, SERIES 1990A

Maturity Date: _____ CUSIP No. _____

Interest Rate: _____

Registered Owner: _____

Principal Amount: _____

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Revenue Bond Fund, Series 1990" (the "Bond Fund") created by Resolution No. 3060, as amended of the Port Commission (together with Resolution No. 3059, as amended, hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Bond Fund from February 1, 1990, 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 December 1, 1990, and semiannually thereafter on the first days of each June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft to the Registered Owner or assigns at the address shown on the Bond Register on the 15th day of the month prior to the interest payment date (or, if this bond is held in fully immobilized form or otherwise if agreed to by the Port, by wire transfer). Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York (collectively the "Registrar"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of an issue of bonds of the Port of like date, tenor and effect, except as number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to acquire, construct and install improvements to Port facilities.

The Port reserves the right to redeem the bonds of this issue maturing after _____ on and after _____ in whole on any date or in part on any interest payment date and if in part, with maturities to be selected by the Port and by lot

within a maturity in such manner as the Registrar shall determine, at the following prices plus accrued interest to the date of redemption.

Redemption Dates

Redemption Prices

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

Year

Amount

* Final Maturity

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of any bond to be redeemed at the address appearing on the bond register. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

The bonds are interchangeable for bonds of any denomination authorized by the Bond Resolution of an equal aggregate principal amount and of the same interest rate and maturity. Portions of the principal sum of this bond in installments of \$5,000 or any integral multiple thereof may also be redeemed in accordance with the schedule set forth above, and if less than all of the principal sum hereof is to be redeemed, upon the surrender of this 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 hereof, at the option of the owner, a bond or bonds of like maturity and interest rate in any of the denominations authorized by the Bond Resolution.

This bond is transferable only on the records maintained by the Registrar for that purpose upon the surrender of this bond by the registered owner hereof or his/her duly authorized agent and only if endorsed in the manner provided hereon, and thereupon a new fully registered bond of like principal amount, maturity and interest rate shall be issued to the transferee in exchange thereof. 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 Registrar is not required to issue, register, transfer or exchange any of the bonds during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on the interest payment date, or, in the case of any proposed redemption of the bonds, after the mailing of notice of the call of such bonds for redemption.

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

The Port does hereby pledge and bind itself to set aside from such Gross Revenue, and to pay into said Bond Fund and the Reserve Account created therein the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Fund and Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to the lien thereon of the Senior Lien Bonds and subject further to the Operating Expenses of the Port and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of the Series 1990B Bonds and Series 1990C Bonds issued under this date 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 will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenues (as the same is defined in the Bond Resolution) in an amount equal to or greater than the Rate Covenant.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution (as hereinafter defined) until the Certificate of Authentication hereon shall have been manually signed by 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 a facsimile corporate seal of the Port to be imprinted hereon as of the 1st day of February, 1990.

PORT OF SEATTLE, WASHINGTON

By /s/
President, Port Commission

ATTEST:

/s/
Secretary, Port Commission

(b) The Series 1990A Capital Appreciation Bonds shall be in the form of the Series 1990A Current Interest Bonds with such modifications to conform to the terms thereof.

(c) The Series 1990B Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE BOND, SERIES 1990B

Maturity Date: _____ CUSIP No. _____

Interest Rate: _____

Registered Owner: _____

Principal Amount: _____

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Revenue Bond Fund, Series 1990" (the "Bond Fund") created by Resolution No. 3060, as amended of the Port Commission (together with Resolution No. 3059, as amended, hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Bond Fund from February 1, 1990, 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 December 1, 1990, and semiannually thereafter on the first days of each June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft to the Registered Owner or assigns at the address shown on the Bond Register on the 15th day of the month prior to the interest payment date (or, if this bond is held in fully immobilized form or otherwise if agreed to by the Port, by wire transfer). Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York (collectively the "Registrar"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of an issue of bonds of the Port of like date, tenor and effect, except as number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to acquire, construct and install improvements to Port facilities.

The Port reserves the right to redeem the bonds of this issue maturing after _____ on and after _____ in whole on any date or in part on any interest payment date and if in part, with maturities to be selected by the Port and by lot within a maturity in such manner as the Registrar shall determine

at the following prices plus accrued interest to the date of redemption.

Redemption Dates

Redemption Prices

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

Year

Amount

* Final Maturity

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of any bond to be redeemed at the address appearing on the bond register. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

Portions of the principal sum of this bond in installments of \$5,000 or any integral multiple thereof may also be redeemed in accordance with the schedule set forth above, and if less than all of the principal sum hereof is to be redeemed, upon the surrender of this 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 hereof, at the option of the owner, a bond or bonds of like maturity and interest rate in any of the denominations authorized by the Bond Resolution.

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 Registrar is not required to issue, register, transfer or exchange any of the bonds during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on the interest payment date, or, in the case of any proposed redemption of the bonds, after the mailing of notice of the call of such bonds for redemption.

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

The Port does hereby pledge and bind itself to set aside from such Gross Revenue, and to pay into said Bond Fund and the Reserve Account created therein the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Fund and Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject

to the lien thereon of the Senior Lien Bonds and subject further to the Operating Expenses of the Port and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of the Series 1990A Bonds and Series 1990C Bonds issued under this date and to 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 will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenues (as the same is defined in the Bond Resolution) in an amount equal to or greater than the Rate Covenant.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution (as hereinafter defined) until the Certificate of Authentication hereon shall have been manually signed by 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 a facsimile corporate seal of the Port to be imprinted or impressed hereon as of the 1st day of February, 1990.

PORT OF SEATTLE, WASHINGTON

By /s/
President, Port Commission

ATTEST:

/s/
Secretary, Port Commission

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN - as joint tenants with right of survivorship and not as
 tenants in common
UNIF GIFT (TRANSFER)
MIN ACT - _____ Custodian _____
 (Cust) (Minor)
under Uniform Gifts (Transfer) to Minors Act _____
 (State)

Additional abbreviations may also be used although not
listed above.

(Form of Assignment)

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER
OF TRANSFEREE

_____ / _____

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

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

DATED: _____, 19 ____.

SIGNATURE GUARANTEED:

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Revenue Bonds, Series 1990B of the Port of Seattle, Was' on, dated February 1, 1990.

WASHINGTON STATE FISCAL
AGENCY, Registrar

By _____
Authorized Officer

(d) The Series 1990B Capital Appreciation Bonds shall be in the form of the Series 1990B Current Interest Bonds with such modifications to conform to the terms thereof.

(e) The Series 1990C Bonds shall be in substantially the following form:

NO. _____ UNITED STATES OF AMERICA \$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE BOND, SERIES 1990C

Maturity Date: CUSIP No.

Interest Rate:

Registered Owner:

Principal Amount:

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Revenue Bond Fund, Series 1990" (the "Bond Fund") created by Resolution No. 3060, as amended of the Port Commission (together with Resolution No. 3059, as amended, hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Bond Fund from February 1, 1990, 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 December 1, 1990, and semiannually thereafter on the first days of each June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft to the Registered Owner or assigns at the address shown on the Bond Register on the 15th day of the month prior to the interest payment date (or, if this bond is held in fully immobilized form or otherwise if agreed to by the Port, by wire transfer). Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York (collectively the "Registrar"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of an issue of bonds of the Port of like date, tenor and effect, except as number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to acquire, construct and install improvements to Port facilities.

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

Redemption Dates

Redemption Prices

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

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

* Final Maturity

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of any bond to be redeemed at the address appearing on the bond register. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

Portions of the principal sum of this bond in installments of \$5,000 or any integral multiple thereof may also be redeemed in accordance with the schedule set forth above, and if less than all of the principal sum hereof is to be redeemed, upon the surrender of this 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 hereof, at the option of the owner, a bond or bonds of like maturity and interest rate in any of the denominations authorized by the Bond Resolution.

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 Registrar is not required to issue, register, transfer or exchange any of the bonds during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on the interest payment date, or, in the case of any proposed redemption of the bonds, after the mailing of notice of the call of such bonds for redemption.

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 Net Revenues, and to pay into said Bond Fund and the Reserve Account created therein the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Fund and Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to the lien thereon of the Senior Lien Bonds and subject further to the Operating Expenses of the Port and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of the Series 1990A Bonds and Series 1990B Bonds issued under this date and to 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 will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenues (as the same is defined in the Bond Resolution) in an amount equal to or greater than the Rate Covenant.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution (as hereinafter defined) until the Certificate of Authentication hereon shall have been manually signed by 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 a facsimile corporate seal of the Port to be imprinted or impressed hereon as of the 1st day of February, 1990.

PORT OF SEATTLE, WASHINGTON

By /s/
President, Port Commission

ATTEST:

/s/
Secretary, Port Commission

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
 TEN ENT - as tenants by the entireties
 JT TEN - as joint tenants with right of survivorship and not as
 tenants in common
 UNIF GIFT (TRANSFER)
 MIN ACT - _____ Custodian _____
 (Cust) (Minor)
 under Uniform Gifts (Transfer) to Minors Act _____
 (State)

Additional abbreviations may also be used although not listed above.

(Form of Assignment)

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

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

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

DATED: _____, 19 ____.

SIGNATURE GUARANTEED:

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Revenue Bonds, Series 1990C of the Port of Seattle, Washington, dated February 1, 1990.

WASHINGTON STATE FISCAL AGENCY, Registrar

By _____
Authorized Officer

In the event the Series 1990 Bonds are no longer registered in the name of Cede & Co., or its assign, the form of Series 1990 Bonds may be modified to conform to printing requirements and the terms of this Series Resolution.

Section 13. Execution. The Series 1990 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 1990 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 1990 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 1990 Bonds shall cease to be such officer or officers of the Port before the Series 1990 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 1990 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 1990 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 1990 Bond shall be the proper officers of the Port although at the original date of such Series 1990 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 Series 1990 Bonds which shall at all times be open to inspection by the Port. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 1990 Bonds transferred or exchanged in accordance with the provisions of such Series 1990 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 1990 Bonds. The Registrar may become the owner of Series 1990 Bonds with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of registered owners of the Series 1990 Bonds.

Section 15. Defaults and Remedies. The Port hereby finds and determines that the failure or refusal of the Port or any of its officers to perform the covenants and obligations of this Series Resolution will endanger the operation of the Facilities and the application of Gross Revenue and such other moneys, funds and securities to the purposes herein set forth. Any one or more of the following shall constitute a Default under this Series Resolution;

(a) The Port shall fail to make payment of the principal of any Series 1990 Bonds when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity;

(b) The Port shall fail to make payments of any installment of interest on any Series 1990 Bonds when the same shall become due and payable;

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

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

Section 16. Sale of Series 1990 Bonds. The Series 1990 Bonds shall be sold at negotiated sale to an underwriting group consisting of The First Boston Corporation, Shearson Lehman Hutton Inc., Piper, Jaffray & Hopwood Incorporated and Grigsby

Brandford Powell Inc. under the terms of a Bond Purchase Contract dated this date. The Bond Purchase Contract is hereby approved, and the Designated Port Representative is hereby authorized and directed to execute the Bond Purchase Contract. Upon the adoption of this Series Resolution, the proper officials of the Port are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Series 1990 Bonds to the purchaser thereof.

The Designated Port Representative is authorized to review and to approve, on behalf of the Port, the Official Statement (and any Preliminary Official Statement) relating to the issuance and sale of the Series 1990 Bonds and the distribution of the Series 1990 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate

Section 17. 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 18. Effective Date. This Series Resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof, held this 2nd day of February, 1990, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF SEATTLE, WASHINGTON

Commissioners

EXHIBIT A

The following are the capital projects, all or part of the Costs of Construction of which may be paid from the proceeds of the Series 1990A Bonds:

1. Improvements to the parking terminal to include expansion of the parking terminal at Seattle-Tacoma International Airport, relocation of car rental agencies, development of additional curbside plaza and major maintenance improvements of the existing Airport parking garage at an estimated cost of \$86,279,000.
2. 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, for an estimated cost of \$6,000,000.
3. Terminal 107, which is situated at 4700 West Marginal Way S.W., Seattle, Washington 98134, shall be improved by adding public access and a fish enhancement project, for an estimated cost of \$1,804,000.
4. Terminal 108, which is situated at East Marginal Way South at Diagonal Way South, Seattle, Washington 98134 shall be improved by adding public access for an estimated cost of \$400,000.
5. Lower Duwamish: Park and Shoreline improvements for public access site at South Portland and 8th Avenue South, Seattle, Washington 98134, at an estimated acquisition cost of \$175,000.
6. Shilshole Bay Marina, which is situated at 7001 Seaview N.W., Seattle, Washington 98107, shall be improved by expansion of the marina, for an estimated cost of \$8,520,000.
7. The Port shall contribute funds toward the Spokane Street Bridge replacement project, situated at Spokane Street in Seattle, Washington, estimated at \$5,802,000.
8. Marine studies and environmental work shall be undertaken in the Seattle Harbor, for an estimated cost of \$5,922,000.
9. Computer equipment for Port staff use in its marine facilities and additional marine equipment shall be acquired for an estimated cost of \$2,735,000.
10. Additional small capital acquisitions for mobile and other equipment shall be undertaken for an estimated cost of \$4,654,000.

EXHIBIT B

The following is a list of the capital projects, the Costs of Construction of which may be paid from the proceeds of the Series 1990B Bonds:

Seattle-Tacoma International Airport

1. Concourse B Access and Widening project consists of construction of a new stairway, a new elevator and a new gate node. It also involves widening of Concourse B for an estimated cost of \$24,139,900.
2. Expansion of Concourse C involves expansion of the end node of Concourse C and the widening of Concourse C and renovation at the concourse and mezzanine level and portions of the ramp level for an estimated cost of \$25,228,400.
3. Expansion of Concourse D consists of demolition of the United Airlines Hangar; expansion at the end of Concourse D; widening and renovation of the existing concourse; renovation of the existing concourse to match the new building; addition of six new aircraft gates; construction of a new pier sort bag handling system; new apron paving for an estimated cost of \$28,713,200.
4. Escalator Replacement, including replacement of the four escalators in the North Satellite and the four escalators in Concourse C for an estimated cost of \$3,669,000.
5. Land Acquisition/Noise Remedy
The Land Acquisition/Noise Remedy Program, as approved by the Port Commission in January 1985, for the period 1990-1994 will be continued by the acquisition of property within the areas described in the Sea-Tac International Airport Part 150; Airport Noise Compatibility Program including areas bordered approximately by First Avenue South and Military Road South and South 100th Street and South 244th Street for an estimated cost of \$25,000,000.
6. Remote parking lot for employees for an estimated cost of \$2,800,000.
7. A portion of the costs of the rental car agencies' relocation within the parking terminal at an estimated cost of \$6,391,000.

Marine Facilities

8. Terminal 4 which is situated at the intersection of 26th S.W. and S.W. Florida, Seattle, Washington 98106, shall be improved by the acquisition of land and the undertaking of environmental work and preliminary development, for an estimated cost of \$15,662,000.
9. Terminal 5 which is situated at 3200 West Marginal Way S.W., Seattle, Washington 98106, shall be improved by the installation of manlifts crane upgrades, demolition of a concrete access ramp, additional ramp container expansion, yard development, mitigation work and a fendering system for an estimated cost of \$5,775,000.
10. Terminal 18 which is situated at 2400 to 2900 - 11th Avenue S.W., Seattle, Washington 98134, shall be improved with the following projects: improvements to the north gatehouse facility, property acquisition, 15 acres of asphalt overlay,

miscellaneous yard improvements and the acquisition of a new container crane, for an estimated cost of \$13,503,000.

11. Terminal 25 which is situated at 3225 East Marginal Way South, Seattle, Washington 98134, shall be improved by concrete pile inspection and repair, demolition of CFS building and miscellaneous yard improvements for an estimated cost of \$2,175,000.
12. 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 for an estimated cost of \$4,590,000.
13. Terminal 30 which is situated at 2715 East Marginal Way South, Seattle, Washington 98134, shall be improved through property acquisition and container yard development for an estimated cost of \$20,626,000.
14. 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 for an estimated cost of \$2,454,000.
15. Terminal 42 which is situated at Alaskan Way South on Elliott Bay between Terminals 37 and 46, shall be refurbished by an asphalt overlay of the terminal for an estimated cost of \$3,550,000. (Overlay will cover Terminals 37, 42 and 46.)
16. 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, for an estimated cost of \$2,215,000.
17. Pier 66, 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, for a total cost of \$2,498,000.
18. Pier 69, which is situated at 2701 Alaskan Way, Seattle, Washington 98121, shall be refurbished and developed by the rehabilitation of the apron, structural improvements, land acquisition and employee parking garage construction, for an estimated cost of \$15,975,000.
19. Terminal 91, which is situated at 2001 West Garfield, Seattle, Washington 98119, shall undergo miscellaneous improvements including roof replacement and rehabilitation of timber apron for an estimated cost of \$1,481,000.
20. 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, for an estimated cost of \$4,568,000.
21. Terminal 106, which is situated at 7 South Nevada Street, Seattle, Washington 98134 and T-106-W CFS, which is located at 3629 Duwamish Avenue South, Seattle, Washington 98134, shall be improved by warehouse improvements, scheduled equipment purchases and the construction of a new warehouse, for an estimated cost of \$11,456,000.

22. Terminal 115, which is situated at 6020 to 6730 West Marginal Way S.W., Seattle, Washington 98106, shall be rehabilitated by pile replacement and building demolition projects, for an estimated cost of \$792,000.
23. Fishermen's Terminal, which is situated at 1735 West Thurman Street, Seattle, Washington 98119, shall be improved by the construction of a net storage shed for an estimated cost of \$103,000.
24. A contingency fund for increased costs of \$7,584,000 also is included.

EXHIBIT C

The following are the capital projects, all or part of the Costs of Construction of which were paid from the proceeds of the Junior Lien Bonds being refunded by the Series 1990C Bonds:

1. Upgrading of Terminal 5 which is located at 3200 West Marginal Way S.W., Seattle, Washington.
2. Upgrading of Terminal 18 which is situated at 2400 to 2900 11th Avenue, S.W. Seattle, Washington.

EXHIBIT D

_____, 1990

The Depository Trust Company
55 Water Street

New York, New York 10041

Attention: Carmela Di Palma, Associate Counsel

Re: Port of Seattle, Washington, Revenue Bonds, Series 1990A; Port of Seattle, Washington, Revenue Bonds, Series 1990B; and Port of Seattle, Washington, Revenue Bonds, Series 1990C

Gentlemen:

The purpose of this letter is to set out certain matters relating to the issuance by the Port of Seattle, Washington (the "Port"), of \$66,240,492.05 in aggregate principal amount of its Revenue Bonds, Series 1990A, \$59,969,771.35 in aggregate principal amount of its Revenue Bonds, Series 1990B and \$24,805,000 in aggregate principal amount of its Revenue Bonds, Series 1990C (collectively, the "Bonds"). Seattle-First National Bank, Seattle, Washington, and The Bank of New York, New York, New York (collectively, the "Registrar") are acting as registrar, authenticating and paying agent with respect to the Series 1990 Bonds pursuant to Resolution Nos. 3059, as amended, and 3060, as amended of the Port Commission (collectively the "Bond Resolution"). The First Boston Corporation, on behalf of itself and others (collectively, the "Underwriter"), have agreed to purchase the Series 1990 Bonds pursuant to a Bond Purchase Contract dated February 2, 1990. The Underwriters are distributing the Series 1990 Bonds through The Depository Trust Company ("DTC").

To induce DTC to accept the Series 1990 Bonds as eligible for deposit at DTC and act in accordance with its Rules with respect to the Series 1990 Bonds, the Port and the Bond Registrar make the following representations to DTC:

1. Subsequent to Closing on the Series 1990 Bonds on _____, 1990, the Port will cause the Underwriter to deposit with DTC one Series 1990 Bond certificate registered in the name of DTC's nominee, Cede & Co., for each stated maturity of each series of the Series 1990 Bonds in the face amount set forth on Schedule A hereto, the total of which represents 100% of the principal amount of such Series 1990 Bonds.

2. The Bond Resolution does not provide for obtaining any consents of Bondowners in the ordinary course of administration of the terms of the Bond Resolution. If, however, there is any solicitation of consents from and voting by owners of the Bonds, the Port shall establish a record date for such purposes and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

3. The Bond Resolution does not provide for acceleration or other early withdrawal. In the event of a redemption or any other similar transaction resulting in retirement of all Series 1990 Bonds outstanding or a reduction in aggregate principal amount of Series 1990 Bonds outstanding ("full or partial redemption") or an advance refunding of all or part of the Series 1990 Bonds outstanding, the Registrar or Port shall give DTC

notice of such event not less than 30 days nor more than 60 days prior to the redemption or refunding date.

4. In the event of a partial redemption or an advance refunding of Series 1990 Bonds, the Port or the Registrar shall send DTC a notice specifying: (1) the amount of the redemption or refunding; (2) in the case of a refunding, the maturity date(s) established under the refunding; and (3) the date such notice is to be mailed to Bondowners or published (the "Publication Date"). Such notice shall be sent to DTC by a secure means (e.g., legible facsimile transmission, registered or certified mail, overnight express 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. The Port or the registrar will forward such notice either in a separate secure transmission for each CUSIP number or in a secure transmission for multiple CUSIP numbers which includes a manifest or list of each CUSIP submitted in that transmission. The Port or the Registrar sending such notice shall have a method to verify subsequently the use of such means and timeliness of the 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 the proceeds are deposited in escrow.

5. The Bond Resolution does not provide for any notices of an invitation to tender the Series 1990 Bonds. If, however, there were to be an invitation to tender the Series 1990 Bonds, notice to Bondowners by the Port or the Registrar, specifying the terms of the tender and the date such notice is to be mailed to Bondowners or published (the "Publication Date") shall be sent to DTC by a secure means (e.g., legible facsimile transmission, registered or certified mail, overnight express 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. The Port or the Registrar sending such notice shall have a method to verify subsequently the use of such means and timeliness of the notice.

6. All notices and payments addressed to DTC shall contain the CUSIP number of the Series 1990 Bonds.

7. Notices to DTC by facsimile transmission shall be sent to DTC's Call Notification Department at (516) 227-4039 or (516) 227-4190. Notices to DTC by mail or any other means shall be sent to:

The Depository Trust Company
Muni Reorganization Manager
Call Notification Department
711 Stewart Avenue
Garden City, New York 11530

8. Interest payments shall be received by Cede & Co., as nominee of DTC, or its registered assigns in next day funds on each interest payment date (or the equivalent in accordance with existing arrangements between the Port or the Registrar and DTC). Interest payments shall be made payable to the order of "Cede & Co."

9. Payments of principal shall be received by Cede & Co., as nominee of DTC, or its registered assigns in next-day funds on each payment date. Principal payments shall be made payable to the order of "Cede & Co." and shall be addressed as follows:

The Depository Trust Company
Muni Redemption Department
55 Water Street - 50th Floor
New York, New York 10041
Attention: Collection Supervisor

10. DTC may direct the Port or the Registrar to use any other telephone number for facsimile transmission, address, or department of DTC as the number, address or department to which payments of interest or principal or notices may be sent.

11. In the event of a redemption, acceleration or any other similar transaction (e.g., tenders made and accepted in response to the Port's or the Registrar's invitation) necessitating a reduction in aggregate principal amount of Series 1990 Bonds outstanding or an advance refunding of part of the Series 1990 Bonds outstanding, DTC, in its discretion, (a) may request the Port or the Registrar to issue and authenticate a new Series 1990 Bond certificate and, in the case of a refunding or (b) shall make an appropriate notation on the Series 1990 Bond certificate indicating the date and amounts of such reduction in principal, except in the case of final maturity, in which case the certificate must be presented to the Port or the Registrar prior to payment.

12. The Bond Resolution provides that in the event the Registrar at the direction of the Port determines that it is in the best interests of the beneficial owners of the Series 1990 Bonds that they be able to obtain certificated Series 1990 Bonds, the Port or the Registrar shall notify DTC of the availability of Series 1990 Bond certificates of appropriate series and shall issue, transfer and exchange Series 1990 Bond certificates in appropriate amounts as required by DTC and others.

13. DTC may determine to discontinue providing its service as securities depository with respect to the Series 1990 Bonds at any time by giving reasonable notice to the Port (at which time DTC will confirm with the Port or the Registrar the aggregate principal amount of the Series 1990 Bonds outstanding) and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, whenever DTC requests the Port and the Registrar to do so, the Registrar and the Port will cooperate with DTC in taking appropriate action to make available one or more separate certificates evidencing the Series 1990 Bonds to any DTC Participant having Series 1990 Bonds credited to its DTC account.

14. Nothing herein shall be deemed to require the Registrar to advance funds on behalf of the Port.

Notes:

a. If there is no organization acting as Registrar for the Port, and all obligations in this Letter of Representation are to be assumed solely by the Port, references to such Registrar may be inked out.

b. Neither DTC nor (Cede & Co.) provides consents with respect to any security. Under its usual procedures, DTC mails an Omnibus Proxy to the Port as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s voting rights to those Participants having the security credited to their accounts on the record date (identified in a listing attached to the Omnibus Proxy). The requirement to advise DTC of the record date for the solicitation of consents is set forth in paragraph 2 of the letter.

c. 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 partial call or of an advance refunding of part of an issue is published (the "Publication Date"). The establishment of such Publication Date is addressed in paragraph 4 of the letter.

Very truly yours,

SEATTLE-FIRST NATIONAL BANK

By _____
Authorized Officer

PORT OF SEATTLE, WASHINGTON

By _____
Director of Finance and
Administration

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____
Authorized Officer Signature

cc: The First Boston Corporation
Shearson Lehman Hutton Inc.
Piper Jaffray & Hopwood Incorporated
Grigsby Brandford Powell Inc.
Orrick, Herrington & Sutcliffe

EXHIBIT E

GUARANTY AGREEMENT

GUARANTY AGREEMENT dated as of _____ by and between the PORT OF SEATTLE, a public body corporate organized and existing under the laws of the State of Washington (the issuer, as "Obligor"); and AMBAC INDEMNITY CORPORATION ("AMBAC"), a Wisconsin-domiciled stock insurance company.

W I T N E S S E T H:

WHEREAS, the Obligor has or will issue _____ (the "Obligations"); and

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

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

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

NOW, THEREFORE, in consideration of the premises and of the agreements herein contained and of the execution of the Surety Bond, the Obligor and AMBAC agrees as follows:

ARTICLE I

DEFINITIONS; SURETY BOND

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

Section 1.02. Surety Bond.

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

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

(c) Payments made under the Surety Bond will reduce the Surety Bond Coverage to the extent of that payment, provided that the Surety Bond Coverage shall be automatically reinstated to the extent of the reimbursement by the Obligor of any payment made by AMBAC. AMBAC shall notify the Paying Agent in writing no later than the fifth (5th) day following the reimbursement by the Obligor that the Surety Bond has been reinstated to the extent of such reimbursement.

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

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

ARTICLE II

REIMBURSEMENT OBLIGATIONS OF OBLIGOR AND SECURITY THEREFORE

Section 2.01. Reimbursement for Payments Under the Surety Bond and Expenses.

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

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

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

Section 2.03. Security for Payments; Instruments of Further Assurance. To the extent, but only to the extent, that the Resolution, pledges to the Owners or any paying agent therefor, or grants a security interest or lien in or on any collateral property, revenue or other payments ("Collateral and Revenues") in order to secure the Obligations or provide a source of payment for the Obligations, the Obligor hereby grants to AMBAC a security interest in or lien on, as the case may be, and pledges to AMBAC all such Collateral and Revenues as security for payment of all amounts due hereunder, which security interest, lien and/or pledge created or granted under this Section 2.03 shall be subordinate only to the interests of the Owners and any paying agent therefor in such Collateral and Revenues. The Obligor agrees that it will, from time to time, execute, acknowledge and delivery, or cause to be executed, acknowledged and delivered, any and all financing statements, if applicable, and all other further instruments as may be required by law or as shall reasonably be requested by AMBAC for the perfection of the security interest, if any, granted under this Section 2.03 and for the preservation and protection of all rights of AMBAC under this Section 2.03.

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

(a) any lack of validity of enforceability of, or any amendment or other modification of, or waiver with respect to the Resolution or the Obligations;

(b) any exchange, release or nonperfection of any security interest in property securing the Obligations or this Agreement or any obligations hereunder;

(c) any circumstances which might otherwise constitute a defense available to, or discharge of, the Obligor with respect to the Obligations;

(d) whether or not such Obligations are contingent or matured, disputed or undisputed, liquidated or unliquidated.

ARTICLE III

EVENTS OF DEFAULT; REMEDIES

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

(a) The Obligor shall fail to pay to AMBAC any amount payable under Sections 1.04 and 2.01 hereof and such failure shall have continued for a period in excess of the Reimbursement Period;

(b) Any material representation or warranty made by the Obligor hereunder or under the Resolution or any statement in the application for the Surety Bond or any report, certificate, financial statement or other instrument provided in connection with the Commitment, the Surety Bond or herewith shall have been materially false at the time when made;

(c) Except as otherwise provided in this Section 3.01, the Obligor shall fail to perform any of its other obligations under Agreement or hereunder, provided that such failure continues for more than thirty (30) days after receipt by the Obligor of notice of such failure to perform;

(d) The Obligor shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, paying agent, custodian, sequestrator or similar official for the Obligor or for a substantial part of its property; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take action for the purpose of affecting any of the foregoing; or

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

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

ARTICLE IV

SETTLEMENT

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

ARTICLE V

MISCELLANEOUS

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

Section 5.02. Exercise of Rights. No failure or delay on the part of AMBAC to exercise any right, power or privilege under this Agreement and no course of dealing between AMBAC and the Obligor or any other party shall operate as a waiver of any such right, power or privilege, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which AMBAC would otherwise have pursuant to law or equity. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the other party to any other or further action in any circumstances without notice or demand.

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

Section 5.04. Successors and Assigns; Descriptive Headings.

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

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

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

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

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

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

If to the Port: Port of Seattle
P.O. Box 1209
Seattle, WA 98111
Attn: Director of Finance and
Administration

If to the Paying Agent: Seattle-First National Bank
P.O. Box 3586
Seattle, WA 98154
Attn: Bond Trustee

If to AMBAC: AMBAC Indemnity Corporation
One State Street Plaza
17th Floor
New York, New York 10004
Attn: General Counsel

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

Section 5.10. Governing Law. This Agreement and the rights and obligations of the parties under this Agreement shall be

governed by and construed and interpreted in accordance with the laws of the State of Washington.

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

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

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

PORT OF SEATTLE

By: _____
Title: _____

AMBAC INDEMNITY CORPORATION

By: _____
Title: _____

ANNEX A

SURETY BOND NO DEPOSIT AGREEMENT

AMBAC Indemnity Corporation
One State Street Plaza
New York, New York 10004

Policy No. SB _____ BE

AMBAC Indemnity Corporation ("AMBAC"), in consideration of the payment of the premium and subject to the terms of this Surety Bond, hereby unconditionally and irrevocably guarantees the full and complete payments which are to be applied to payment of principal of and interest on the Obligations (as hereinafter defined) and which are required to be made by or on behalf of the _____ (the issuer, as Obligor) to _____ (the "Paying Agent") as such payments are due by the Obligor but shall not be so paid pursuant to a resolution of the City Council of the Obligor authorizing the issues of \$ _____

(the "Obligations") of said city and providing the terms and conditions for the issuance of said Obligations (the "Resolution"); provided that the amount available at any particular time to be paid to the Paying Agent under the terms hereof shall not exceed \$ _____ (the "Surety Bond Coverage") and the Surety Bond Coverage shall be reduced and may be reinstated from time to time as set forth herein.

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

2. Upon the later of: (i) one (1) day after receipt by the General Counsel of AMBAC of a demand for payment in the form attached hereto as Attachment 1 (the "Demand for Payment"), duly executed by the Paying Agent certifying that payment due as required by the 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 Paying Agent to the General Counsel of AMBAC, AMBAC will make a deposit of funds in an Account with the Paying Agent or its successor, in New York, New York, sufficient for the payment to the Paying Agent, of amounts which are then due to the Paying Agent (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage.

3. Demand for Payment hereunder may be made by prepaid telecopy, telex, or telegram of the executed Demand for Payment c/o the General Counsel of AMBAC. If a Demand for Payment made hereunder does not, in any instance conform to the terms and conditions of this Surety Bond, AMBAC shall give notice to the Paying Agent, as promptly as reasonably practicable that such Demand for Payment was not effected in accordance with the terms and conditions of this Surety Bond and briefly state the reason(s) therefor. Upon being notified that such Demand for Payment was not effected in accordance with this Surety Bond, the Paying Agent may attempt to correct any such nonconforming Demand for Payment if, and to the extent that, the Paying Agent is entitled and able to do so.

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

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

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

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

IN WITNESS WHEREOF, AMBAC has caused this Surety Bond to be executed and attested on its behalf this ____ day of _____, 19__.

AMBAC Indemnity Corporation

Attest: _____
Assistant Secretary

By: _____
Vice President and
Assistant General Counsel

Attachment 1

Surety Bond No. _____

DEMAND FOR PAYMENT

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

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

The Paying Agent hereby certifies that:

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

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

(c) The Paying Agent has not heretofore made demand under the Surety Bond for the Amount Due or any portion thereof.

The Paying Agent hereby requests that payment of the Deficiency (up to but not in excess of the Surety Bond Coverage) be made by AMBAC under the Surety Bond and directs that payment under the Surety Bond be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Surety Bond:

_____ [Paying Agent's Account]

[PAYING AGENT]

By: _____
Its _____

Attachment 2

Surety Bond No. _____

NOTICE OF REINSTATEMENT

_____, 19__

[Paying Agent]
[Address]

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

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

AMBAC INDEMNITY CORPORATION

Attest: _____
Assistant Secretary

By: _____
Vice President and
Assistant General Counsel

ANNEX B

DEFINITIONS

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

"Agreement" means this Guaranty Agreement.

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

"Collateral and Revenues" has the same meaning as set forth in Section 2.03 hereof.

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

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

"Event of Default" shall mean those events of default set forth in Section 3.01 of this Agreement.

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

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

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

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

"Paying Agent" has the same meaning as set forth in the third paragraph of this Agreement.

"Reimbursement Period" means, with respect to a particular Surety Bond Payment, the period commencing on the date of such Surety Bond Payment and ending 12 months following such Surety Bond Payment with monthly level principal repayments and monthly interest repayments at the rate set forth in Section 2.01 hereof.

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

"Resolution" means _____.

"State" means the State of Wisconsin.

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

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

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