

**PFC  
SERIES RESOLUTION**

PORT OF SEATTLE

RESOLUTION NO. 3643

- A Resolution of the Port Commission of the Port of Seattle authorizing the sale and issuance of passenger facility charge revenue refunding bonds of the Port in the principal amount of not to exceed \$165,000,000 for the purpose of refunding outstanding passenger facility charge revenue bonds; delegating authority for the sale of the bonds and the preparation and dissemination of a preliminary official statement and final official statement; authorizing the appointment of an escrow agent and execution of an escrow agreement; providing for continuing disclosure; providing for a negotiated sale of the bonds to Goldman, Sachs & Co., Barclays Capital Inc., Morgan Stanley & Co. Incorporated and Siebert Brandford Shank & Co., LLC; and amending Resolution No. 3284, as amended.

ADOPTED: OCTOBER 26, 2010

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**PORT OF SEATTLE**  
**Resolution No. 3643**  
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Exhibit A – Form of Escrow Deposit Agreement

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RESOLUTION NO. 3643

A Resolution of the Port Commission of the Port of Seattle authorizing the sale and issuance of passenger facility charge revenue refunding bonds of the Port in the principal amount of not to exceed \$165,000,000 for the purpose of refunding outstanding passenger facility charge revenue bonds; delegating authority for the sale of the bonds and the preparation and dissemination of a preliminary official statement and final official statement; authorizing the appointment of an escrow agent and execution of an escrow agreement; providing for continuing disclosure; providing for a negotiated sale of the bonds to Goldman, Sachs & Co., Barclays Capital Inc., Morgan Stanley & Co. Incorporated and Siebert Brandford Shank & Co., LLC; and amending Resolution No. 3284, as amended.

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

WHEREAS, the Port has authorized the issuance of passenger facility charge revenue bonds in one or more series pursuant to Resolution No. 3284, as amended, adopted on July 16, 1998 (the "PFC Master Resolution"); and

WHEREAS, the passenger facility charge revenue bonds (defined as "PFC Bonds" in the PFC Master Resolution) authorized by the PFC Master Resolution shall be approved by Series Resolutions (as such term is defined in the PFC Master Resolution); and

WHEREAS, pursuant to the PFC Master Resolution and Resolution No. 3285, as amended, adopted by the Port Commission on July 16, 1998 (the "1998 Series Resolution"), on July 28, 1998, the Port issued its Passenger Facility Charge Revenue Bonds, Series 1998A (the "Series 1998A Bonds") and Passenger Facility Charge Revenue Bonds, Series 1998B (the "Series 1998B Bonds" and together with the Series 1998A Bonds, the "Outstanding PFC Bonds"), constituting First Lien PFC Bonds (as defined in the PFC Master Resolution, which remain outstanding as follows:

Series 1998A Bonds

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2016	\$ 670,000	5.00%
2017	14,380,000	5.00
2019	31,020,000	5.50
2023	72,420,000	5.00

Series 1998B Bonds

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2010	\$10,030,000	5.250%
2011	10,555,000	5.250
2012	11,110,000	5.250
2013	11,690,000	5.375
2014	12,325,000	5.250
2016	25,955,000	5.300

; and

WHEREAS, 1998 Series Resolution authorizes the redemption of the Series 1998A Bonds (other than the Series 1998A Bonds maturing on December 1, 2019, which are not subject to optional redemption) on and after December 1, 2008 in whole or in part at any time, with maturities to be selected by the Port, at the following prices, expressed as a percentage of par, plus accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2008 through November 30, 2009	101.0%
December 1, 2009 through November 30, 2010	100.5
December 1, 2010 and thereafter	100.0

; and

WHEREAS, 1998 Series Resolution authorizes the redemption of the Series 1998B Bonds on and after December 1, 2008 in whole or in part at any time, with maturities to be

selected by the Port, at the following prices, expressed as a percentage of par, plus accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2008 through November 30, 2009	101.0%
December 1, 2009 through November 30, 2010	100.5
December 1, 2010 and thereafter	100.0

; and

WHEREAS, as a result of market conditions, it appears to the Port that a substantial debt service savings may be obtained by refunding the callable Outstanding PFC Bonds through the issuance and sale of first lien passenger facility charge revenue refunding bonds in the aggregate principal amount of up to \$165,000,000 herein authorized (hereinafter defined as the “Series 2010 Bonds”); and

WHEREAS, it is deemed necessary and desirable that the Series 2010 Bonds be sold pursuant to negotiated sale as herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF SEATTLE, 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 PFC Master Resolution shall have the meanings set forth in the PFC Master Resolution. In addition, the following terms shall have the following meanings in this Series Resolution:

***Annual Disclosure Report*** has the meaning given such term in Section 17(b) of this Series Resolution.

***Bond Insurance Commitment*** means the commitment(s) of the Insurer, if any, to insure one or more series, or certain principal maturities thereof, of the Series 2010 Bonds.

***Bond Insurance Policy*** means the policy(ies) of municipal bond insurance, if any, delivered by the Insurer at the time of issuance and delivery of Series 2010 Bonds to be insured pursuant to the Bond Insurance Commitment.

***Bond Purchase Contract*** means the Bond Purchase Contract providing for the purchase of the Series 2010 Bonds by the Underwriters and setting forth certain terms authorized to be approved by the Chief Executive Officer as provided in Section 16 of this Series Resolution.

***Bond Register*** means the registration records for the Series 2010 Bonds maintained by the Registrar.

***Chief Executive Officer*** means the Chief Executive Officer of the Port, or any successor to the functions of his/her office.

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

***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 2010 Bonds pursuant to Section 6 of this Series Resolution.

***Designated Port Representative***, as defined in the PFC Master Resolution, means the Executive Director, the chief financial officer, director of finance and budget of the Port or such other person as may be directed from time to time by resolution of the Commission.

***Escrow Agent*** means the Escrow Agent for the Refunded Bonds appointed by the Designated Port Representative pursuant to this Series Resolution if the Designated Port Representative determines that an escrow will be necessary or required to carry out the plan of refunding.

**Escrow Agreement** means the Escrow Deposit Agreement, dated as of the date of the closing and delivery of the Series 2010 Bonds, between the Port and the Escrow Agent to be executed in connection with the refunding of the Refunded Bonds, substantially in the form attached hereto as Exhibit A.

**Future PFC Bonds** mean those revenue bonds or other revenue obligations that will be issued by the Port in the future as First Lien PFC Bonds.

**Government Obligations** has the meaning given to such term in RCW Chapter 39.53, as amended.

**Insurer** means the bond insurance company or companies, if any, selected pursuant to Section 20 of this Series Resolution to issue the Bond Insurance Policy.

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

**MSRB** means the Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the SEC, any information, reports or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at [www.emma.msrb.org](http://www.emma.msrb.org).

**1998 Series Resolution** means Resolution No. 3285, as amended, adopted by the Port Commission on July 16, 1998.

**PFC Master Resolution** means Resolution No. 3284, as amended, of the Commission adopted on July 16, 1998, as amended herein and as the same may hereafter be amended in accordance with its terms.

**Refunded Bonds** mean those Refunding Candidates designated by the Chief Executive Officer pursuant to authority delegated by Section 16 of this Series Resolution.

**Refunding Candidates** mean the outstanding Series 1998A Bonds, other than the Series 1998A Bonds maturing on December 1, 2019, and the Series 1998B Bonds maturing after December 1, 2010.

**Registered Owner** means the person named as the registered owner of a Series 2010 Bond in the Bond Register.

**Registrar** means the fiscal agency of the State of Washington, appointed by the Treasurer for the purposes of registering and authenticating the Series 2010 Bonds, maintaining the Bond Register and effecting transfer, of ownership of the Series 2010 Bonds. The term Registrar shall include any successor to the fiscal agency, if any, hereinafter appointed by the Treasurer.

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

**Savings Target** means a dollar amount equal to two and 75/100 percent (2.75%) of the principal amount of the Refunded Bonds.

**SEC** means the Securities and Exchange Commission.

**Series 1998 Bonds** mean, collectively, the Series 1998A Bonds and the Series 1998B Bonds.

**Series 1998A Bonds** mean the Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998A issued on July 28, 1998, authorized by the 1998 Series Resolution and currently outstanding in the principal amount of \$118,490,000.



**Series 1998B Bonds** mean the Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B issued on July 28, 1998, authorized to be issued by the 1998 Series Resolution and currently outstanding in the principal amount of \$81,665,000.

**Series 2010A Bonds** mean Port of Seattle Passenger Facility Charge Revenue Refunding Bonds, Series 2010A.

**Series 2010B Bonds** mean Port of Seattle Passenger Facility Charge Revenue Refunding Bonds, Series 2010B.

**Series 2010 Bonds** mean the Series 2010A Bonds and Series 2010B Bonds.

**Tax and Arbitrage Certificate** means the federal tax certificate of the Port pertaining to the tax exemption of interest on the Series 2010 Bonds and the payment of any rebate amount to the United States.

**Term Bonds** mean the Series 2010 Bonds, if any, designated as “term bonds” in the Bond Purchase Contract.

**Underwriters** mean, collectively, Goldman, Sachs & Co., Barclays Capital Inc., Morgan Stanley & Co. Incorporated and Siebert Brandford Shank & Co., LLC.

**Rules of Interpretation.** In this Series Resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Series Resolution, refer to this Series Resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Series Resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this Series Resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series Resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

(f) Whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Designated Port Representative or his or her designee, respectively, and all references herein to the Designated Port Representative shall be deemed to include references to his or her designee, as the case may be.

Section 2. Plan of Finance. The Refunding Candidates are callable in whole or in part prior to their scheduled maturities and may be selected for refunding depending upon market conditions. The final selection of the maturities, if any, within each series of the Refunding Candidates designated as Refunded Bonds to be refunded by the Series 2010 Bonds shall be made by the Chief Executive Officer pursuant to the authority granted in Section 16 of this Series Resolution.

Section 3. Authorization of Series 2010 Bonds. The Port shall issue the Series 2010A Bonds as a series for the purpose of refunding the Refunding Candidates that are Series 1998A Bonds and the Series 2010B Bonds as a second series for the purpose of refunding the Refunding Candidates that are the Series 1998B Bonds (collectively with the Series 2010A Bonds referred to herein as the “Series 2010 Bonds”). The proceeds of the Series 2010 Bonds shall be used for the purpose of providing the funds necessary to refund the Refunded Bonds, to make a deposit to the First Lien Reserve Account, if necessary, and to pay all or a portion of the costs incidental to the foregoing and to the issuance of the Series 2010 Bonds.

The aggregate principal amount of the Series 2010 Bonds to be issued under this Series Resolution shall not exceed \$165,000,000 and shall be determined by the Chief Executive Officer, pursuant to the authority granted in Section 16 of this Series Resolution.

Section 4. Bond Details.

The Series 2010A Bonds shall be designated as “Port of Seattle Passenger Facility Charge Revenue Refunding Bonds, Series 2010A,” and the Series 2010B Bonds shall be designated as “Port of Seattle Passenger Facility Charge Revenue Refunding Bonds, Series 2010B.” The Series 2010 Bonds of each series shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Bond Purchase

Contract, and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated their date of delivery, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 within each series and maturity, shall bear interest from their date of delivery until the Series 2010 Bonds bearing such interest have been paid or their payment duly provided for. The Series 2010 Bonds of each series shall be issued in the aggregate principal amount, shall bear interest at the per annum rates, payable on the interest payment dates and shall mature, subject to prior redemption, in the principal amounts on the principal payment dates set forth in the Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 16 of this Series Resolution.

The Series 2010 Bonds shall be First Lien PFC Bonds and shall be obligations only of the First Lien Bond Account and the First Lien Reserve Account and shall be payable and secured as provided herein and in the PFC Master Resolution. The Series 2010 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 5. Redemption and Purchase.

(a) *Optional Redemption.* The Series 2010 Bonds of each series may be subject to optional redemption and/ or extraordinary optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 16 of this Series Resolution.

(b) *Mandatory Redemption.* The Series 2010 Bonds of each series may be subject to mandatory redemption and/or extraordinary mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 16 of this Series Resolution.

(c) *Purchase of Series 2010 Bonds.* The Port reserves the right to use at any time any PFC Revenue on deposit in the PFC Capital Fund available after providing for the payments required by paragraph First through Fourth of Section 2(a) of the PFC Master Resolution or other legally available funds to purchase any of the Series 2010 Bonds offered to the Port at any price deemed reasonable to the Designated Port Representative.

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

(e) *Selection of Series 2010 Bonds for Redemption.* If Series 2010 Bonds are called for optional redemption, the maturities of Series 2010 Bonds to be redeemed shall be selected by the Port. If any Series 2010 Bonds to be redeemed (optional or mandatory) then are held in book-entry-only form, the selection of Series 2010 Bonds within that series to be redeemed within a maturity shall be made in accordance with the operational arrangements then in effect at DTC. If the Series 2010 Bonds to be redeemed are no longer held in book-entry-only form, the selection of such Series 2010 Bonds to be redeemed shall be made in the following manner. If the Port redeems at any one time fewer than all of the Series 2010 Bonds having the same maturity date, portions of Series 2010 Bonds of such maturity to be redeemed shall be selected by lot (or in such other random manner determined by the Registrar) in increments of \$5,000. In the case of a Series 2010 Bond of a maturity having a denomination greater than \$5,000, the Port and Registrar shall treat each Series 2010 Bond of that maturity as representing such number of separate Series 2010 Bonds each of the denomination of \$5,000 as is obtained by dividing the

actual principal amount of such Series 2010 Bond of that maturity by \$5,000. In the event that only a portion of the principal amount of a Series 2010 Bond is to be redeemed, upon surrender of such Series 2010 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then-unredeemed balance of the principal amount thereof a Series 2010 Bond or, at the option of the Registered Owner, Series 2010 Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(f) *Notice of Redemption.* Written notice of any redemption of Series 2010 Bonds prior to maturity shall be given by the Registrar on behalf of the Port by first class mail, postage prepaid, not less than 20 days nor more than 60 days before the date fixed for redemption to the Registered Owners of Series 2010 Bonds that are to be redeemed at their last addresses shown on the Bond Register. This requirement shall be deemed complied with when notice is mailed to the Registered Owners at their last addresses shown on the Bond Register, whether or not such notice is actually received by the Registered Owners.

So long as the Series 2010 Bonds are in book-entry only form, notice of redemption shall be given to Beneficial Owners of Series 2010 Bonds to be redeemed in accordance with the operational arrangements then in effect at DTC, and neither the Port nor the Registrar shall be obligated or responsible to confirm that any notice of redemption is, in fact, provided to Beneficial Owners.

Each notice of redemption prepared and given by the Registrar to Registered Owners of Series 2010 Bonds (or portion thereof) to be redeemed shall contain the following information: (1) the redemption date, (2) the redemption price, (3) if fewer than all outstanding Series 2010 Bonds of a series are to be redeemed, the identification by maturity (and, in the case of partial redemption, the principal amounts) of the Series 2010 Bonds to be redeemed, (4) that (unless a

notice of optional redemption is a conditional notice, in which case the notice shall state that interest shall cease to accrue from the date fixed for redemption only if and to the extent that funds have been provided to the Registrar for the redemption of such Series 2010 Bonds) on the date fixed for redemption the redemption price will become due and payable upon each Series 2010 Bond or portion called for redemption, and that interest shall cease to accrue from the date fixed for redemption, (5) that such Series 2010 Bonds are to be surrendered for payment at the principal office of the Registrar, (6) the CUSIP numbers of all Series 2010 Bonds being redeemed, (7) the dated date of the Series 2010 Bonds being redeemed, (8) the rate of interest for each Series 2010 Bond (or portion thereof) being redeemed, (9) the date of the notice, and (10) any other information deemed necessary by the Registrar to identify the Series 2010 Bonds (or portion thereof) being redeemed.

Upon the payment of the redemption price of Series 2010 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2010 Bonds (or portion thereof) being redeemed with the proceeds of such check or other transfer.

(g) *Effect of Redemption.* On or prior to each date on which Series 2010 Bonds are subject to mandatory redemption and on or prior each date on which Series 2010 Bonds have been scheduled for optional redemption, unless the Port has revoked a notice of optional redemption (or unless the Port provided a conditional notice of optional redemption and the conditions for optional redemption set forth therein are not satisfied), the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar for such purpose, will be sufficient to redeem, on the date fixed for redemption, all the Series 2010 Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the optional

redemption of Series 2010 Bonds, then such Series 2010 Bonds (or portions thereof) shall become due and payable on the date fixed for redemption and interest on such Series 2010 Bond shall cease to accrue from and after such date.

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

Section 6. Registration, Exchange and Payments.

(a) *Registrar/Bond Register.* The Port hereby specifies and adopts the system of registration and transfer for the Series 2010 Bonds approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies for the purposes of registering and authenticating the Series 2010 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2010 Bonds. 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 2010 Bonds (the “Bond Register”), which shall be open to inspection by the Port. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar, DTC, each party entitled to receive notice pursuant to Section 17 and a successor Registrar appointed by the Treasurer. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have qualified and accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 2010 Bonds transferred or exchanged in accordance with the provisions of such Series 2010 Bonds and this Series Resolution and to



carry out all of the Registrar's powers and duties under this Series Resolution and the PFC Master Resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2010 Bonds.

(b) *Registered Ownership.* Except as provided in Section 6(c) and Section 17, the Port and the Registrar may deem and treat the Registered Owner of each Series 2010 Bond as the absolute owner for all purposes, and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 2010 Bond shall be made only as described in subsection (g) hereof, but the transfer of such Series 2010 Bond may be registered as herein provided. All such payments made as described in subsection (g) shall be valid and shall satisfy the liability of the Port upon such Series 2010 Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Series 2010 Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Series 2010 Bonds as eligible for deposit at DTC, the Port has heretofore executed and delivered to DTC the Letter of Representations.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Series 2010 Bonds for the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on Series 2010 Bonds, any notice that is permitted or required to be given to Registered Owners under this Series Resolution (except such notices as shall be required to be given by the Port to the Registrar or, by the Registrar, to DTC), the selection by DTC or by any DTC participant of any person to receive payment in the event of a partial redemption of the Series 2010 Bonds, or

any consent given or other action taken by DTC as the Registered Owner. Except as provided in the Port's undertaking for ongoing disclosure with respect to the Series 2010 Bonds or as otherwise provided in a Bond Insurance Policy or Bond Insurance Commitment related thereto, so long as any Series 2010 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the owner and Registered Owner for all purposes, and all references in this Series Resolution to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Series 2010 Bonds.

(d) *Use of Depository.*

(1) The Series 2010 Bonds shall be registered initially in the name of "Cede & Co." (or such other name as may be requested by an authorized representative of DTC), as nominee of DTC, with a single Series 2010 Bond for each series and maturity in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Series 2010 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by a Designated Port Representative pursuant to subsection (2) below or such substitute depository's successor; or (C) 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 a Designated Port Representative to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), a Designated Port Representative may appoint a

substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all Outstanding Series 2010 Bonds, together with a written request from a Designated Port Representative, issue a single new Series 2010 Bond for each series and maturity of the Series 2010 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 a Designated Port Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) a Designated Port Representative determines that it is in the best interest of the Beneficial Owners of the Series 2010 Bonds of a series that such owners be able to obtain such bonds in the form of Series 2010 Bond certificates, the ownership of such Series 2010 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Designated Port Representative shall deliver a written request to the Registrar, together with a supply of definitive Series 2010 Bonds, to authenticate and deliver Series 2010 Bonds of the same series as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 2010 Bonds together with a written request on behalf of a Designated Port Representative to the Registrar, new Series 2010 Bonds shall be authenticated and delivered in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of the Transfer of Ownership or the Exchange of Series 2010 Bonds; Change in Denominations.* The transfer of any Series 2010 Bond may be registered and any

Series 2010 Bond may be exchanged, but no transfer of any Series 2010 Bond shall be valid unless the Series 2010 Bond is surrendered to the Registrar with the assignment form appearing on such Series 2010 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 2010 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Series 2010 Bond (or Series 2010 Bonds at the option of the Registered Owner) of the same date, series, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 2010 Bond, in exchange for such surrendered and canceled Series 2010 Bond. Any Series 2010 Bond may be surrendered to the Registrar, together with the assignment form appearing on such Series 2010 Bond duly executed, and exchanged, without charge, for an equal aggregate principal amount of Series 2010 Bonds of the same date, series, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or exchange of any Series 2010 Bond 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 such interest payment date, or, in the case of any proposed redemption of the Series 2010 Bonds, after the selection of such Series 2010 Bonds for redemption.

(f) *Registrar's Ownership of Series 2010 Bonds.* The Registrar may become the Registered Owner of any Series 2010 Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of the Series 2010 Bonds.

(g) *Place and Medium of Payment.* Both principal of and interest on the Series 2010 Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2010 Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Series 2010 Bonds are in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Series 2010 Bonds are no longer in fully immobilized form, interest on the Series 2010 Bonds shall be paid by check mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal and premium, if any, of the Series 2010 Bonds shall be payable by check upon presentation and surrender of such Series 2010 Bonds by the Registered Owners at the principal office of the Registrar; provided, however, that if so requested in writing prior to the opening of business on the 15th day of the month preceding any interest payment date by the Registered Owner of at least \$1,000,000 aggregate principal amount of Series 2010 Bonds, interest will be paid thereafter by wire transfer on the date due to an account with a bank located within the United States.

Section 7. Use of Excess Money.

Money in the First Lien Bond Account not needed to pay the interest or principal and interest next coming due on any Outstanding First Lien PFC Bonds may be used to purchase or redeem and retire First Lien PFC Bonds within the limitations provided in Section 5 of this Series Resolution. Money in the First Lien Bond Account shall be used solely to pay principal of, interest on and premium, if any, on First Lien PFC Bonds, whether at maturity or redemption or to purchase in advance of maturity of such First Lien PFC Bonds. As provided in this Series

Resolution, the Monthly Debt Service Deposit shall be adjusted from time to time, so as to ensure compliance with requirements of the Code and avoid excessive accumulations in the First Lien Bond Account.

Money on hand in the First Lien Reserve Account in excess of the First Lien Reserve Account Requirement shall be transferred to one or more accounts in accordance with the priorities established in Section 2(a) of the PFC Master Resolution.

Section 8. Pledge of PFC Revenue and Additional Pledged Revenue; First Lien Reserve Account . Pursuant to the PFC Master Resolution, the First Lien Bond Account and the First Lien Reserve Account have been created for the purpose of paying and securing the payment of the principal of, premium, if any, and interest on all outstanding PFC First Lien Bonds. From and after the time of issuance and delivery of the Series 2010 Bonds and so long thereafter as any of the same remain Outstanding, the Port hereby irrevocably obligates and binds itself to set aside and pay into the First Lien Bond Account out of PFC Revenue and Additional Pledged Revenue, if any, on or prior to the date on which the interest on or principal of and interest on the Series 2010 Bonds shall become due, the amount necessary to pay such interest or principal and interest coming due on the Series 2010 Bonds. The foregoing sentence shall constitute a pledge of PFC Revenue and Additional Pledged Revenue, if any, to the Series 2010 Bonds. Said amounts so pledged to be paid into the First Lien Bond Account are hereby declared to be a prior lien and charge upon the PFC Revenue superior to all other charges of any kind or nature whatsoever except for charges equal in rank that may be made thereon to pay and secure the payment of the principal of and interest on the Outstanding First Lien PFC Bonds and any First Lien PFC Bonds issued in the future under authority of a Series Resolution in accordance with the provisions of Sections 4 and Section 5 or 6 of the PFC Master Resolution.

Section 9. Defeasance. In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Series 2010 Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, and, if the Series 2010 Bonds are to be redeemed prior to maturity, irrevocable notice, or irrevocable instructions to give notice of such redemption has been delivered to the Registrar, then no further payments need be made into the First Lien Bond Account or any subaccount therein for the payment of the principal of, premium, if any, and interest on the Series 2010 Bonds so provided for and such Series 2010 Bonds shall then cease to be entitled to any lien, benefit or security of the PFC Master Resolution or this Series Resolution, except the right to receive the funds so set aside and pledged and such notices of redemption, if any, and such Series 2010 Bonds shall no longer be deemed to be Outstanding hereunder or under the PFC Master Resolution or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

Within 45 days after any defeasance of Series 2010 Bonds, the Port shall provide notice of defeasance of Series 2010 Bonds to Registered Owners of Series 2010 Bonds being defeased and to each party entitled to receive notice in accordance with Section 17 of this Series Resolution.

Section 10. Refunding Procedures.

(a) *Application of Series 2010 Bond Proceeds.* The net proceeds of the Series 2010 Bonds (exclusive of any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance, the costs of any Bond Insurance

Policy premium and to make a deposit to the First Lien Reserve Account, if necessary), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be used at the direction of the Designated Port Representative to effect a defeasance of the Refunded Bonds.

(b) *Defeasance of Refunded Bonds.* The net proceeds of the Series 2010 Bonds so deposited shall be utilized immediately upon receipt thereof to pay and redeem the Refunded Bonds or to purchase the Government Obligations specified by the Designated Port Representative (which obligations so purchased, are herein called “Acquired Obligations”) and to maintain such necessary beginning cash balance to defease the Refunded Bonds and to discharge the other obligations of the Port relating thereto under the 1998 Series Resolution authorizing their issuance, by providing for the payment of the interest on the Refunded Bonds to the dates fixed for redemption and the redemption price (the principal amount) on the redemption dates for the Refunded Bonds. When the final transfers have been made for the payment of such redemption price and interest on the Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port and used for the purposes specified by the Designated Port Representative.

(c) *Acquired Obligations.* The Acquired Obligations, if any, shall be payable in such amounts and at such times that, together with any necessary beginning cash balance, will be sufficient to provide for the payment of:

(1) the interest on the Refunded Bonds as such becomes due on and before the dates fixed for redemption of the Refunded Bonds; and

(2) the price of redemption of the Refunded Bonds on the dates fixed for redemption of the Refunded Bonds.



(d) *Authorizing Appointment of Escrow Agent.* The Commission hereby authorizes and directs the Designated Port Representative (if the Designated Port Representative determines that an escrow would be necessary or desirable to effect the defeasance of the Refunded Bonds) to select a financial institution to act as the escrow agent for the Refunded Bonds (the “Escrow Agent”).

Section 11. Redemption of Refunded Bonds. The Commission hereby calls the Refunded Bonds for redemption on the redemption dates specified by the Designated Port Representative in accordance with the provisions of the 1998 Series Resolution authorizing the issuance, redemption and retirement of the Refunded Bonds, respectively, prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the closing and delivery of the Series 2010 Bonds.

The Designated Port Representative may cause to be disseminated a conditional notice of redemption prior to the closing and delivery of the Series 2010 Bonds. If so appointed, the Escrow Agent shall be authorized and directed to provide for the giving of irrevocable notice of the redemption of the Refunded Bonds in accordance with the terms of 1998 Series Resolution authorizing the issuance of the Refunded Bonds and as described in the Escrow Agreement. The Treasurer is authorized and directed to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the Port.

The Port or the Escrow Agent on behalf of the Port shall be authorized and directed to pay to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 10(c) of this Series Resolution. All such sums shall be

paid from the moneys and the Acquired Obligations pursuant to the previous section of this Series Resolution, and the income therefrom and proceeds thereof.

If an Escrow Agent is appointed, the Port will ascertain that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due. If an Escrow Agent is appointed, the Designated Port Representative is authorized and directed to execute and deliver the Escrow Agreement to the Escrow Agent when the provisions thereof have been fixed and determined for closing and delivery of the Series 2010 Bonds. The Escrow Agreement, if any, shall be substantially in the form of Exhibit A attached to this Series Resolution and by this reference hereby made a part of this Series Resolution.

Section 12. Tax Covenants.

(a) *Tax Covenant.* The Port covenants to undertake all actions required to maintain the tax-exempt status of interest on the Series 2010 Bonds under Section 103 of the Code as set forth in the Tax and Arbitrage Certificate.

(b) *No Bank Qualification.* The Series 2010 Bonds shall not be qualified tax-exempt obligations pursuant to Section 265(b) of the Code for investment by financial institutions.

Section 13. Lost, Stolen, Mutilated or Destroyed Series 2010 Bonds. In case any Series 2010 Bond shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2010 Bond of like series, maturity, date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith and upon his/her filing with the Port evidence satisfactory to the Port that such Series 2010 Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Series 2010 Bond) and of his/her ownership thereof, and upon furnishing the Port and the Registrar with indemnity satisfactory to both.

Section 14. Forms of Series 2010 Bonds and Registration Certificate.

(a) *Series 2010A Bonds.* The Series 2010A Bonds shall be in substantially the following form:

[DTC Legend]

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON  
PORT OF SEATTLE

PASSENGER FACILITY CHARGE REVENUE REFUNDING BOND, SERIES 2010A

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 Passenger Facility Charge Revenue Bond Account, First Lien" (the "First Lien Bond Account") created by Resolution No. 3284, as amended, of the Port Commission (together with Resolution No. 3643, as amended, hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the First Lien Bond Account from \_\_\_\_\_, 2010, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each \_\_\_\_\_ and \_\_\_\_\_, beginning on \_\_\_\_\_. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the Port to The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington (collectively the "Registrar"). Capitalized terms used in this bond that are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$ \_\_\_\_\_ of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to refund certain passenger facility revenue bonds of the Port. Simultaneously herewith, the Port is issuing its Passenger Facility

Charge Revenue Refunding Bonds, Series 2010B (the "Series 2010B Bonds"), in the aggregate principal amount of \$\_\_\_\_\_.

The bonds of this series maturing on and after \_\_\_\_\_ 1, \_\_\_\_ shall be subject to optional redemption in advance of their scheduled maturity on and after \_\_\_\_\_ in whole or in part on any date at a price of par plus accrued interest to the date fixed for redemption.

[The bonds of this issue maturing on \_\_\_\_\_ 1, \_\_\_ shall be redeemed by the Port on \_\_\_\_\_ 1 of the following years in the following principal amounts at a price of par plus accrued interest to the date fixed for redemption:

Redemption Dates	Amounts
	\$

\* Final Maturity]

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

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 PFC Revenue and Additional Pledged Revenue, if any, and to pay into the First Lien Bond Account and the First Lien Reserve Account the various amounts required by the Bond Resolution to be paid into and maintained in said Accounts, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of PFC Revenue and Additional Pledged Revenue, if any, into the First Lien Bond Account and the First Lien Reserve Account are hereby declared to be a first and prior lien and charge upon the PFC Revenue and Additional Pledged Revenue, if any, equal in rank to the lien and charge upon such PFC Revenue and Additional Pledged Revenue, if any, of the amounts required to pay and secure the payment of the outstanding Passenger Facility Charge Revenue Bonds, Series 1998, the Series 2010B Bonds and any revenue bonds of the Port hereafter issued on a parity with the bonds of this series.

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

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

IN WITNESS WHEREOF, the Port of Seattle has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission, and the corporate seal of the Port to be impressed or a facsimile thereof imprinted hereon as of the \_\_\_\_ day of \_\_\_\_\_, 2010.

PORT OF SEATTLE

By \_\_\_\_\_ /s/  
President, Port Commission

ATTEST:

\_\_\_\_\_/s/  
Secretary, Port Commission

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 Passenger Facility Charge Revenue Refunding Bonds, Series 2010A of the Port of Seattle, dated \_\_\_\_\_, 2010.

WASHINGTON STATE FISCAL  
AGENCY, Registrar

By \_\_\_\_\_  
Authorized Signer

In the event any Series 2010A Bonds are no longer in fully immobilized form, the form of such Series 2010A Bonds may be modified to conform to printing requirements and the terms of this Series Resolution.

(b) *Series 2010B Bonds.* The Series 2010B Bonds shall be in substantially the following form:

[DTC Legend]

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON  
PORT OF SEATTLE  
PASSENGER FACILITY CHARGE REVENUE REFUNDING BOND, SERIES 2010B

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 Passenger Facility Charge Revenue Bond Account, First Lien" (the "First Lien Bond Account") created by Resolution No. 3284, as amended, of the Port Commission, as amended (together with Resolution No. 3643, as amended, hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the First Lien Bond Account from \_\_\_\_\_, 2010, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each \_\_\_\_\_ and \_\_\_\_\_, beginning on \_\_\_\_\_. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the Port to The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington (collectively the "Registrar"). Capitalized terms used in this bond that are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$\_\_\_\_\_ of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to refund certain outstanding passenger facility revenue bonds of the Port. Simultaneously herewith, the Port is issuing its Passenger Facility Charge Revenue Refunding Bonds, Series 2010A (the "Series 2010A Bonds"), in the aggregate principal amount of \$\_\_\_\_\_.

The bonds of this series maturing on and after \_\_\_\_\_ 1, \_\_\_\_ shall be subject to optional redemption in advance of their scheduled maturity on and after \_\_\_\_\_ in whole or in part on any date at a price of par plus accrued interest to the date fixed for redemption.

[The bonds of this issue maturing on \_\_\_\_\_ 1, \_\_\_\_ shall be redeemed by the Port on \_\_\_\_\_ 1 of the following years in the following principal amounts at a price of par plus accrued interest to the date fixed for redemption:

Redemption Dates	Amounts
	\$

\* Final Maturity]

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

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 PFC Revenue and Additional Pledged Revenue, if any, and to pay into the First Lien Bond Account and the First Lien Reserve Account the various amounts required by the Bond Resolution to be paid into and maintained in said Accounts, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of PFC Revenue and Additional Pledged Revenue, if any, into the First Lien Bond Account and the First Lien Reserve Account are hereby declared to be a first and prior lien and charge upon the PFC Revenue and Additional Pledged Revenue, if any, equal in rank to the lien and charge upon such PFC Revenue and Additional Pledged Revenue, if any, of the amounts required to pay and secure the payment of the outstanding Passenger Facility Charge Revenue Bonds, Series 1998, the Series 2010A Bonds and any revenue bonds of the Port hereafter issued on a parity with the bonds of this series.

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

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

IN WITNESS WHEREOF, the Port of Seattle has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission, and the

corporate seal of the Port to be impressed or a facsimile thereof imprinted hereon as of the \_\_\_\_ day of \_\_\_\_, 2010.

PORT OF SEATTLE

By \_\_\_\_\_/s/\_\_\_\_\_  
President, Port Commission

ATTEST:

\_\_\_\_\_/s/\_\_\_\_\_  
Secretary, Port Commission

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 Passenger Facility Charge Revenue Refunding Bonds, Series 2010B of the Port of Seattle dated \_\_\_\_\_, 2010.

WASHINGTON STATE FISCAL  
AGENCY, Registrar

By \_\_\_\_\_  
Authorized Signer

Section 15. Execution. The Series 2010 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, imprinted or otherwise reproduced thereon.

Only such Series 2010 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 2010 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 2010 Bonds shall cease to be such officer or officers of the Port before the Series 2010 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 2010 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 2010 PFC 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 2010 PFC Bond shall be the proper officers of the Port although at the original date of such Series 2010 PFC Bond any such person shall not have been such officer.

Section 16. Designation of Refunded Bonds; Sale of Series 2010 Bonds.

(a) *Designation of Refunded Bonds.* As outlined in Section 2 and Section 10 of this Series Resolution, the Refunding Candidates may be called for redemption prior to their scheduled maturities. All or some of the Refunding Candidates may be refunded with the proceeds of the Series 2010 Bonds authorized by this Series Resolution. The Chief Executive Officer may select some or all of the Refunding Candidates and designate those Refunding Candidates as the “Refunded Bonds” in the Bond Purchase Contract if and to the extent that the net present value aggregate savings with respect to Refunded Bonds to be realized as a result of the refunding of the Refunded Bonds, after payment of all costs of issuance of the allocable Series 2010 Bonds), is at least equal to the Savings Target.

(b) *Series 2010 Bond Sale.* The Series 2010 Bonds shall be sold at negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Contract. The Designated Port

Representative is hereby authorized to negotiate terms for the purchase of the Series 2010 Bonds and to execute the Bond Purchase Contract, with such terms (including the designation of the Refunded Bonds) as are approved by the Chief Executive Officer pursuant to this section and consistent with this Series Resolution and the PFC Master Resolution. The Port Commission has been advised by the Port's financial advisor that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Chief Executive Officer for a limited time the authority with respect to each series to approve the final interest rates, maturity dates, aggregate principal amount, principal amounts and prices of each maturity, redemption rights, and other terms and conditions of the Series 2010 Bonds. The Chief Executive Officer is hereby authorized to approve with respect to each series, the final interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity and redemption rights for the Series 2010 Bonds in the manner provided hereafter so long as the aggregate principal amount of the Series 2010 Bonds does not exceed the maximum principal amounts set forth in Section 3 and so long as the Savings Target is met (as described in subsection (a) of this Section 16).

In determining the final interest rates, maturity dates, aggregate principal amount, principal maturities, redemption rights of the Series 2010 Bonds, the Chief Executive Officer, in consultation with Port staff and the Port's financial advisor, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the Series 2010 Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Series 2010 Bonds. Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby

authorized to execute the final form of the Bond Purchase Contract, upon the Chief Executive Officer's approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the execution of the Bond Purchase Contract, the Chief Executive Officer shall provide a report to the Commission, describing the final terms of the Series 2010 Bonds approved pursuant to the authority delegated in this section. The authority granted to the Chief Executive Officer and the Designated Port Representative by this section shall expire on January 26, 2011. If a Bond Purchase Contract for the Series 2010 Bonds has not been executed by January 26, 2011, the authorization for the issuance of the Series 2010 Bonds shall be rescinded, and the Series 2010 Bonds shall not be issued nor their sale approved unless the Series 2010 Bonds shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Series 2010 Bonds may be in the form of a new series resolution repealing this Series Resolution in whole or in part (only with respect to the Series 2010 Bonds not issued) or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this section.

Upon the adoption of this Series Resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Series 2010 Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 2010 Bonds in accordance with the terms of the Bond Purchase Contract.

The Designated Port Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the Port, the Official Statement (and any Preliminary Official Statement)

and any supplement thereto relating to the issuance and sale of the Series 2010 Bonds and the distribution of the Series 2010 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

The Designated Port Representative and other Port officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Series 2010 Bonds to the Underwriters and for the proper application and use of the proceeds of sale of the Series 2010 Bonds. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriters' discount, the fees and expenses specified in the Bond Purchase Contract, including fees and expenses of Underwriters and other retained services, including bond counsel, rating agencies, fiscal agency, escrow agent, financial advisory services, escrow structuring services and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 17. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the Port's written undertaking for the benefit of the beneficial owners of the Series 2010 Bonds to assist the Underwriters in complying with the Rule. For purposes of this section, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2010 Bonds, including persons holding Series 2010 Bonds through nominees or depositories.

(b) *Financial Statements/Operating Data.*

(1) *Annual Disclosure Report.* The Port covenants and agrees that not later than six months after the end of each fiscal year (the "Submission Date"), commencing

June 30, 2011 for the fiscal year ending December 31, 2010, the Port shall provide or cause to be provided to the MSRB an annual report (the “Annual Disclosure Report”) that is consistent with the requirements of part (2) of this subsection (b). The Port may adjust such date if the Port changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to the MSRB. The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (2) of this subsection (b); provided that any audited annual financial statements may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such audited financial statements are not available by the Submission Date. If the Port’s fiscal year changes, the Port shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection 17(c) hereof, and if for any fiscal year the Port does not furnish an Annual Disclosure Report to the MSRB, if any, by the Submission Date, the Port shall send to the MSRB notice of its failure to furnish such report pursuant to Section 17(d).

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

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

(B) *Operating Data and Financial Information.* Updated versions of the type of information contained in the Official Statement and identified in a closing certificate executed by the Designated Port Representative and referencing this section.

In lieu of providing the information in such Annual Disclosure Report, the Port may cross-reference to other documents available to the public on the MSRB's internet website and, if such document is a final official statement within the meaning of the Rule, available from the MSRB. The Port shall identify clearly each document so included by reference.

(c) *Material Events.* The Port agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Series 2010 Bonds not in excess of ten business days after the occurrence of the event:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2010 Bonds, or other material events affecting the tax status of the Series 2010 Bonds;

- Modifications to rights of owners, if material;
- Optional, contingent or unscheduled Series 2010 Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the Series 2010 Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Port;
- The consummation of a merger, consolidation, or acquisition of the Port or the sale of all or substantially all of the assets of the Port, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional Standby Trustee or the change of name of the Standby Trustee, if material.

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Series 2010 Bonds, the Port will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Series 2010 Bonds. The Port shall promptly determine whether the events described above are material.

(d) *Notice Upon Failure to Provide Financial Data.* The Port agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the Submission Date.

(e) *Format for Filings with the MSRB.* All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The Port's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above) or payment in full of all of the Series 2010 Bonds. This section, or any provision hereof, shall be null and void if the Port (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, have been repealed retroactively or otherwise do not apply to the Series 2010 Bonds; and (2) notifies the MSRB, if any, of such opinion and the cancellation of this section. Notwithstanding any other provision of this Series Resolution, the Port may amend this Section 17 (including the items in the closing certificate referenced above) and any provision of this Section 17 may be waived, in accordance with the Rule; *provided that* (A) if the amendment or waiver relates to the provisions of subsections (b)(1), (b)(2) or (c) above, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2010 Bonds, or the type of business conducted; (B) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of



the Series 2010 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (C) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the beneficial owners of the Series 2010 Bonds.

In the event of any amendment of or waiver of a provision of this Section 17, the Port shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Port. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(f) *Registered Owner's and Beneficial Owners' Remedies Under this Section.* A Registered Owner's and the beneficial owners' right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the Port's obligations hereunder, and any failure by the Port to comply with the provisions of this undertaking shall not be a default under this Series Resolution.

(g) *Additional Information.* Nothing in this Section 17 shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in this Section 17 or any other means of communication, or including any other information in any

Annual Disclosure Report or notice of occurrence of a material event, in addition to that which is required by this Section 17. If the Port chooses to include any information in any Annual Disclosure Report or notice of the occurrence of a material event in addition to that specifically required by this Section 17, the Port shall have no obligation under this Series Resolution to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of a material event.

Section 18. Amendments to PFC Master Resolution. This section amends the PFC Master Resolution, which amendments shall be effective on the date on which the Outstanding PFC Bonds (issued prior to 2010) are no longer Outstanding (the “New Date”). By purchasing the Series 2010 Bonds and any First Lien PFC Bonds issued in the future, the owners of the Series 2010 Bonds and such First Lien PFC Bonds issued in the future will be deemed to have approved the amendments to the PFC Master Resolution set forth in this section.

(a) Section 1 of the PFC Master Resolution is hereby amended by amending the following definitions and adding the following additional definition (additions and amendments are underscored and bracketed).

“Base Period” means any consecutive 12-month period selected by the Port out of the [~~18~~][24]-month period next preceding the date of issuance of an additional Series of PFC Bonds.

“Debt Service” means, for any period of time,

(1) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds which are not designated as Balloon Maturity Bonds in the Series Resolution authorizing their issuance, the principal amount thereof shall be equal to the Accreted Value thereof maturing or scheduled for redemption in such period, and the interest, if any, payable during such period;

(2) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (A) the principal amount of such PFC Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (B) the amount of any payments required to be made during such period into any sinking fund established for the payment of any such PFC Bonds, plus (C) all interest payable during such period on any such PFC Bonds Outstanding and with respect to PFC Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such PFC Bonds on the date(s) specified in the Series Resolution authorizing such PFC Bonds;

(3) with respect to First Lien PFC Bonds bearing variable rates of interest, an amount for any period equal to the amount which would [be] payable for principal and interest on such First Lien PFC Bonds during such period computed on the assumption that the amount of First Lien PFC Bonds Outstanding as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the Series Resolution authorizing the issuance of such First Lien PFC Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance; (ii) at an interest rate equal to the highest rate payable by the Port with respect to such First Lien PFC Bonds; (iii) to provide for essentially level annual debt service of principal and interest over such period;

(4) with respect to all other Series of PFC Bonds Outstanding, other than Fixed Rate Bonds, Original Issue Discount Bonds or Capital Appreciation Bonds, specifically including but not limited to Balloon Maturity Bonds and PFC Bonds bearing variable rates of interest [as described in (3) above], an amount for any period equal to the amount which would have been payable for principal and interest on such PFC Bonds during such period computed on the assumption that the amount of PFC Bonds Outstanding as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the Series Resolution authorizing the issuance of such PFC Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance (ii) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the Port with the approval of the Consultant, if applicable) selected by the Port and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the Designated Port Representative's Certificate or the Independent Aviation Consultant's Certificate then within ten days prior to the date of such certificate, (iii) to provide for essentially level annual debt service of principal and interest over such period; and

(5) with respect to Derivative Products, the Port Payments required by contract to be paid to a Reciprocal Payor under any existing Derivative Product, offset by the Reciprocal Payments during the same period during the relevant period, on the assumption that if any such payment is not fixed at the time of execution of the Derivative Product, the amount of such payment will be calculated at the Estimated Average Derivative Rate prevailing during the remaining term of the Derivative Product.

With respect to any PFC Bonds payable in other than U. S. Dollars, Debt Service shall be calculated as provided in the Series Resolution authorizing the issuance of such PFC Bonds. Debt Service shall be net of any interest and principal funded out of PFC Bond proceeds or the proceeds of other funds or indebtedness. [From and after the New Date, (absent a written election by the Designated Port Representative to the contrary) Debt Service shall be calculated net of any federal subsidy legally available to pay the principal of or interest on the PFC Bonds in the year of calculation. Thereafter, such federal subsidy shall no longer be included in the definition of Additional Pledged Revenues or PFC Revenues.]

Debt Service shall include reimbursement obligations to providers of Credit Facilities to the extent such reimbursement obligations are outstanding or as otherwise authorized in a Series Resolution.

~~["First Lien Sufficiency Covenant" means the requirement that (i) Unspent PFC Authority plus (ii) Projected Additional Pledged Revenue is at least equal to 105% of Projected Aggregate Debt Service with respect to all Outstanding First Lien PFC Bonds]~~

"Designated Port Representative's Certificate" means a certificate dated no earlier than 30 days earlier than the delivery of the Future First Lien PFC Project Bonds, executed by a Designated Port Representative and stating that [

~~\_\_\_\_\_ (i) \_\_\_\_\_ the First Lien Sufficiency Covenant will be met upon the issuance of the Future First Lien PFC Project Bonds; and~~

~~\_\_\_\_\_ (ii) \_\_\_\_\_]Pledged Revenue received during the Base Period (as shown in the audited or unaudited financial statements of the Port) was not less than 150% of Maximum Annual Debt Service on all First Lien PFC Bonds that will be Outstanding upon the issuance of such Future First Lien PFC Project Bonds;~~

*provided, however, that in preparing such certificate, the Designated Port Representative*

(1) shall take into account any Forecast PFC Rate Adjustment as if such new rate had been in effect during the entire Base Period and

(2) may take into account any Additional Pledged Revenue only if each Rating Agency then maintaining a rating on First Lien PFC Bonds has confirmed, on or prior to the date of the Designated Port Representative's Certificate that such Additional Pledged Revenue will not in and of itself cause such Rating Agency to reduce or to withdraw its then current underlying rating on the First Lien PFC Bonds then Outstanding.

“Independent Aviation Consultant’s Certificate” means a certificate dated no earlier than 30 days earlier than the delivery of the Future First Lien PFC Project Bonds, executed by an Independent Aviation Consultant and stating that [

~~(i) the First Lien Sufficiency Covenant is estimated to be met upon the issuance of the Future First Lien PFC Project Bonds; and~~

~~(ii) ]in each of the first five full calendar years (commencing with the first such year following the date of issuance of the Future First Lien PFC Project Bonds) following the date of issuance of the Future First Lien PFC Project Bonds), the amount of Pledged Revenue to be collected in each such year is estimated to be not less than 150% of Maximum Annual Debt Service on all First Lien PFC Bonds to be Outstanding after the issuance of the proposed Future First Lien PFC Project Bonds;~~

provided, however, that in computing the amount of Pledged Revenue, the Independent Aviation Consultant:

(1) shall take into account any Forecast PFC Rate Adjustment on the assumption that such Forecast PFC Rate Adjustment will be in effect during the full five-year period;

(2) may take into account any Projected Additional Pledged Revenue estimated to be received during the full five-year period; and

(3) [may include] reasonable projections of PFC Revenue, based upon the methodology set forth in the certificate taking into account any projected change in the number of enplanements during the five-year period following the issuance of the Future First Lien PFC Project Bonds.

[“New Date” means the date on which the Outstanding First Lien PFC Bonds (issued prior to 2010) are no longer Outstanding.]

“Standby Trustee” means ~~[Norwest Bank Minnesota, N.A., Minneapolis, Minnesota]~~[the financial institution appointed from time to time by the owners of majority of the Outstanding PFC First Lien Bonds or if none has been appointed by the owners, then as may be appointed by the Port].

(b) The second paragraph of Section 4 of the PFC Master Resolution is hereby amended to read as follows (additions are underscored and bracketed and deletions are shown as stricken and bracketed).

Each Series of Parity Bonds shall be authorized by a Series Resolution which shall, among other provisions, specify ~~[and]~~[or] provide for:

(c) The first paragraph of Section 9(a) of the PFC Master Resolution is hereby amended to read as follows (additions are underscored and bracketed and deletions are shown as stricken and bracketed).

(a) *First Lien Sufficiency Covenant.* The Port will at all times establish, maintain and collect PFC Revenue which, together with ~~[Projected]~~ Additional Pledged Revenue, [if any, ]will be sufficient to meet ~~[its scheduled Debt Service obligations]~~[the First Lien Sufficiency Covenant and undertake to measure compliance with the First Lien Sufficiency Covenant as of the end of each fiscal year].

As amended by this Section, the PFC Master Resolution is hereby ratified, approved and confirmed.

Section 19. Compliance with Parity Conditions. If and to the extent that any Outstanding PFC Bonds will remain outstanding upon the issuance of the Series 2010 Bonds, the Commission hereby finds and determines as required by Section 6 of the PFC Master Resolution, as follows:

First: The Series 2010 Bonds are being issued for the purpose of refunding First Lien PFC Bonds, and

Second: the Annual Debt Service on the Series 2010 Bonds shall not be more than the Annual Debt Service on the Refunded Bonds were such refunding not to occur and, therefore, shall be issued without a Designated Port Representative's Certificate or an Independent Aviation Consultant's Certificate.

The limitations contained in the conditions provided in Section 6 of the PFC Master Resolution having been complied with, the payments required herein to be made out of the PFC Revenue and Additional Pledged Revenue to pay and secure the payment of the principal of, premium, if any, and interest on the Series 2010 Bonds shall constitute a lien and charge upon such a charge and lien upon the PFC Revenue and Additional Pledged Revenue equal to the lien thereon of Outstanding First Lien PFC Bonds.

Section 20. Bond Insurance. The payments of the principal of and interest on either series, or principal maturities within either series, of the Series 2010 Bonds may be insured by the issuance of a Bond Insurance Policy. The Designated Port Representative, with the assistance of the Underwriters, shall solicit proposals from municipal bond insurance companies, and the Designated Port Representative, in consultation with the Port's financial advisor, is hereby authorized to select the proposal that is deemed to be the most cost effective and further to execute the Bond Insurance Commitment and other agreements with the Insurer, which may include such covenants and conditions as shall be approved by the Designated Port Representative.

Section 21. Severability. If any one or more of the covenants or agreements provided in this Series Resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants

and agreements in this Series Resolution and shall in no way affect the validity of the other provisions of this Series Resolution or of any First Lien PFC Bonds.

Section 22. Effective Date. This series resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this \_\_\_\_ day of \_\_\_\_\_, 2010, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission duly affixed.

PORT OF SEATTLE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Commissioners



**EXHIBIT A**

**ESCROW DEPOSIT AGREEMENT**

PORT OF SEATTLE  
PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS, SERIES 2010A  
AND  
PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS, SERIES 2010B

THIS ESCROW AGREEMENT, dated as of \_\_\_\_ \_\_\_\_, 2010 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the Port of Seattle (herein called the "Port") and \_\_\_\_\_ as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the Port and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

**WITNESSETH:**

WHEREAS, the Port heretofore has issued and there presently remain outstanding the obligations described in Exhibit B attached hereto (the "Refunded Bonds"); and

WHEREAS, pursuant to Resolution No. 3643 adopted on \_\_\_\_\_, 2010 (the "Bond Resolution"), the Port has determined to issue its Passenger Facility Charge Facility Revenue Refunding Bonds, Series 2010A (the "Series 2010A Bonds") and Passenger Charge Facility Revenue Refunding Bonds, Series 2010B (the Series 2010B Bonds" and together with the Series 2010 Bonds, the "Series 2010 Bonds"); and

WHEREAS, the proceeds of the Series 2010 Bonds are being used for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, pursuant to the Bond Resolution, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due on \_\_\_\_\_ (the "Call Date") as set forth in Exhibit C attached hereto and made a part hereof; and

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds, then the Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, the issuance, sale, and delivery of the Series 2010 Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunded Bonds on the Call Date as shown on Exhibit C attached hereto;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure

the full and timely payment of principal of and the interest on the Refunded Bonds, the Port and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

## **Article 1. Definitions**

### **Section 1.1. Definitions.**

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

*Call Date* means \_\_\_\_\_.

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

*Escrowed Securities* means the noncallable Government Obligations described in Exhibit D attached to this Agreement, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

*Government Obligations* means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

*Paying Agent* means the fiscal agency of the State of Washington, as the paying agent for the Refunded Bonds.

*Series 2010 Bonds* means Port's Passenger Facility Charge Revenue Refunding Bonds, Series 2010A and Series 2010B authorized under the Bond Resolution for the purpose of refunding the Refunded Bonds.

### **Section 1.2. Other Definitions.**

The terms "Agreement," "Port," "Escrow Agent," "Bond Resolution," "Refunded Bonds," and "Series 2010 Bonds" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

### **Section 1.3. Interpretations.**

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

## **Article 2. Deposit of Funds and Escrowed Securities**

### **Section 2.1. Deposits in the Escrow Fund.**

Concurrently with the sale and delivery of the Series 2010 Bonds the Port shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds (from the proceeds of the Series 2010 Bonds and a cash contribution by the Port) sufficient to purchase the Escrowed Securities and pay costs of issuance described in Exhibit D attached hereto, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Port in writing.

## **Article 3. Creation and Operation of Escrow Fund**

### **Section 3.1. Escrow Fund.**

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Refunding Account (the “Escrow Fund”). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in Exhibit D attached hereto [and pay Costs of Issuance] as described in Exhibit D. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by a timely transfer of such amounts on the Call Date as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the Port, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

### **Section 3.2. Payment of Principal and Interest.**

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balance on deposit in the Escrow Fund, the amount required to pay the principal of the Refunded Bonds and interest thereon to the Call Date in the amount shown in Exhibit C attached hereto.

### **Section 3.3. Sufficiency of Escrow Fund.**

The Port represents that, based upon the information provided by the Underwriters, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent on the Call Date and in the amount required to pay the interest on the Refunded Bonds and the principal of the Refunded Bonds as the Refunded Bonds on the Call Date, all as more fully set forth in Exhibit E attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payment set forth in Section 3.2. hereof, the Port shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Port's failure to make additional deposits thereto.

### **Section 3.4. Trust Fund.**

The Escrow Agent or its affiliate, shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Port, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Port or, except to the extent expressly herein provided, by the Paying Agent.

## **Article 4. Limitation on Investments**

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

## **Article 5. Application of Cash Balances**

### **Section 5.1. In General.**

Except as provided in Section 2.1 and 3.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed 20%, or (ii) if the Escrow Agent's internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

## **Article 6. Redemption of Refunded Bonds**

### **Section 6.1. Call for Redemption.**

The Port hereby irrevocably calls the Refunded Bonds for redemption on the Call Dates, as shown on Appendix A attached hereto.

## **Article 7. Records and Reports**

### **Section 7.1. Records.**

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

### **Section 7.2. Reports.**

The Escrow Agent shall prepare and send to the Port a written report summarizing all transactions relating to the Escrow Fund during, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Bonds following the Call Date.

## **Article 8. Concerning the Paying Agents and Escrow Agent**

### **Section 8.1. Representations.**

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

## **Section 8.2. Limitation on Liability.**

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

The recitals herein and in the proceedings authorizing the Series 2010 Bonds shall be taken as the statements of the Port and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Series 2010 Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except to the extent that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrars therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Port thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own neglect or willful misconduct, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Port with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Port or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or

contingency, and in this connection may make inquiries of, and consult with, among others, the Port at any time.

### **Section 8.3. Compensation.**

The Port shall pay to the Escrow Agent a fee for performing the services hereunder and for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement pursuant to the terms of the Fee Schedule attached hereto as Appendix A. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

## **Article 9. Miscellaneous**

### **Section 9.1. Notice.**

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Port or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

### **Section 9.2. Termination of Responsibilities.**

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Port, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

### **Section 9.3. Binding Agreement.**

This Agreement shall be binding upon the Port and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the Port, the Escrow Agent and their respective successors and legal representatives.

### **Section 9.4. Severability.**

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

**Section 9.5. Washington Law Governs.**

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

**Section 9.6. Time of the Essence.**

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

EXECUTED as of the date first written above.

**PORT OF SEATTLE**

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Chief Financial and Administrative Officer

**[ESCROW AGENT]**

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as Authorized Signer

Exhibit A	—	Addresses of the Port and the Escrow Agent
Exhibit B	—	Description of the Refunded Bonds
Exhibit C	—	Schedule of Debt Service on Refunded Bonds
Exhibit D	—	Description of Beginning Cash Deposit (if any) and Escrowed Securities
Exhibit E	—	Escrow Fund Cash Flow
Appendix A		Fee Schedule



**EXHIBIT A**  
**Addresses of the Port and Escrow Agent**

Port: Port of Seattle  
2711 Alaskan Way  
Pier 69  
Seattle, WA 98121  
Attention: Chief Financial and Administrative Officer

Escrow Agent:

## EXHIBIT B

### Description of the Refunded Bonds

Port of Seattle  
Passenger Facility Charge Revenue Bonds, Series 1998A

Maturity Years (December 1)	Principal Amounts	Interest Rates
2016	\$670,000	5.0%
2017	14,380,000	5.0
2023	72,420,000	5.0

Port of Seattle  
Passenger Facility Charge Revenue Bonds, Series 1998B

Maturity Years (December 1)	Principal Amounts	Interest Rates
2011	\$10,555,000	5.250%
2012	11,110,000	5.250
2013	11,690,000	5.375
2014	12,325,000	5.250
2016	25,955,000	5.300

**EXHIBIT C**  
**Schedule of Debt Service on the Refunded Bonds**

Date	Interest	Principal/ Redemption Price	Total
	\$		\$
	\$	\$ _____	\$

**EXHIBIT D**  
**Escrow Deposit**

I. Cash \$\_\_\_

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
		\$	%	\$
		\$		\$

III. Costs of Issuance

**EXHIBIT E**  
**Escrow Fund Cash Flow**

<u>Date</u>	<u>Escrow Securities Principal</u>	<u>Cash Receipts</u>	<u>Cash Disbursement</u>	<u>Cash Balance</u>
		\$		\$
	\$	\$	\$	

**APPENDIX A**  
Fee Schedule

Escrow Agent Fee: See Attached

CERTIFICATE

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

1. That the attached resolution numbered 3643 (the "Resolution"), is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the \_\_\_ day of \_\_\_\_\_, 2010, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Secretary