

**AMENDED AND RESTATED  
FUEL FACILITIES RESOLUTION**

A Resolution of the Port Commission of the Port of Seattle amending and restating Resolution No. 3504; authorizing the issuance and sale of special facility revenue refunding bonds in the aggregate principal amount of not to exceed \$100,000,000, for the purpose of refinancing the Port's Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions of the bonds.

ADOPTED: \_\_\_\_\_, 2013

Prepared by:

K&L GATES LLP

**PORT OF SEATTLE  
RESOLUTION NO. 3680**

**TABLE OF CONTENTS\***

	<u>Page</u>
Section 1. Definitions and Rules of Construction.....	2
Section 2. Authorization and Lien of and Security for Bonds .....	18
Section 3. Authorization of Series of Bonds.....	20
Section 4. Project Fund .....	23
Section 5. Fuel Hydrant Revenue Fund .....	25
Section 6. Bond Fund.....	29
Section 7. Operating Covenants - General.....	34
Section 8. Casualty Events/Condemnation .....	40
Section 9. Improvement Bonds; Financing Alternative .....	43
Section 10. Refunding Bonds .....	44
Section 11. Adoption of Supplemental or Amendatory Resolutions and Purposes Thereof Without Consent .....	46
Section 12. Adoption of Supplemental Resolutions and Purposes Thereof With Consent .....	48
Section 13. Resolution and Laws a Contract with Bondowners .....	49
Section 14. Defaults .....	49
Section 15. Remedies.....	50
Section 16. Application of Revenue and Other Funds After Default .....	52
Section 17. Trustee to Represent Registered Owners .....	53
Section 18. Registered Owners’ Direction of Proceedings.....	54
Section 19. Limitation on Registered Owners’ Right to Sue.....	55
Section 20. Termination of Proceedings .....	56
Section 21. Remedies Not Exclusive .....	56
Section 22. No Waiver of Default.....	56
Section 23. Duties, Immunities and Liabilities of Trustee; Co-Trustee.....	56

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\* This table of contents and the cover page are not a part of this resolution as adopted but is provided for convenience of reference only.

Section 24.	Merger or Consolidation .....	61
Section 25.	Liability of Trustee.....	62
Section 26.	Right to Rely on Documents.....	63
Section 27.	Preservation and Inspection of Documents.....	64
Section 28.	Compensation .....	64
Section 29.	Notices .....	65
Section 30.	Defeasance .....	67
Section 31.	Authorization of 2013 Bonds.....	69
Section 32.	2013 Bond Details.....	69
Section 33.	Redemption and Purchase.....	70
Section 34.	Place and Medium of Payment .....	75
Section 35.	Registration .....	76
Section 36.	Tax Covenants .....	80
Section 37.	Lost, Stolen, Mutilated or Destroyed 2013 Bonds.....	81
Section 38.	Form of 2013 Bonds and Registration Certificate .....	82
Section 39.	Execution .....	85
Section 40.	Sale of 2013 Bonds .....	85
Section 41.	Undertaking to Provide Ongoing Disclosure .....	88
Section 42.	Application of 2013 Bond Proceeds; Redemption of 2003 Bonds .....	88
Section 43.	Severability .....	90
Section 44.	Amended and Restated Resolution .....	90
Exhibit A	— Form of Escrow Deposit Agreement	

## **AMENDED AND RESTATED FUEL FACILITIES RESOLUTION NO. 3680**

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

WHEREAS, Resolution No. 3059, as amended (the "Master Resolution") authorizes the Port to issue "Special Facility Bonds" payable from the income of operation of Special Facilities (as such terms are defined in the Master Resolution); and

WHEREAS, the Port issued its Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003 in the principal amount of \$121,140,000 and currently outstanding in the principal amount of \$100,175,000 (the "2003 Bonds") pursuant to Resolution 3504, as amended (the "2003 Bond Resolution"), for the purpose of paying or refinancing the costs of a fuel hydrant project (herein defined as a portion of the "Fuel System"); and

WHEREAS, the 2003 Bonds maturing on June 1, 2014 through 2025 are subject to redemption at the option of the Port on and after June 1, 2013 in whole or in part on any date at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest; and

WHEREAS, the 2003 Bonds maturing on June 1, 2033 are subject to redemption at the option of the Port on and after June 1, 2008 in whole or in part on any date at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest; and

WHEREAS, the Port has determined that the 2003 Bonds may be refunded at lower rates, thereby realizing substantial savings in annual debt service; and

WHEREAS, Barclays Capital Inc.; Backstrom McCarley Berry & Co., LLC; Drexel Hamilton, LLC; J.P. Morgan Securities LLC; Merrill Lynch, Pierce, Fenner & Smith Incorporated; and Morgan Stanley & Co. LLC (collectively, the “2013 Underwriters”) are expected to present an offer to underwrite the series of special facility revenue refunding bonds authorized herein; and

WHEREAS, Section 11 of the 2003 Bond Resolution permits supplements or amendments for the purpose of issuing Refunding Bonds pursuant to the terms of Section 10 of the 2003 Bond Resolution without the consent of the owners of the 2003 Bonds; and

WHEREAS, the Commission desires to amend and restate Sections 1 through 30 of the 2003 Bond Resolution into a single document, consistent in all respects with the intent and principles set forth in the 2003 Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF SEATTLE, WASHINGTON, as follows:

**Section 1. Definitions and Rules of Construction.**

(a) Capitalized terms used in this resolution have the meanings given such terms below.

*Act of Bankruptcy*, as used in this resolution, means the commencement of a bankruptcy or similar proceeding by or against a person under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect.

*Additional Bonds* means Refunding Bonds and/or Improvement Bonds.

***Additional Contracting Airline*** means an Air Carrier that becomes a member under the LLC Agreement and a party to the Interline Agreement in accordance with Article 11 thereof, after October 4, 2002.

***Additional Rent*** has the meaning given such term in Section 4.2 of the Lease.

***Air Carrier*** means any “air carrier” or “foreign air carrier” certified by the Federal Aviation Administration of the Department of Transportation and which is operating at the Airport.

***Airport*** means the Seattle-Tacoma International Airport in King County, Washington.

***Base Rent*** means the Rent payable pursuant to Section 4.1(b) of the Lease.

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

***Bond Counsel*** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution or any Supplemental Resolution applicable to the use of that term.

***Bond Fund*** means the Port of Seattle Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC) Bond Fund, established pursuant to Section 6 of this resolution.

***Bond Register*** means the books or records maintained by the Registrar containing the name and mailing address of the owner of each 2013 Bond or nominee of such owner and the principal amount and number of 2013 Bonds held by each owner or nominee.

***Bond or Bonds*** means the bond(s), note(s) or other evidence(s) of indebtedness issued from time to time in Series pursuant to and under authority of this resolution and any

Supplemental Resolution, including without limitation, the 2013 Bonds and any Additional Bonds.

***Business Day*** means any day other than a Saturday, a Sunday or a day that is a Port holiday or that is a day on which banks in Seattle, Washington, New York, New York or in the city in which the Trustee has its main corporate trust office, are authorized or required to close.

***Casualty Event*** means the damage or destruction of all or any portion of the improvements on the Land (as such term is defined in the Lease) or of the Fuel System.

***Certified Public Accountant*** means a certified public accountant selected by the Lessee and approved by the Port.

***Closing Date*** means the date on which a Series of Bonds is issued and delivered to the original purchasers.

***Closing Memorandum*** means the certificate of the Designated Port Representative delivered on the Closing Date identifying the initial disbursement of Bond proceeds and the amount of the Monthly Debt Service Deposits.

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

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

***Completion*** means completion of any extension of and connection to the Fuel System, and/or completion of any addition or improvement to or modification of the Fuel System, in each case as permitted by Section 2.1(c) of the Lease and in accordance with criteria and testing procedures mutually agreed upon by the Port and the Lessee.

**Completion Certificate** means in connection with any repair, major maintenance, extension, addition, improvement to or replacement or modification of the Fuel System, a certificate of the Designated Port Representative specifying the date of Completion of such repair, replacement, major maintenance, extension, addition, improvement or modification and delivered to the Trustee.

**Contracting Airline** means any Air Carrier that is a party to the Interline Agreement and is a member under the LLC Agreement, including any Additional Contracting Airline.

**Credit Facility** means a bond insurance policy, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement or other financial instrument which obligates a third party to make payment or to provide funds for the payment of the principal of, interest on or purchase price of Bonds of a Series.

**Credit Facility Issuer** means the issuer of any Credit Facility with respect to the Bonds.

**Debt Service Account** means the special fund established in the Bond Fund by this resolution for the purpose of paying the principal of, interest on and redemption price, if any, of Bonds.

**Debt Service Reserve Account** means the Debt Service Reserve Account established in the Bond Fund under this resolution, which secures the Bonds.

**Default**, when used in this resolution, means any of the events specified as a Default in Section 14 of this resolution and, when used in or with respect to the Lease, means any default resulting from a Lease Default Event under Section 13.1 of the Lease.

**Designated Port Representative** means the Chief Executive Officer of the Port or the Chief Financial and Administrative Officer of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.



**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, and its successors as depository for the 2013 Bonds pursuant to Section 35 of this resolution.

**Escrow Agent** means the Trustee.

**Escrow Agreement** means the Escrow Deposit Agreement(s), if any, dated as of the date of the closing and delivery of the Bonds between the Port and the Escrow Agent to be executed in connection with the refunding of the 2003 Bonds, substantially in the form attached hereto as Exhibit A.

**Escrow Securities** means noncallable direct obligations of or obligations the full and timely payment of which is guaranteed by the United States of America.

**Facilities Rent** means Rent payable pursuant to Section 4.1(a) of the Lease and, whether or not the Lease has been terminated, any Net Reletting Proceeds.

**Favorable Opinion of Bond Counsel** means, with respect to any action, a written legal opinion of Bond Counsel addressed to the Trustee, to the effect that such action is permitted under the laws of the State and under applicable resolutions of the Commission, including this resolution and any Supplemental Resolution, and will not impair the exclusion of interest on a tax-exempt Bond or any other tax-exempt bonds of the Port from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of such bond).

**Federal Tax Certificate** means the certificate of that name executed and delivered by the Port on the Closing Date.

**Financing Alternative** shall have the meaning set forth in Section 12.1(d) of the Lease.

**Fuel** means kerosene based jet aircraft fuel meeting the specification of ASTM D1655 (latest revision) stored in or put through the Fuel System and any other material stored in or put through the Fuel System for use in fueling aircraft.

**Fuel Hydrant Revenue Fund** means the special account established pursuant to Section 5 of this resolution into which all Pledged Lease Revenue and Other Revenue shall be deposited.

**Fuel System** means any system for the receipt, storage, transmission and delivery of Fuel at the Airport located on the Premises and all improvements, fixtures and personal property constructed and/or situated thereon.

**Fuel System Access Agreement** means an agreement between the Lessee and a Person to allow certain defined privileges and limited access to the Fuel System by the Person for the purpose of providing services to Users.

**Fuel System Operating Agreement** means the Amended and Restated Fuel System Maintenance, Operation and Management Services Agreement dated April 1, 2002 between the Lessee and the Fuel System Operator for the maintenance, operation and management of the Fuel System as such Agreement has been amended or may be amended in the future in accordance with its terms.

**Fuel System Operator** means a qualified and duly licensed independent contractor selected by the Lessee to operate and maintain certain elements of the Fuel System as specified and agreed from time to time and who is delegated authority to act on behalf of the Lessee in exercising certain specified rights and obligations under the Fuel System Operating Agreement and other related agreements, including without limitation the Lease, the Fuel System Access Agreements, and Non-Contracting User Agreements.

**Fully Paid.** A Bond shall be deemed Fully Paid if the Bond is paid in full, canceled and not reissued or if a trust for the payment of such Bond has been established in accordance with Section 30 of this resolution.

**GAAP** means applicable generally accepted accounting principles as in effect from time to time.

**Guaranty** means the Guaranty Agreement, dated as of May 14, 2003 with respect to all Bonds, from the Lessee to the Trustee guaranteeing the payment of the principal of, premium, if any, and interest on the Bonds when due.

**Improvement Bonds** means Bonds issued by the Port pursuant to a Supplemental Resolution adopted by the Port Commission in accordance with the terms of Section 9 of this resolution for the purposes set forth in Section 9.

**Interline Agreement** means the Fuel System Interline Agreement as defined in the Lease.

**Into-Plane Agent** means any Person that (i) executes a Fuel System Access Agreement; and (ii) obtains all necessary approvals and permits from the Port to perform into-plane fueling services for Users at the Airport.

**Itinerant User** means any Person who takes delivery of Fuel from the Fuel System and who is neither a Contracting Airline nor a Non-Contracting User.

**Lease** means the Lease, dated as of May 14, 2003, between the Port and the Lessee, as the same has been or may be amended in the future in accordance with its terms and this resolution.

**Lessee** means SEATAC Fuel Facilities LLC, and its permitted successors, assigns and sublessees from time to time under the Lease.

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

**LLC Agreement** means the limited liability company agreement for the Lessee and any amendment permitted thereby, by the Lease and this resolution.

**Monthly Debt Service Deposit** means an amount equal to 1/6 of the interest coming due on the next succeeding interest Payment Date plus 1/12 of the principal of and premium, if any, on the Bonds coming due on the next succeeding principal Payment Date. Notwithstanding the foregoing, the amount of the Monthly Debt Service Deposit shall be adjusted to take into account shorter or longer periods required to accumulate funds for upcoming payments of debt service on Bonds or (in the case of the Monthly Debt Service Deposit immediately preceding a Payment Date) to take into account amounts then on deposit in the Debt Service Account, pursuant to this resolution and any Supplemental Resolution and available for payment of debt service coming due on Bonds on such Payment Date.

**Net Proceeds**, when used with reference to the 2013 Bonds, means the principal amount of such 2013 Bonds, plus original issue premium, if any, and less original issue discount, if any, and less any proceeds of the 2013 Bonds deposited in the Debt Service Reserve Account.

**Net Reletting Proceeds** means all proceeds payable pursuant to Section 7(i) by the Replacement Tenant or Replacement Operator, including all usage charges, or, if the Port operates the Fuel System, all usage charges collected by the Port from users of the Fuel System, less in each case, Reletting Costs, the costs of operating and maintaining the Fuel System (including fees payable to the Replacement Tenant or Operator), Additional Rent payable to the Port, and Base Rent.

**Non-Contracting User** means a Person that has executed a Non-Contracting User Agreement.

***Non-Contracting User Agreement*** means an agreement between the Lessee and any Person other than a Contracting Airline or an Itinerant User desiring to use the Fuel System for storage or throughput of Fuel.

***Other Revenue*** means:

(a) any and all payments received by the Trustee pursuant to the Security Agreement, the Guaranty and/or the other Related Documents, including without limitation amounts received from accounts and accounts receivable, insurance proceeds, refunds, premium rebates and proceeds of other collateral thereunder; and

(b) all income from all investment of the foregoing and the proceeds thereof.

***Outstanding*** in connection with Bonds means, as of the time in question, all Bonds authenticated and delivered by the Port, except:

(a) Bonds theretofore cancelled or required to be cancelled pursuant to the terms of the resolution authorizing their issuance;

(b) Bonds which are deemed to have been Fully Paid; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered in accordance with the terms of the resolution authorizing their issuance.

***Owners*** means the Registered Owners of the Bonds.

***Payment Date*** means for any Series of Bonds, the dates specified in this resolution or a Supplemental Resolution as dates for the payment of interest on, principal of or redemption premium, if any, with respect to such Bonds.

***Permitted Encumbrances*** means, when used in this resolution, (a) liens for taxes or assessments which are not delinquent or unpaid or are being contested by the Lessee in good faith pursuant to Sections 4.2(c) or 8.7 of the Lease; and (b) the Lease.

**Person** or **person** means any natural person, firm, partnership, limited liability company, corporation, governmental body or other legal entity.

**Pledged Lease Revenue** includes:

(a) Facilities Rent, payments made by the Lessee pursuant to Section 4.1(c) of the Lease to replenish the Debt Service Reserve Account, Additional Rent payable to the Trustee or the fiscal agency pursuant to Section 4.2(a) of the Lease and any other amounts, including insurance proceeds, condemnation awards and Net Reletting Proceeds, payable to the Trustee under the Lease or pursuant to Section 7(i). Pledged Lease Revenue does not include Base Rent or amounts payable to the Port pursuant to Section 4.2(a) of the Lease.

(b) Income from all investment of the foregoing and the proceeds thereof; and

(c) Money and investments held in the following funds: the Fuel Hydrant Revenue Fund, the Project Fund, the Debt Service Reserve Account and the Debt Service Account.

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

**Premises** means the real property leased and the rights-of-way granted to the Lessee pursuant to the Lease.

**Project Fund** means the fund of that name established pursuant to Section 4 of this resolution.

**Qualified Insurance** means any non-cancellable municipal bond insurance policy or surety bond having a term at least equal to the term of the Series of Bonds whose portion of the Required Debt Service Reserve Amount is to be satisfied by such bond insurance policy or surety

bond, issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) (i) which insurance company, as of the time of issuance of such policy or surety bond, is rated in one of the two highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims-paying ability or (ii) by issuing its policies causes obligations insured thereby to be rated in one of the two highest Rating Categories by one or more of the Rating Agencies.

**Qualified Letter of Credit** means any irrevocable letter of credit naming the Trustee as beneficiary, with a minimum term prior to the final maturity date of Bonds secured by such Qualified Letter of Credit of three years, issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the three highest Rating Categories by one or more of the Rating Agencies. If a Qualified Letter of Credit may expire or be terminated in accordance with its terms prior to the stated maturity of any Series of Bonds whose Required Debt Service Reserve Amount is to be satisfied by such letter of credit, the letter of credit shall provide that (unless the Qualified Letter of Credit is replaced with cash, Qualified Insurance or another Qualified Letter of Credit) it may be drawn upon in full prior to its expiration or termination for deposit into the Debt Service Reserve Account in accordance with the provisions of Section 5(c) of this resolution.

**Rating Agencies** means Moody's Investor Service if Moody's is then maintaining a rating on any Series of the Bonds; Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies or its successors and assigns ("S&P"), if S&P is then maintaining a rating on any

Series of the Bonds; and/or Fitch Ratings Inc. or its successors and assigns (“Fitch”), if Fitch is then maintaining a rating on any Series of the Bonds.

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

**Refinancing Alternative** shall have the meaning set forth in Section 12.1(e) of the Lease.

**Refunded Bonds or 2003 Bonds** means the Port’s Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003.

**Refunding Bonds** means Bonds issued by the Port pursuant to a Supplemental Resolution adopted by the Port Commission in accordance with the terms of section 10 of this resolution, the proceeds of which are used for the purpose of refunding Bonds previously issued by the Port.

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

**Registrar** means the fiscal agency of the State of Washington in New York, New York, appointed by the Treasurer for the purposes of registering and authenticating the 2013 Bonds, maintaining the Bond Register and effecting transfer of ownership of the 2013 Bonds. The term “Registrar” shall include any successor to the fiscal agency, if any, hereafter appointed by the Treasurer.

**Related Documents** means the Security Agreement, Guaranty, Interline Agreement, LLC Agreement, Fuel System Operating Agreement, Fuel System Access Agreements, Non-Contracting User Agreements, and any other similar agreement between Users and the Lessee governing access to and use of the Fuel System.

**Reletting Costs** shall include all costs and expenses incurred by the Port in connection with any reletting to a Replacement Lessee or retaining any Replacement Operator or



commencing operation of the Fuel System with its own employees, including attorneys' fees, brokerage fees and an allocable portion of administrative costs incurred by the Port in connection therewith, but Reletting Costs shall not include costs of extraordinary repair, replacement and maintenance.

**Rent** means the Rent payable under Section 4.1 of the Lease.

**Replacement Tenant** means a tenant to whom the Premises are relet by the Port pursuant to Section 7(i).

**Replacement Operator** means a qualified and duly licensed Fuel System operator retained by the Replacement Tenant or the Port pursuant to Section 7(i).

**Required Debt Service Reserve Amount** means the least of:

- (a) the maximum amount of regularly scheduled principal and interest payable in any year on Bonds,
- (b) 10% of the initial principal amount of each Series of Outstanding Bonds, and
- (c) 125% of the average annual scheduled principal and interest payable on Bonds.

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

**Savings Target** means a dollar amount equal to at least four percent (4.0%) of the outstanding principal of the Refunded Bonds.

**Security Agreement** means the Security Agreement between the Lessee and the Trustee dated as of May 14, 2003, assigning to the Trustee and granting to Trustee a security interest in certain collateral including without limitation rights, interest and title of the Lessee in the other Related Documents.

**Series** means any separate series of Bonds issued pursuant to this resolution and pursuant to a Supplemental Resolution permitted by this resolution.

**State** means the State of Washington.

**Supplemental Resolution** means any resolution adopted by the Commission supplementing this resolution, including any resolution adopted by the Commission in connection with the issuance of Additional Bonds.

**Treasurer** means the Chief Financial and Administrative Officer of the Port, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds

**Trustee** means Wells Fargo Bank Northwest, National Association, and shall include any successor thereto or replacement trustee appointed by the Port.

**Trust Estate** means the Pledged Lease Revenue pledged by the Port, the Other Revenue to be received and held in trust by the Trustee and all rights, title and interests of the Trustee in the Security Agreement, the Guaranty and the other Related Documents.

**2013 Bond Purchase Contract** means the Bond Purchase Contract to be delivered by the 2013 Underwriters to the Port, relating to the 2013 Bonds, together with the Letter of Representation from the Lessee to the Port and the 2013 Underwriters.

**2013 Bonds** means the Port of Seattle Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013.

**2013 Underwriters** means Barclays Capital Inc.; Backstrom McCarley Berry & Co., LLC; Drexel Hamilton, LLC; J.P. Morgan Securities LLC; Merrill Lynch, Pierce, Fenner & Smith Incorporated; and Morgan Stanley & Co. LLC.

**User** means any Contracting Airline, Non-Contracting User or Itinerant User.

(b) *Rules of Construction.* For all purposes of this resolution, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this resolution shall include the plural as well as the singular;

(2) except as otherwise expressly provided, all accounting terms shall be interpreted in accordance with, or by application of, GAAP applied on a consistent basis;

(3) all references in this resolution (including the exhibits, appendices and schedules thereto) to designated “Sections,” “Exhibits” and other subdivisions and attachments are to the designated Sections, Exhibits and other subdivisions of and attachments to this resolution;

(4) the words “herein,” “hereof” and “hereunder” and other words of similar import in this resolution refer to this resolution as a whole and not to any particular Section, Exhibit or attachment or subdivision and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(5) unless the context clearly indicates to the contrary, pronouns having a masculine or feminine gender shall be deemed to include the other gender;

(6) unless otherwise expressly specified, any agreement, contract or document defined or referred to in this resolution shall mean such agreement, contract or document as in effect as of the date hereof, as the same may thereafter be amended, supplemented or otherwise modified from time to time in accordance therewith and, if applicable, with the terms of this resolution and shall include any agreement, contract or document in substitution or replacement of any of the foregoing entered into in accordance with the terms of this resolution, if applicable;

(7) except as otherwise provided in this resolution, any reference to a party shall include such party's permitted successors and assigns in accordance with the terms of this resolution;

(8) unless the context clearly requires otherwise, references to "applicable law," including references to any "law" or "regulation" shall include applicable laws and regulations and laws and regulations as in effect at each, every and any of the times in question, including any amendments, replacements, supplements, extension, modifications, consolidations, restatements, revisions or reenactments thereto or thereof, and whether or not in effect at the date of this resolution;

(9) any headings preceding the text of the several Sections of this 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 resolution, nor shall they affect its meaning, construction or effect;

(10) 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; and

(11) all references herein to "counsel fees," "attorney fees" or the like include, without limitation, fees and disbursements of in-house or outside counsel, whether or not suit is instituted, and include fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceeding.

**Section 2. Authorization and Lien of and Security for Bonds.** Special facility revenue bonds of the Port, unlimited in amount, to be known as the “Port of Seattle Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC),” are hereby authorized to be issued in Series, and each such Series may be issued from time to time pursuant to this resolution and (except in the case of the 2013 Bonds, which are issued pursuant to Sections 31 through 42 of this resolution) a Supplemental Resolution in such amounts and upon such terms and conditions as the Commission may from time to time deem necessary or advisable, for the purpose of paying the costs of improvements, repairs, replacements, major maintenance, or additions to or extensions or modifications of the Fuel System or refunding Bonds issued to pay such costs and related costs, including but not limited to costs of issuance, capitalized interest and the funding of reserves.

The Bonds shall be obligations of and are secured by the special funds established under this resolution and in the Supplemental Resolution authorizing their issuance. In addition to the Pledged Lease Revenue pledged by the Port hereunder, the Trust Estate includes the Other Revenue and all other rights, title and interests of the Trustee in the Security Agreement, the Guaranty and the other Related Documents. Pursuant to the Guaranty, the Lessee has guaranteed the payment of the Bonds for the benefit of the Owners of the Bonds. Pursuant to the Security Agreement and as security for its obligations under the Guaranty, the Lessee has granted a security interest in favor of the Trustee, for the benefit of the Owners of the Bonds, in all right, collateral, title and interest of the Lessee in, among other things, the other Related Documents, all accounts and accounts receivable of the Lessee, insurance policies and proceeds, refunds and premium rebates of the Lessee, and proceeds of the foregoing.

The Port hereby conveys, pledges, encumbers, assigns, and grants all of its right, title and interest in Pledged Lease Revenue, all special funds and accounts created hereunder, and all Pledged Lease Revenue therein and any right, title and interest, if any, that it may have in the remainder of the Trust Estate including without limitation all Other Revenue and Other Revenue on deposit in such special funds and accounts. The Trustee is directed to receive and hold in trust the Trust Estate for the payment of the principal of and the interest on the Bonds and in order to secure the observance and performance of any other duty, covenant, obligation or agreement under this resolution, all in accordance with the provisions hereof. The Trust Estate shall be held upon the terms hereof for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds. The Bonds shall be payable from the Trust Estate; provided, however, that any Series of Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that Series of Bonds. The Bonds shall be secured by the lien on Pledged Lease Revenue granted by the Port hereunder and, in addition, by the security interest and guaranty granted by the Lessee under the Security Agreement and the Guaranty, respectively.

From and after the time of issuance and delivery of the Bonds of each Series 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 special funds created for the payment of each Series of Bonds out of Pledged Lease Revenue on or prior to the date on which the principal of, premium, if any, and interest on the Bonds shall become due, the amount necessary, together with Other Revenue, to pay such principal, interest, and premium, if any, coming due on the Bonds of such Series.

Said amounts so pledged are hereby declared to be a prior lien and charge upon the Pledged Lease Revenue superior to all other charges of any kind or nature whatsoever and except for charges equal in rank that may be made thereon to pay and secure the payment of the principal of, premium, if any, and interest on Bonds issued in accordance with the provisions of Sections 3, 9 and/or 10 of this resolution.

The Bonds shall not in any manner or to any extent constitute general obligations of the Port or of the State of Washington, or of any political subdivision of the State of Washington. The Bonds are special limited obligations of the Port payable solely from the Trust Estate. The Bonds are not payable from or secured by any tax or revenues of the Port other than the Pledged Lease Revenue.

**Section 3. Authorization of Series of Bonds.** The Port may issue hereunder from time to time one or more Series of Bonds for the purpose of paying, or reimbursing the Port or the Lessee for the payment of, or refinancing all or a portion of the costs of improving, modifying, maintaining, repairing, replacing, adding to or extending the Fuel System or for refunding purposes. All Bonds shall be parity obligations upon fulfillment of the conditions of this resolution and conditions, if any, established in future Supplemental Resolutions, at the time of authorization or issuance of such Bonds, and no other obligations shall be issued by the Port secured by the Trust Estate. As a condition precedent to the issuance of Additional Bonds, the Port shall comply with the limitations set forth in Section 9 and/or Section 10 of this resolution.

With the exception of the 2013 Bonds, which are authorized by Sections 3, and 31 through 42 of this resolution, each Series of Bonds shall be authorized by a Supplemental Resolution, which shall, among other provisions, specify and provide for:

- (a) the authorized maximum principal amount, designation and Series of such Bonds;

(b) the general purpose or purposes of such Series of Bonds, and the deposit, disbursement and application of the proceeds of the sale of the Bonds of such Series;

(c) the date or dates, and the maturity date or dates, of the Bonds of such Series, and the principal amount maturing on each maturity date; *provided*, that the Supplemental Resolution may authorize the Chief Executive Officer of the Port to fix the maturity date or dates of the Bonds of such Series, and the principal amount maturing on each maturity date under such terms and conditions approved by resolution of the Commission; *and provided further*, that the Supplemental Resolution shall provide for extraordinary optional redemption on the terms set forth in Section 33(c) and for partial extraordinary optional redemption on the terms set forth in Section 33(f) (the Bonds to be redeemed pursuant to an extraordinary optional redemption shall be selected on a pro rata basis, based on Outstanding principal amounts, among each series and maturity of Outstanding Bonds);

(d) the interest rate or rates on the Bonds of such Series (which may be a rate of zero) and the interest payment date or dates therefor, and whether such interest rate or rates shall be fixed, variable or a combination of both and, if necessary, the manner of determining such rate or rates; *provided*, that the Supplemental Resolution may authorize the Chief Executive Officer of the Port to fix the interest rate or rates on the Bonds of such Series (which may be a rate of zero) and the interest payment date or dates therefore under such terms and conditions approved by resolution of the Commission;

(e) the circumstances, if any, under which the Bonds of such Series will be deemed to be no longer Outstanding;

(f) the currency or currencies in which the Bonds of such Series are payable;



(g) the denominations of, and the manner of dating, numbering, and, if necessary, authenticating, the Bonds of such Series;

(h) the paying agent(s), tender agent(s), remarketing agent(s), and the Registrar(s), if any, for the Bonds of such Series and the duties and obligations thereof;

(i) the place or places of payment of the principal, redemption price, if any, or purchase price, if any, of and interest on, the Bonds of such Series;

(j) the form or forms of the Bonds of such Series;

(k) the terms and conditions, if any, for the redemption of the Bonds of such Series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms; *provided*, that the Supplemental Resolution may authorize the Chief Executive Officer of the Port to fix the terms and conditions for the redemption of the Bonds of such Series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms under such terms and conditions approved by resolution of the Commission;

(l) the terms and conditions, if any, for the purchase of the Bonds of such Series upon any optional or mandatory tender for purchase prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms; *provided*, that the Supplemental Resolution may authorize the Chief Executive Officer of the Port to fix the terms and conditions for the tender of the Bonds of such Series prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms under such terms and conditions approved by resolution of the Commission;

(m) the manner of sale of the Bonds of such Series; *provided*, that the Supplemental Resolution may authorize the Chief Executive Officer of the Port to establish the issue price of the Bonds, including a premium or a discount, under such terms and conditions approved by resolution of the Commission;

(n) if so determined by the Port, the authorization of and any terms and conditions with respect to credit or liquidity support for the Bonds of such Series and the pledge or provision of moneys, assets or security other than the Trust Estate to or for the payment of the Bonds of such Series or any portion thereof;

(o) any special funds or accounts for the Bonds of such Series and the application of moneys or security therein; and

(p) any other provisions which the Port deems necessary or desirable in connection with the Bonds of such Series.

**Section 4. Project Fund.**

(a) *Establishment.* The Trustee shall establish a Project Fund. The Trustee may, at the request of the Port or in the Trustee's discretion, establish accounts within any Fund, and subaccounts within any of the accounts, as the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this resolution with respect to a deposit or use of money in the Funds, or result in commingling of funds not permitted hereunder. The Project Fund shall be used for the payment or reimbursement of the cost of any repair, replacement, major

maintenance, extension, addition or improvement to or modification of the Fuel System, including issuance costs and contingency amounts.

If Additional Bonds are issued by the Port for capital purposes, the net proceeds of such Bonds shall be deposited to one or more accounts within the Project Fund as provided in the Supplemental Resolution providing for the issuance of such Bonds. The Port may also request the Trustee to establish additional accounts or subaccounts within the Project Fund, and the Trustee is hereby authorized to do so upon the written request of the Designated Port Representative.

The amounts in the Project Fund, until applied as hereinafter provided, shall be held for security of all Bonds Outstanding hereunder. Pursuant to additional or Supplemental Resolutions, additional subaccounts may be created in the Project Fund.

Moneys on deposit in the Project Fund shall be invested by the Trustee, as directed by the Port in writing, in permitted investments for Port funds stated to mature or to be redeemable at the option of the holder thereof on or before the dates such moneys are expected to be needed. The Trustee shall maintain records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the accounts within the Project Fund, and such income and interest shall become part of the respective account or subaccount within the Project Fund and may be expended as provided in subsection (c) hereof. Copies of such records shall be made available to the Port, the Lessee, the Registered Owners in reasonable quantity from time to time upon written request of the Port, the Lessee or a Registered Owner, as the case may be.

(b) *Deposits.* Insurance or condemnation proceeds, if any, transferred to the Project Fund pursuant to Section 8(a)(4) or 8(b), shall be deposited to the Project Fund. At the Port's option, interest earnings on investments of money in the Debt Service Reserve Account may at

the direction of the Port be transferred pursuant to Section 6(c)(2) and deposited to the Project Account. Interest earnings and the proceeds of investments of money in an account in the Project Fund shall be deposited in and retained in such account within the Project Fund.

(c) *Disbursements.* Except during the continuance of a Default hereunder, amounts in the Project Fund shall be disbursed for the purposes and upon compliance with the procedures set forth in this Section 4. The Trustee shall disburse money from the Project Fund for the payment of (1) costs of issuance of the Bonds, and (2) for Additional Bonds or insurance or condemnation proceeds transferred pursuant to Section 8(a)(4) or 8(b), for the payment and reimbursement of costs of any repair, replacement, major maintenance, extension, addition or improvement to or modification of the Fuel System to be paid from the proceeds of such Additional Bonds or insurance or condemnation proceeds, as applicable. Any disbursement under (2) above shall be made only upon receipt by the Trustee of a requisition completed and signed by an authorized Port representative. The Port shall provide Lessee with a copy of each requisition concurrently with transmittal to the Trustee. Provision of such copy to the Lessee shall not be a precondition to payment of the requisition.

The Trustee shall retain copies or records of each requisition and without the prior consent of the Port shall not destroy such records and copies for a period of three years after completion of the extension, improvement, addition or modification of the Fuel System. If the Port advises the Trustee in writing that such records and copies should not be destroyed, the Trustee shall deliver such records and copies to the Port, with copies to the Lessee if the Lessee so requests.

**Section 5. Fuel Hydrant Revenue Fund.** The Trustee is hereby authorized to continue the accounts within the Fuel Hydrant Revenue Fund, or to establish one or more

additional accounts upon the written direction of the Designated Port Representative delivered to the Trustee.

(a) *Establishment.* The Trustee shall establish a Fuel Hydrant Revenue Fund for the purpose of receiving Pledged Lease Revenue, Other Revenue and other money if accompanied by written direction from the Designated Port Representative or if otherwise provided in this resolution or any Supplemental Resolution, that such money shall be deposited in the Fuel Hydrant Revenue Fund, and disbursing the same for the purposes set forth herein. The amounts in the Fuel Hydrant Revenue Fund, until applied as hereinafter provided, shall be held for security of all Bonds Outstanding hereunder.

The Trustee shall maintain records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Fuel Hydrant Revenue Fund, and such income and interest shall become part of the Fuel Hydrant Revenue Fund and shall be expended as provided in subsection (c) hereof. Copies of such records shall be made available to the Port, the Lessee, or the Registered Owners in reasonable quantity from time to time upon written request of the Port, the Lessee, or a Registered Owner.

(b) *Deposits.* All Pledged Lease Revenue and Other Revenue shall be delivered to the Trustee and deposited upon receipt into the Fuel Hydrant Revenue Fund. The amount of the Monthly Debt Service Deposit to be delivered by the Lessee to the Trustee each month shall equal the amount shown on Schedule I to the most recent Closing Memorandum; *provided*, that in the case of the Monthly Debt Service Deposit immediately preceding a Payment Date, the Trustee shall calculate the adjustment, if any, to be made to the amount of the Monthly Debt Service Deposit to take into account amounts on deposit in the Debt Service Account or any capitalized interest account hereafter created, and shall send notice of any adjustment to the

Lessee prior to the date such Monthly Debt Service Deposit is to be delivered to the Trustee. If the Lessee receives notice of an adjustment before the date that a Monthly Debt Service Deposit is due to the Trustee, the Lessee shall adjust the amount of the Monthly Debt Service Deposit accordingly. If, on the 11<sup>th</sup> day of the month preceding any Payment Date, the amount of the Monthly Debt Service Deposits received by the Trustee from the Lessee is less than the amount of principal of and interest and premium, if any, coming due on the Bonds on such Payment Date, the Trustee shall immediately provide written notice of such deficiency to the Lessee, demand immediate payment of the amount of the deficiency, and provide notice that the Trustee will enforce the Guaranty in the event that the deficiency is not paid on the 25<sup>th</sup> day of the month preceding the Payment Date.

(c) *Disbursements.* Money in the Fuel Hydrant Revenue Fund shall be transferred and disbursed by the Trustee on the 25<sup>th</sup> day (or the preceding Business Day if the 25<sup>th</sup> day is not a Business Day) of each month, but only to the extent of money then on hand in the Fuel Hydrant Revenue Fund, in the following order of priority; *provided*, that upon the written direction of the Designated Port Representative insurance proceeds or condemnation proceeds shall be transferred upon receipt to the Project Fund or otherwise as directed by the Designated Port Representative pursuant to Section 8(a)(4) or 8(b):

(1) the Monthly Debt Service Deposit, if any, and any other Facilities Rent paid by the Lessee pursuant to Section 4.1(a) of the Lease for the payment of principal of, premium, if any, or interest on Bonds to the Debt Service Account;

(2) payment to each Credit Facility Issuer to pay all amounts paid by the Credit Facility Issuer to pay principal of or interest on Bonds (other than payments made under Qualified Insurance or a Qualified Letter of Credit credited to a Debt Service Reserve Account);

(3) the amount, if any, necessary to cure any deficiency in the Debt Service Reserve Account;

(4) pro rata to reimburse the provider of Qualified Insurance or a Qualified Letter of Credit for draws thereon; and

(5) payment first to the Trustee of expenses of the Trustee and second, payment to each Credit Facility Issuer (to the extent not paid pursuant to (2) or (4) above).

(d) *Covenant of Port.* Under the terms of the Lease and this resolution, Rent (with the exception of Base Rent and Additional Rent payable to the Port) is directed to be paid directly to the Trustee. If, notwithstanding these arrangements and except as provided in Section 7(i), the Port receives any payment pursuant to the Lease or any Related Document (other than the leasehold excise taxes due to the State, Base Rent or Additional Rent payable to the Port) the Port shall immediately pay over the same to the Trustee with written direction that such amount constitutes Pledged Lease Revenue or Other Revenue, as applicable. The Port shall not create any lien on the Trust Estate other than as provided in this resolution.

(e) *Investment of Revenue Fund.* Moneys on deposit in the Fuel Hydrant Revenue Fund shall be invested by the Trustee, as directed by the Port in writing, in permitted investments for Port funds. The Trustee shall maintain records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the accounts within the Fuel Hydrant Revenue Fund, and such income and interest shall become part of the respective account or subaccount within the Fuel Hydrant Revenue Fund and may be expended as provided in subsection (c) hereof. Copies of such records shall be made available to the Port, the Lessee, the Registered Owners in reasonable quantity from time to time upon written request of the Port, the Lessee, a Registered Owner.

**Section 6.**    **Bond Fund.**    The Trustee is hereby authorized to create one or more subaccounts within any account in the Bond Fund, upon the written direction of the Designated Port Representative delivered to the Trustee.

(a)    *Bond Fund.*    The Trustee shall establish a special trust fund in the name of the Port to be designated “Port of Seattle Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC) Bond Fund.” The Bond Fund shall include the following accounts:

- (1)    Debt Service Account; and
- (2)    Debt Service Reserve Account;

The Port shall not create any lien upon the Bond Fund other than the lien hereby created.

(b)    *Debt Service Account.*

(1)    Deposits.    There shall be deposited into the Debt Service Account, the following:

(A)    on the 25th day of each month, transfers from the Fuel Hydrant Revenue Fund or a capitalized interest account, if any, pursuant to Section 5(c)(1);

(B)    on each Payment Date, transfers from the Debt Service Reserve Account to cure deficiencies in the Debt Service Account;

(C)    upon receipt, the proceeds of investments and interest earnings on money in the Debt Service Account and transfers from the Debt Service Reserve Account pursuant to Section 6(c)(2); and

(D)    upon receipt of the Completion Certificate, transfers from the Project Fund for application to the defeasance of or payment of the principal of the Bonds.

(2)    Disbursements.    Disbursements shall be made from the Debt Service Account on each Payment Date, to the extent of funds on deposit therein and available therefor,



to the Registrar to pay the interest then coming due with respect to the Bonds and the principal of and premium, if any, on such Bonds maturing or subject to redemption on such Payment Date.

(3) Investment. Moneys on deposit in the Debt Service Account shall be invested by the Trustee, as directed by the Port in writing, in permitted investments for Port funds. The Trustee shall maintain records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in subaccounts within the Debt Service Account, and such income and interest shall become part of the respective subaccount within the Debt Service Account and may be expended as provided in subsection (2) hereof. Copies of such records shall be made available to the Port, the Lessee and the Registered Owners in reasonable quantity from time to time upon written request of the Port, the Lessee, or a Registered Owner, as the case may be.

(c) Debt Service Reserve Account.

(1) Deposits. There shall be deposited into the Debt Service Reserve Account, the following:

(A) On the Closing Date, an amount necessary to satisfy the Required Debt Service Reserve Amount for the Bonds;

(B) On the 25th day of each month, transfers from the Fuel Hydrant Revenue Fund, of amounts received from the Lessee pursuant to Section 4.1(c) of the Lease; and

(C) As received, all interest earnings on money held in the Debt Service Reserve Account and the proceeds of investments thereof.

The money in the Debt Service Reserve Account shall be maintained by deposits of cash and/or permitted investments stated to mature not later than five years after the date such investment is made, or a Qualified Letter of Credit or Qualified Insurance, or a combination of

the foregoing. To the extent that the Port obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Debt Service Reserve Account, an equal portion of, first, the money and then, the securities on deposit in the Debt Service Reserve Account shall be transferred, as directed in writing by the Port, to pay costs of repairs, replacements, major maintenance, additions or improvement to or extensions or modifications of the Fuel System, or to the Debt Service Account to defease or redeem Bonds. The Trustee shall value the investments in the Debt Service Reserve Account semiannually each March 31 and September 30. In computing the amount on hand in the Debt Service Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other obligations purchased as an investment of moneys therein shall be valued at market. As used herein, the term "cash" shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, and certified or cashier's checks.

In making the payments and credits to the Debt Service Reserve Account required by this Section 6(c), to the extent that the Port has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this Section to be on deposit in the Debt Service Reserve Account, the amount then available for drawings, as applicable, under any such Qualified Insurance or Qualified Letter of Credit shall be credited against the amount required to be on deposit in such Debt Service Reserve Account. In the event of termination or expiration of a Qualified Letter of Credit and unless a replacement Qualified Letter of Credit shall be delivered, the Trustee shall provide notice to the Port and Lessee and shall draw upon such Qualified Letter of Credit and deposit the proceeds thereof in the Debt Service Reserve Account. If the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent or no longer in existence, the deficiency resulting from such insolvency or failure of existence shall be

satisfied on the first day of the next calendar month after the insolvency or incapacity of the issuer, but no later than the date of cancellation or termination of the Qualified Insurance or Qualified Letter of Credit, with cash paid out of available amounts in the Fuel Hydrant Revenue Fund after making necessary provisions for the payments required to be made under Section 5(c)(1) through (3) or with other Qualified Insurance or another Qualified Letter of Credit. The Trustee shall maintain records regarding drawings made under Qualified Insurance or Qualified Letters of Credit.

Moneys on deposit in the Debt Service Reserve Account shall be invested as directed by the Designated Port Representative in writing in permitted investments for Port funds stated to mature not later than five years after the date such investment is made.

(2) Withdrawals. Interest earnings, if any, on investments made of money in the Debt Service Reserve Account, to the extent that such earnings result in a balance in the Debt Service Reserve Account in excess of the Required Debt Service Reserve Amount, (1) may, at the Port's option, be transferred on each valuation date for such investments to the Project Fund; otherwise (2) shall be transferred on each valuation date for such investments to the Debt Service Account. If a deficiency in the Debt Service Account shall occur immediately prior to a Payment Date, such deficiency shall be made up from the Debt Service Reserve Account by the withdrawal of cash and securities therefrom for that purpose, in such amounts as will provide cash in the Debt Service Account sufficient to make up any such deficiency with respect to the Bonds, and if a deficiency still exists immediately prior to a Payment Date and after the withdrawal of cash, the Trustee shall then draw from any Qualified Letter of Credit or Qualified Insurance for the Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as such Qualified Letter of Credit or such

Qualified Insurance shall provide. The Trustee shall provide notice to the Lessee of any deficiency in the Debt Service Reserve Account, for payment (in the case of a deficiency resulting from a withdrawal from the Debt Service Reserve Account) on the first day of the next calendar month or for payment (in the case of a deficiency resulting from a valuation of investments in the Debt Service Reserve Account) on or prior to May 10 for a March 31 valuation and on or before November 10 for a September 30 valuation, in each case pursuant to Section 4.1(c) of the Lease and deposit to the Fuel Hydrant Revenue Fund. Any deficiency in the Debt Service Reserve Account shall be made up from (A) the next available money in the Fuel Hydrant Revenue Fund transferred to the Debt Service Reserve Account, or (B) Qualified Insurance or a Qualified Letter of Credit. Reimbursement for amounts drawn under any Qualified Insurance or Qualified Letter of Credit plus interest thereon shall be made within a 12-months period to the issuer of such Qualified Letter of Credit or Qualified Insurance by the Trustee, but only from funds on deposit with the Trustee and available therefor.

(d) *Use of Excess Money in the Debt Service Reserve Account and Debt Service Account.* Whenever there is sufficient cash in the Debt Service Reserve Account and the Debt Service Account to pay or, with a verification report prepared by a firm of certified public accountants or other consultant, to provide for the payment of the principal of, interest on and premium, if any, on all Outstanding Bonds, the cash in the Debt Service Reserve Account may be used to pay such principal, interest and premium, if any. The Designated Port Representative may also direct the Trustee to transfer rebatable arbitrage attributable to permitted investments in the Debt Service Reserve Account to pay arbitrage rebate or to make written demand of the Lessee for payment of all or a portion of such rebate under Section 4.2(a) of the Lease.

Money in the Debt Service Account not needed to pay the (1) interest or (2) principal and interest next coming due on any Outstanding Bonds may be used to purchase or optionally redeem and retire Bonds. Money in the Debt Service Account shall be used solely to pay principal of, interest on and premium, if any, on Bonds when due, whether at maturity or redemption or purchase in advance of maturity of such Bonds or otherwise. The Monthly Debt Service Deposit shall be adjusted as set forth in Section 5(b), so as to ensure compliance with requirements of the Code and to avoid excessive accumulations in the Debt Service Account.

**Section 7. Operating Covenants-General.**

(a) *Exclusivity.* The Port covenants that, so long as the Bonds are Outstanding, the Fuel System shall be the exclusive system for the receipt, storage, transmission and delivery of Fuel at the Airport, and all Pledged Lease Revenue shall be and is pledged to the payment of the Bonds.

(b) *Amendments to the Lease, LLC Agreement, Interline Agreement, Security Agreement or Guaranty.* The Port and the Lessee may amend or supplement the Lease, or the Port may approve amendments to the LLC Agreement, Interline Agreement, Security Agreement or Guaranty, from time to time and without the consent or concurrence of (1) the Trustee or (2) the Owner of any Bond for the following purposes:

(1) To add covenants and agreements of the parties that are not contrary to or inconsistent with the covenants and agreements of the parties contained in the Lease, LLC Agreement, Interline Agreement, Security Agreement or Guaranty;

(2) To add or substitute legal descriptions pursuant to Section 2.1(d) of the Lease;

(3) To cure any ambiguity or defect or inconsistent provision in the Lease, LLC Agreement, Interline Agreement, Security Agreement or Guaranty or to insert such provisions clarifying matters or questions arising under the Lease, LLC Agreement, Interline Agreement, Security Agreement or Guaranty as are necessary or desirable to the parties; provided that such amendment or supplement does not materially and adversely affect the security for the payment of any Bonds; or

(4) To obtain from any Rating Agency a rating on any Series of Bonds or any portion thereof which is higher than the rating which would be assigned without such amendment or supplement; provided that such amendment or supplement does not materially and adversely affect the security for the payment of any Bonds; or

(5) To modify the Lease or to approve amendments to the LLC Agreement, Interline Agreement, Security Agreement or Guaranty provided that such modifications do not materially and adversely affect the security for the payment of any Bond and do not violate any other operating covenants of this resolution.

Except as provided in 7(b)(1) through (5), no other amendment or supplement to the Lease or approval of an amendment of the Interline Agreement, LLC Agreement, Security Agreement or Guaranty that affects the rights, duties, liabilities and immunities of the Trustee shall be effective upon the Trustee without its prior written consent or approval thereof. Except as provided in clauses (1) through (5) of this Section 7(b), the Port shall not enter into any amendment of the Lease or approve any amendment of the Interline Agreement, LLC Agreement, Security Agreement or Guaranty without the prior written approval of the majority in aggregate principal amount of Registered Owners as provided below. Notice of any such requested

amendment to the Lease, Interline Agreement, LLC Agreement, Security Agreement or Guaranty shall be given to the Registered Owner as follows.

If the Trustee shall receive notice from the Port or the Lessee of a proposed modification to the Lease, Interline Agreement, LLC Agreement, Security Agreement or Guaranty and requesting the approval of the Registered Owners, the Trustee shall cause notice of the proposed modification to be given to all Registered Owners. Such notice, which shall be prepared by or on behalf of the Port (but not by the Trustee or the Registrar), shall briefly set forth the nature of the proposed modification and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Registered Owners.

Within six months after the date of the giving of such notice, the parties may enter into such modification to the Lease or the Port may approve such modification to the Interline Agreement, LLC Agreement, Security Agreement or Guaranty in substantially the form described in such notice, but only if there shall have first been delivered to the Trustee (A) the required consents, in writing, of the Registered Owners of not less than a majority in aggregate principal amount of Outstanding Bonds and (B) an opinion or opinions of counsel stating that such modification or approval is authorized or permitted by this resolution, complies with its terms, and, upon the execution and delivery thereof, will be valid and binding upon the Port and/or all other parties thereto in accordance with its terms.

If Registered Owners of not less than a majority in aggregate principal amount of Outstanding Bonds shall have consented to and approved the execution and delivery thereof as herein provided, no Registered Owner shall have any right to object to the execution and delivery of such modification, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery

thereof, or to enjoin or restrain any party thereto from executing and delivering the same or from taking any action pursuant to the provisions thereof.

For the purposes of any approvals or consent required of Bondholders in connection with this Section 7(b), the issuer of a Credit Facility of a Series of Bonds, if any, is deemed to be the Registered Owner of such Series of Bonds.

(c) *Insurance.* Under Sections 10.2 and 10.3 of the Lease the Lessee is required to maintain liability, property and other insurance at specified levels.

(d) *Encumbrances.* The Port shall not mortgage, lease, transfer or otherwise encumber the Land, and shall not permit any mortgage, lease, transfer or other encumbrance on the Land, except in each case for Permitted Encumbrances.

(e) *Books and Records.* The Trustee shall prepare annual statements that contain a statement in detail of the Trust Estate for every calendar year and shall contain a statement as of the end of such year showing the status of all funds and accounts held by the Trustee.

(f) *Fuel System Operator and Fuel System Operating Agreement.* So long as the Bonds are Outstanding, the Port shall maintain or require the Lessee to maintain a Fuel System Operating Agreement, except as provided in Section 7(i).

(g) *Involuntary Bankruptcy.* The Port covenants not to file any involuntary petition in bankruptcy against the Lessee while the Bonds are Outstanding.

(h) *Enforcement and Termination of Lease and Related Documents.* The Port covenants to enforce, or to direct the Trustee to enforce, the Lease, subject to the terms of this resolution. The Port hereby affirms the Guaranty and the Security Agreement or, if necessary directs the Trustee to execute, deliver and enforce the Guaranty and the Security Agreement and,



to the extent of the Trustee's rights under the Security Agreement, directs the Trustee to enforce the other Related Documents, in each case subject to the terms of this resolution.

(i) *Reletting.* The Port covenants that following a Lease Default Event pursuant to Section 13.1(a), (b), (d), (g), (h), or (j) of the Lease, the Port shall exercise its rights under Section 13.2(b) of the Lease to reenter the Premises with or without terminating the Lease. Upon reentry of the Premises, the Port shall, with due speed, either (1) use its best efforts to relet the Premises to a replacement tenant (a "Replacement Tenant") that is or that contracts with a qualified and duly licensed fuel system operator (a "Replacement Operator") or (2) use its best efforts to retain a Replacement Operator or (3) as authorized by law, use its best efforts to operate and maintain the Fuel System with its own employees. The Replacement Operator may be the then current Fuel System Operator.

In the event that the Port decides to operate and maintain the Fuel System with its own employees, the Port covenants that it shall include all Net Reletting Proceeds as part of the Trust Estate and will take no action permitting Net Reletting Proceeds to be subject to the prior claim of any creditor of the Port, including without limitation, the owners of any bonds of the Port other than the Bonds.

The Port shall charge or shall require any Replacement Tenant or Replacement Operator to charge usage charges for use of the Fuel System that are at least sufficient to pay, in the following priority order: (A) Reletting Costs, (B) all costs of operating and maintaining the Fuel System (including fees payable to the Replacement Tenant or Replacement Operator, but not including costs of extraordinary repair, replacement and maintenance), (C) to the Trustee the Facilities Rent and, to the Trustee and the Port, the Additional Rent that would have been payable by the Lessee under the Lease, (D) to the Port, Base Rent; and (E) payment of all costs of

extraordinary repair, replacement and maintenance, if required under the lease or Fuel System operating agreement with the Replacement Tenant or Replacement Operator.

The Port will not be required to relet to a Replacement Tenant, retain a Replacement Operator or operate and maintain the Fuel System with its own employees if Fuel is no longer used by Air Carriers. Nothing in this section shall require the Port to relet or operate the Premises for, or retain an operator who charges, less than the amount necessary to pay Reletting Costs, operation and maintenance costs, Additional Rent payable to the Port and Base Rent in their entirety.

Any lease with a Replacement Tenant or fuel system operating agreement with a Replacement Operator shall require, without limitation, that the Replacement Tenant or Replacement Operator, as applicable: operate and maintain the Fuel System in compliance with the terms of the then current Operating Manual, the SPCC/FRP Plans, and the Airport Rules; pay all costs of extraordinary repair, replacement and maintenance; obtain and comply with all certificates, permits, and licenses from governmental authorities required to operate the Fuel System; promptly comply with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments including all Airport Rules; and insure the Premises against casualty in the manner described in Section 10.3 of the Lease or establish with the Trustee a self-insurance fund.

Following any Casualty Event, insurance proceeds, if any, from self-insurance or insurance carried by a Replacement Tenant or Replacement Operator, received to pay for the Casualty Event less any reasonable amounts paid by the Port in collecting such proceeds, shall be deposited with the Trustee with direction that such insurance proceeds be applied to (i) rebuild

the Fuel System (or cause the Fuel System to be rebuilt by any Replacement Tenant or Replacement Operator) or (ii) cause all Bonds to be Fully Paid.

**Section 8. Casualty Events/Condemnation.**

(a) *Casualty Event.*

(1) *Identification of Options.* Upon the occurrence of any Casualty Event, one of the three following options shall be exercised:

(A) Option (1): the Port (or the Lessee, but only to the extent required by the Lease) shall repair, replace, reconstruct and rebuild the damaged property so that the repaired facility is of reasonably comparable utility;

(B) Option (2): the Port shall exercise the Refinancing Alternative described in Section 12.1(e) of the Lease; or

(C) Option (3): the Port shall establish an irrevocable escrow resulting in the Bonds being Fully Paid.

In the event that insurance proceeds are insufficient to undertake Option (1) and the Lessee does not obtain funding from another source (e.g. self-assessment) to pay the difference between the cost of completing, restoring, replacing or rebuilding the damaged or destroyed portion of the Land or the Fuel System and the amount of insurance proceeds, if any, available for such purpose (the “cost differential”), either the Lessee or the Port may initiate the process for the issuance of Additional Bonds, as described in Sections 11.1(c) and 12.1 of the Lease. If pursuant to the procedures set forth in Sections 11.1(c) and 12.1 of the Lease (x) the Lessee fails to approve Additional Bonds to pay the cost differential and does not propose a Financing Alternative accepted by the Port; or (y) the Port cannot secure reasonable access to the capital markets for such Additional Bonds within a reasonable time; then the Port shall undertake

Option (2) to pay the cost differential, but only if and to the extent that the Port then has the right and authority to impose rates, charges, fees, or another cost recovery mechanism upon the Air Carriers for the cost differential as well as the cost of the facilities previously funded by the outstanding Bonds. Notwithstanding anything to the contrary herein implied or stated, the Port shall in no event be obligated to undertake Option (2) or to undertake Option (3) or to fund any portion of the cost differential unless the Port then has the right and authority to impose rates, charges, fees, or another cost recovery mechanism upon the Air Carriers for the cost differential as well as the cost of the facilities previously funded by the outstanding Bonds.

(2) *Required Actions by the Port Following a Casualty Event.* Upon the occurrence of a Casualty Event requiring that the Port undertake Option (1), Option (2) or Option (3) above, the Port shall take the following actions. As noted below, each action shall be taken within a reasonable time period, and all actions shall be completed prior to the expiration of any business interruption insurance insuring payment of Facilities Rent by the Lessee.

A. upon receipt of notice of casualty from the Lessee pursuant to Section 11.4 of the Lease, the Port shall give immediate written notice thereof to the Trustee;

B. within a reasonable period after the insurer of the damaged or destroyed Land or Fuel System determines the amount of insurance proceeds to be paid in connection with the Casualty Event, the Port shall determine whether there is a cost differential and, if so, the amount of the cost differential;

C. within a reasonable period after a determination of a cost differential, the Port shall decide whether or not to rebuild; and

D. the Port shall communicate the decisions (the existence and amount of any cost differential and whether or not to rebuild) in each case promptly to the Trustee by written notice.

(3) *No Election to Rebuild.* If, within the time period set forth in subsection (2) above, neither the Port nor the Lessee elects to rebuild, the Port will notify the Trustee of the Port's decision to undertake Option (2) or Option (3) and whether the Port then has the right and authority to impose rates, charges, fees, or another cost recovery mechanism upon the Air Carriers for the cost differential as well as the cost of the facilities previously funded by the outstanding Bonds.

(4) *Affirmative Election To Rebuild.* If, within the time period set forth in subsection (2) above, the Port or the Lessee does elect to rebuild, the insurance proceeds (if the cost of repair or rebuild is more than the insurance deductible amount then permitted under the Lease) as well as proceeds of Additional Bonds, if any, shall be delivered to the Trustee with instructions from the Designated Port Representative that such insurance proceeds shall be transferred to the Project Fund. During the course of construction (prior to completion of the rebuild), the Port may, at any time, exercise Option (2) or Option (3). If the Port, at any time, exercises Option (2) or Option (3), any insurance proceeds shall be delivered to the Trustee with instructions from the Designated Port Representative regarding the application of such insurance proceeds to such purposes.

(b) *Condemnation.* If all or substantially all of the Fuel System is condemned by any authority including the Port, the Port shall direct the application of the condemnation proceeds to the defeasance of the Bonds. If less than substantially all of the Fuel System is condemned or if the proceeds of any condemnation award received by the Trustee are insufficient to pay or

defeasement of all Outstanding Bonds, the procedures to be followed shall be consistent with those procedures outlined in subsection (a) above.

**Section 9. Improvement Bonds; Financing Alternative.**

(a) *Authority To Issue Improvement Bonds.* Following the issuance and delivery of the 2013 Bonds, the Port may, from time to time, issue Improvement Bonds secured by the Trust Estate on a parity with all Outstanding Bonds, subject to the terms and conditions of this Section 9. Improvement Bonds may be issued only if the following conditions are satisfied prior to the issuance of such Additional Bonds:

- (1) there is not then existing and continuing a Default under this resolution;
- (2) there is not then an existing deficiency in the Debt Service Reserve Account, unless the Additional Bonds would cure such deficiency;
- (3) there is delivered an opinion or opinions of counsel to the Port or the Lessee, as applicable stating that such Improvement Bonds are authorized as Bonds under the Lease (or alternatively, a certificate of the Port and the Lessee that all procedures required under Section 12.1 of the Lease have been fulfilled), that all necessary consents under the Lease and any Related Documents and all necessary amendments, if any, to the Lease have been obtained, and that upon the execution and delivery of any amendment, such amendment will be valid and binding upon the Port and the Lessee, respectively in accordance with its terms; and
- (4) there is delivered a Favorable Opinion of Bond Counsel.

Additional Bonds shall be authorized by a Supplemental Resolution of the Commission. Such Supplemental Resolution shall incorporate in full or by reference the operative covenants of this resolution.

(b) *Authorization of Improvement Bonds.* Subject to Section 9(a), Improvement Bonds may be issued to pay the costs of any improvements, modifications, repairs, replacements, additions to and/or major maintenance of the Fuel System, and the costs of capitalizing reserves and debt service, the costs of obtaining any Qualified Insurance or Qualified Letter of Credit and issuance costs. The Supplemental Resolution providing for the issuance of such Additional Bonds shall provide for the deposit to the Debt Service Reserve Account in the amount necessary to satisfy the Required Debt Service Reserve Amount for the Additional Bonds.

**Section 10. Refunding Bonds.**

(a) *General.* The Port, by means of a Supplemental Resolution may issue Refunding Bonds secured by the Trust Estate on a parity with all Outstanding Bonds, subject to the terms and conditions of this Section 10(a). Refunding Bonds may be issued under this section only if the following conditions are satisfied prior to the issuance of such Refunding Bonds:

(1) there is not then existing and continuing a Default under this resolution, unless the issuance of such Additional Bonds would cure such Default;

(2) there is not then an existing deficiency in the Debt Service Reserve Account, unless the refunding would cure such deficiency;

(3) there is delivered an opinion or opinions of counsel to the Port or the Lessee, as applicable, stating that such Refunding Bonds are authorized as Bonds under the Lease (or alternatively, a certificate of the Port and the Lessee that all procedures required under Section 12.1 of the Lease have been fulfilled), that all necessary consents under the Lease and Related Documents and all necessary amendments, if any, to the Lease have been obtained, and that upon the execution and delivery of any amendment, such amendment will be valid and binding upon the Port and the Lessee, respectively in accordance with its terms; and

(4) there is delivered a Favorable Opinion of Bond Counsel.

Such Supplemental Resolution shall incorporate in full or by reference the operative covenants of this resolution.

Upon compliance with the conditions set forth in this Section 10(a), Refunding Bonds may be issued at any time for the purpose of refunding (including by purchase) Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), making deposits to the Debt Service Reserve Account in the amount necessary to satisfy the Required Debt Service Reserve Amount, making payment for Qualified Insurance or a Qualified Letter of Credit and paying the expenses of issuing the Refunding Bonds.

(b) *Other Refunding Bonds.* The Port, by means of a Supplemental Resolution may issue Refunding Bonds secured by the Trust Estate on a parity with all Outstanding Bonds, subject to the terms and conditions of this Section 10(b), (1) without complying with the preconditions set forth in Section 10(a)(1) and (3) if the annual debt service on such Refunding Bonds in any year is not more than the annual debt service in any year on the Bonds to be refunded were such refunding not to occur; or (2) without complying with the preconditions set forth in Section 10(a)(1) and (3) if the Refunding Bonds are issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity, any Bonds for the payment of which sufficient Pledged Lease Revenue and Other Revenue are not available. Prior to the issuance of Refunding Bonds under this Section 10(b) there shall be delivered a Favorable Opinion of Bond Counsel and an opinion or opinions of counsel to the Port or the Lessee, as applicable, stating that such Refunding Bonds are authorized as Bonds under the Lease (or alternatively, a certificate of the Port and the Lessee that all procedures required under



Section 12.1 of the Lease have been fulfilled). Such Supplemental Resolution shall incorporate in full or by reference the operative covenants of this resolution.

**Section 11. Adoption of Supplemental or Amendatory Resolutions and Purposes Thereof Without Consent.** The Port may adopt at any time and from time to time and without the consent or concurrence of the owner of any Bond, a resolution or resolutions amendatory or supplemental to this resolution or to any Supplemental Resolution for any one or more of the following purposes:

(a) To provide for the issuance of Additional Bonds in accordance with Sections 9 or 10 pursuant to a Supplemental Resolution), and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add covenants and agreements of the Port for the purpose of further securing the payment of the Bonds;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Port payable from the Trust Estate which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect; provided, however, that no such amendment shall eliminate the ability of the Port to issue Additional Bonds pursuant to Sections 9 or 10;

(d) To surrender, or to delegate or assign to the Trustee (but not without the prior written consent of the Trustee) any right, power or privilege reserved to or conferred upon the Port by the terms of this resolution;

(e) To confirm as further assurance any pledge or provision for payment of the Bonds under and the subjection to any lien, claim or pledge created or to be created by the provisions of this resolution on the Trust Estate or on any other moneys, securities or funds;

(f) To cure any ambiguity or defect or inconsistent provision in this resolution or to insert such provisions clarifying matters or questions arising under this resolution as are necessary or desirable; provided that such modifications shall not materially and adversely affect the security for the payment of any Bonds or the rights of the Registered Owners;

(g) To qualify this resolution under the Trust Indenture Act of 1939, as amended as long as there is no material adverse effect on the security for the payment of the Bonds or the rights of the Registered Owners;

(h) To obtain or maintain a rating with respect to any Series of Bonds as long as there is no material adverse effect on the security for the payment of Bonds; or

(i) To modify the provisions of this resolution to obtain from any Rating Agency a rating on any Series of Bonds or any portion thereof which is higher than the rating which would be assigned without such modification as long as there is no material adverse effect on the security for the payment of Bonds.

Notwithstanding anything in this Section 11 to the contrary, without the specific consent of the Registered Owner of each Bond, no such resolution amending or supplementing the provisions hereof or of any Supplemental Resolution shall (1) permit the creation of a lien or charge on the Trust Estate superior or prior to the payment of the Bonds; (2) reduce the percentage of Bonds the Registered Owners of which are required to consent to any such resolution amending or supplementing the provisions hereof; or (3) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby. No resolution amending or supplementing the provisions hereof or of any Supplemental Resolution shall change the date of payment of the principal of, premium, if any, or interest on any Bond, or reduce the principal amount, or change the rate or extend the time of payment of interest thereof, or reduce any

premium payable upon the redemption or prepayment thereof, or advance the date upon which any Bond may first be called for redemption prior to its fixed maturity date (except as provided in the Supplemental Resolution authorizing the issuance of such Bond) without the specific consent of the owner of that Bond; and no such amendment shall change or modify any of the rights, duties, responsibilities or immunities of the Registrar or the Trustee without its prior written consent thereto.

**Section 12. Adoption of Supplemental Resolutions and Purposes Thereof With Consent.**

(a) *Amendments With Registered Owners' Consent.* Subject to the provisions of Section 11, this resolution and any Supplemental Resolution may be amended from time to time by a Supplemental Resolution approved by the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided, that (1) no amendment shall be made which affects the security of some but fewer than all of the Outstanding Bonds without the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds so affected, and (2) except as expressly authorized hereunder and subject to the provisions of the last paragraph of Section 11 hereof, no amendment shall be made which alters the interest rates, the maturity dates or interest payment dates of any Outstanding Bonds without the consent of the Registered Owners of all Outstanding Bonds affected thereby.

(b) *Amendments With Consent of Issuers of Credit Facilities.* A resolution authorizing the issuance of Additional Bonds may include a covenant with respect to a Credit Facility Issuer that limits the ability of the Port to amend this resolution and any Supplemental Resolution without the prior written consent of that Credit Facility Issuer. A Supplemental

Resolution authorizing the issuance of Additional Bonds to the extent not inconsistent with the terms of this resolution shall not be considered as an amendment to this resolution.

**Section 13. Resolution and Laws a Contract with Bondowners.** This resolution constitutes a contract for the benefit of the Registered Owners and is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington, including RCW Ch. 39.46, as amended and supplemented, and Title 53 of the Revised Code of Washington, as amended and supplemented.

**Section 14. Defaults.** The Port hereby finds and determines that the collection, deposit and disbursement of the Trust Estate are essential to the payment and security of the Bonds and the failure or refusal of the Port, the Trustee or any of its officers or agents to perform the covenants and obligations of this resolution will endanger the collection deposit and disbursement of the Trust Estate and such other moneys, funds and securities to the purposes herein set forth. Accordingly, the provisions of this Section 14 are specified and adopted for the additional protection of the Owners from time to time of the Bonds and the Credit Facility Issuers. Any one or more of the following events shall constitute a “Default” under this resolution:

(a) A failure to make payment of the principal of any Bonds when the same shall become due and payable whether by maturity or by scheduled redemption prior to maturity;

(b) A failure to make payments of any installment of interest on any Bonds when the same shall become due and payable;

(c) Except as otherwise provided in this Section 14, the Port shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the Port contained in this resolution, and such default shall have continued for a period of 30 days

following written notice of such default given to the Port by the Trustee or, if the Port is diligently pursuing the cure of such default, 60 days following written notice of such default given to the Port by the Trustee;

(d) A court of competent jurisdiction declares that the lien of this resolution on Pledged Lease Revenue or the lien or security interest created by the Security Agreement is not valid;

(e) A court of competent jurisdiction declares that the Lease, the Guaranty or Security Agreement is not valid, or a court of competent jurisdiction declares that the LLC Agreement or the Interline Agreement is not valid and there is a default in payment of Facilities Rent or Additional Rent under the Lease;

(f) Insolvency of the Port;

(g) A Lease Default Event has occurred and is continuing or a default has occurred and is continuing under the Security Agreement or the Guaranty, in each case taking into account applicable cure periods, if any; or

(h) An assignment of the Lease or a change in use of the Fuel System contrary to the terms of the Lease occurs, whether or not the Port has approved of such assignment or change of use.

The Port will notify the Trustee of the occurrence of each Default and Lease Default Event of which it is aware.

**Section 15. Remedies.** The Trustee will notify each Credit Facility Issuer and the Port of each Default and of each Lease Default Event, in each case, of which it has actual notice. The Designated Port Representative also will deliver notice of such Default to the Commission.

Upon the occurrence of a Lease Default Event, the Port shall be entitled to exercise its remedies under the Lease, including its right to terminate the Lessee's possession of the Premises. The Bonds are not subject to acceleration. The Trustee shall be entitled to, and at the direction of the Registered Owners of a majority in aggregate principal amount of Outstanding Bonds shall exercise its remedies under the Security Agreement and the Guaranty and any other Related Documents.

Upon receipt of indemnity and assurances to its satisfaction that its fees and expenses shall be paid, the Trustee in its own name and as the trustee of an express trust, may take any or all of the following actions:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Registered Owners and each Credit Facility Issuer and require the Port to carry out any agreements with or for the benefit of the Registered Owners of Bonds or the Credit Facility Issuers and to perform its or their duties under this resolution;

(b) bring suit upon the Bonds;

(c) by action or suit in equity require the Port to account as if it were the trustee of an express trust for the Registered Owners of Bonds;

(d) petition the court for the appointment of a receiver for the Fuel System or file claims in any bankruptcy proceeding of the Port or the Lessee;

(e) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of Bonds; or

(f) enforce all of the Trustee's rights and exercise all remedies available under the Related Documents.

If a bankruptcy case is commenced by or against the Lessee or the Fuel System Operator, the Trustee shall have the right to make appearances and to file motions in such bankruptcy proceedings as deemed necessary to protect the Trustee's claim and rights under upon the Trust Estate.

Upon an admission of insolvency or a filing of a petition under Chapter 9 of the United States Bankruptcy Code with respect to the Port, the Port (1) immediately shall notify the Trustee of the occurrence of such event; and (2) upon receipt of indemnity and assurances to its satisfaction that its expenses shall be paid, the Trustee shall, to the extent permitted by law, in its own name and as the trustee of an express trust on behalf of the Registered Owners prosecute and defend the claims, if any, of the Registered Owners against the Port, including without limitation, claims of the Registered Owners to the Trust Estate.

**Section 16. Application of Revenue and Other Funds After Default.** If a Default shall occur and be continuing, the Trust Estate and any other funds then held or thereafter received by the Trustee under any of the provisions of this resolution shall be applied by the Trustee as follows and in the following order:

(a) To the extent available for this purpose, to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Registered Owners of the Bonds and payment of reasonable fees and charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and in connection with the performance of its powers and duties under this resolution;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this resolution, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof first to Bonds and within such liens, ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof first to Bonds and within such liens, ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference;

- (c) To the Debt Service Reserve Account if all Bonds have not been Fully Paid;
- (d) to the Lessee (if all Bonds are Fully Paid); and
- (e) To the Port.

**Section 17. Trustee to Represent Registered Owners.** The Trustee is hereby irrevocably appointed (and the successive respective Registered Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as Trustee and true and lawful attorney-in-fact of the Registered Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Registered Owners under the provisions of the Bonds, this resolution, the Related Documents, collateral thereunder and applicable provisions of any law. Upon the occurrence and continuance of a Default or other occasion giving rise to a right in the Trustee to represent the Registered



Owners, the Trustee may, and upon the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and in all cases upon being indemnified against anticipated expenses and liabilities to its satisfaction therefor (which indemnity is a condition precedent to its duties hereunder), shall, proceed to protect or enforce its rights or the rights of such Registered Owners by the remedies hereunder as it shall deem most effectual to protect and enforce any such right; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Trust Estate and other assets pledged under this resolution, pending such proceedings. All rights of action under this resolution, the Related Documents or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Registered Owners of such Bonds, subject to the provisions of this resolution.

**Section 18. Registered Owners' Direction of Proceedings.** The Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder and under the Related Documents, upon indemnification satisfactory to the Trustee, provided that such direction shall not be otherwise than in accordance with law and the provisions of this resolution, and that the Trustee shall have the right to decline to follow any such direction which in the sole discretion of the Trustee would be unjustly prejudicial to Registered Owners not parties to such direction. The Trustee shall not be responsible for the propriety of or liable for

the consequences of following such a direction given by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding.

**Section 19. Limitation on Registered Owners' Right to Sue.** No Registered Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity for the protection or enforcement of any right or remedy under this resolution, any Related Document, or any other applicable law unless the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; and such Registered Owner or said Registered Owners shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request; and the Trustee shall have refused or omitted to comply with such request for a period of 30 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Registered Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Registered Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this resolution or the rights of any other Registered Owners, or to enforce any right under this resolution, any Related Document or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Registered Owners of the Outstanding Bonds.

**Section 20. Termination of Proceedings.** In case any proceedings taken by the Trustee or any one or more Registered Owners on account of any Default shall have been discontinued or abandoned for any reason or shall have been determined adversely or if any Default is cured, then in every such case the Port, the Trustee and the Registered Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Port, the Trustee and the Registered Owners shall continue as though no such proceedings had been taken.

**Section 21. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Registered Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**Section 22. No Waiver of Default.** No delay or omission of the Trustee or of any Registered Owner of the Bonds to exercise any right or power arising upon the occurrence of any Default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this resolution to the Trustee or to the Registered Owners may be exercised from time to time and as often as may be deemed expedient.

**Section 23. Duties, Immunities and Liabilities of Trustee; Co-Trustee.**

(a) Wells Fargo Bank Northwest, National Association is hereby appointed as the Trustee under this resolution. The Trustee shall execute a certificate accepting and agreeing to perform its duties and responsibilities under this resolution, the Security Agreement, the Guaranty and the other Related Documents.

(b) The Trustee shall perform such duties and only such duties as are specifically imposed upon it as set forth in this resolution, the Security Agreement and the Guaranty and no implied duties or responsibilities shall be read into this resolution, the Security Agreement or the Guaranty against the Trustee. The Trustee shall, during the existence of any Default of which the Trustee has actual notice (which Default has not been cured) exercise such of the rights and powers vested in it by this resolution, the Security Agreement and the Guaranty and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs; provided that, if in the reasonable opinion of the Trustee any such action may tend to invoke expense or liability to the Trustee, it shall not be obligated to take such action unless it is first furnished with funds for payment of such expense or with indemnity therefor satisfactory to it. The Trustee shall provide monthly reports on funds and account activity to the Port and the Lessee.

(c) Upon 30 days' advance written notice to the Trustee, the Port may unless a Default shall have occurred and then be continuing, remove the Trustee at any time and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or, without the necessity of advance written notice, if at any time the Trustee shall cease to be eligible in accordance with subsection (f) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of

such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing.

(d) The Trustee may at any time resign by giving written notice of such resignation to the Port and by giving the Registered Owners notice of such resignation by first class mail at the addresses shown on the Bond Register. In order to discharge this obligation, the Trustee shall deliver a form of such notice to the Registrar with a request to distribute the same to Registered Owners. Upon receiving such notice of resignation, the Port shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment and the Trustee has transferred the funds and accounts hereunder and the Trustee has assigned and/or otherwise transferred its rights and interests in the Trust Estate to the successor Trustee.

(e) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Registered Owner (on behalf of himself and all other Registered Owners), may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this resolution shall signify its acceptance of such appointment by executing and delivering to the Port and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee

herein; but, nevertheless, at the request of the Port or the request of the successor Trustee, such predecessor Trustee shall, at the expense of the Port execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the rights, title and interest of such predecessor Trustee in and to the Trust Estate held by it under this resolution, and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth, subject to this Section 23. Upon request of the successor Trustee, the Port shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such money, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder to the Registered Owners at the addresses shown on the Bond Register. The successor Trustee shall effect this notice by giving a form of notice to the Registrar with a request to mail such notice to the Registered Owners.

(f) The Trustee shall have no responsibility with respect to any information, statement or recital in the official statement or other disclosure material prepared or distributed with respect to the Bonds.

(g) The Trustee's rights to immunities, indemnity, and protection from liability hereunder and its rights to payment of fees and expenses shall survive its resignation or removal and the final payment or defeasance of the Bonds or the discharge of this resolution.

(h) The Trustee may appoint a co-trustee or separate trustee hereunder, but only as necessary or desirable to enable the provisions of this resolution to be carried out without

violating the laws of any jurisdiction (including, in particular, the law of the State) denying or restricting the right of banking corporations or associations to transact business as required of the Trustee hereunder.

(i) If the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every necessary and appropriate remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this resolution to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vested in such separate or co-trustee, and shall run to and be enforceable by any of them to the extent deemed necessary and appropriate to the exercise thereof by such separate or co-trustee. Such separate or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Port, the Trustee.

(j) Should any instrument in writing from the Port be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Port. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee or successor to such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

(k) The appointment of a co-trustee hereunder shall not in any way affect the Trustee's fiduciary duties and obligations hereunder.

(l) If necessary, the Trustee is hereby authorized and directed to execute and deliver the Security Agreement and the Guaranty.

(m) The Trustee is hereby authorized and directed to prepare, request that the Lessee execute (if such execution is necessary for any such filing) and file in a timely manner (if received from the Lessee in a timely manner and if execution by the Lessee is necessary), any and all financing or continuation statements as might be required under the UCC in order to continue the perfection of any financing statements filed by the Port or the Lessee in connection with the issuance of the Bonds or the Security Agreement; provided, that the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any security interests or the accuracy or sufficiency of any description of collateral in such initial filings; and provided further, that unless the Trustee shall have been notified in writing by the Lessee or the Port that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and descriptions in filing any financing or continuation statement(s) pursuant to this paragraph. Any expenses, including legal fees, incurred by the Trustee in filing any such statements shall be paid by the Lessee upon written demand.

**Section 24. Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or to which it may sell all or substantially all of its corporate trust business or any company resulting from any merger, conversion, consolidation or sale to which it shall be a party shall be the successor to such Trustee and Trustee's administration hereof without the necessity of executing or filing of any paper or any further act, anything herein to the contrary notwithstanding.



**Section 25. Liability of Trustee.**

(a) The recitals of facts herein and in the Bonds (other than in the Certificate of Authentication) shall be taken as statements of the Port (or the Registrar, in the case of the Certificate of Authentication), and the Trustee shall have no responsibility for the correctness of the same or for the validity or sufficiency of this resolution or any security thereunder or for the Bonds, or any representations therein including without limitation the Certificate of Authentication. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys. The Trustee shall not be accountable for the use or application by the Port of the Bonds or the proceeds thereof or of any moneys paid to the Port or any other person pursuant to the terms of this resolution. The Trustee may become the Registered Owner of Bonds as principal with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners, whether or not such committee shall represent the Registered Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding relating to the time,

method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this resolution.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this resolution.

(e) The Trustee shall not be deemed to have knowledge or actual notice of any default, Default (other than the Defaults described in Section 14(a) and (b) hereof) unless it shall have written notice thereof at the address specified by the Trustee in accordance with Section 29 herein. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(f) The permissive right of the Trustee to perform acts under this resolution shall not be construed as a duty. The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts conferred hereunder or otherwise in respect of the premises.

**Section 26. Right to Rely on Documents.** The Trustee shall be protected in acting upon any notice, resolution, request, Requisition, consent, order, certificate, direction, report, opinion, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, but the Trustee shall examine the evidence furnished to it in order to determine whether or not such evidence conforms to the requirements of this resolution; provided, that notwithstanding anything to the contrary contained herein, the Trustee may conclusively rely and shall be fully protected in relying upon any requisitions, without

independent verification or investigation of any representations or warranties contained therein or of any underlying facts and circumstances, so long as such requisitions are in the form required under this resolution. At the expense of the Port, the Trustee may consult with counsel, engineers or accountants who may but not need be counsel, engineers or accountants employed by the Port, with regard to legal questions concerning interpretation of this resolution or otherwise, and the opinion or advice of such counsel, engineers or accountants shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this resolution the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Port, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this resolution in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 27. Preservation and Inspection of Documents.** All documents maintained by the Trustee under the provisions of this resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of Credit Facility Issuers, the Port, the Lessee and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions with reasonable prior notice.

**Section 28. Compensation.** The Trustee shall be entitled to receive compensation from the Port for the services of the Trustee and rendered under or pursuant to this resolution,

which compensation shall be determined in accordance with the written fee schedule of the Trustee furnished to the Port by the Trustee in its written proposal to the Port, as the same may be amended from time to time by agreement of the parties, or as of the date of appointment of any successor Trustee (or which compensation, in the absence of any such written fee schedule, shall be reasonable compensation), and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this resolution in accordance with the fee agreement between the Port and the Trustee (or which fees, expenses, and charges, in the absence of any such fee agreement, shall be reasonable).

None of the provisions contained in this resolution shall require the Trustee to act or to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that prompt payment of fees or repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

**Section 29.** **Notices.** Any notice to or demand upon the following parties under this resolution shall be given by certified mail, return receipt requested, as set forth below, or to such other addresses as may from time to time be furnished, effective upon the receipt of notice thereof given as provided for in this Section 29.

If to the Port:

Port of Seattle  
2711 Alaskan Way  
Pier 69  
P.O. Box 1209  
Seattle, WA 98111  
Attention: Director of Finance and Budget

If to the Trustee: Wells Fargo Bank Northwest, National Association  
Corporate Trust Services  
MAC P6101-114  
1300 SW Fifth Avenue, 11th Floor  
Portland, OR 97201

If to the Registrar: The Bank of New York  
101 Barclay Street, 21W  
New York, NY 10286  
Attention: Corporate Trust Administration

If to the Lessee: SEATAC Fuel Facilities LLC  
c/o Alaska Airlines, Inc.  
2651 S. 192nd, Seattle, WA 98188  
P.O. Box 68900, Seattle, WA 98168-0900  
Attn: Jay Long  
Tel: 206-433-3168  
Fax: 206-433-6838

With a copy to:

Karen L. Chapman, Esq.  
Sherman & Howard, L.L.C.  
633 Seventeenth Street, Ste. 3000  
Denver, CO 80202  
Tel: 303-297-2900  
Fax: 303-298-0940

The fact and date of the execution by any person of any request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The registered ownership of Bonds shall be proved by the Bond Register held by the Registrar.

Any request, consent, or other instrument or writing of the Registered Owner of any Bond shall bind every future Registered Owner of the same Bond and the Registered Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Port in accordance therewith or reliance thereon.

**Section 30.**    **Defeasance.**

(a)    In the event that money and/or Escrow Securities 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 without any reinvestment thereof (assuming the due and punctual payment of the principal of and interest on such Escrow Securities) to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, and, if such 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, and the conditions described in subsections (b) through (g) below are satisfied, and if such Bonds are Fully Paid, then no further payments need be made into the Debt Service Account or any subaccount therein for the payment of the principal of, premium, if any, and interest on the Bonds so provided for and such Bonds shall then cease to be entitled to any lien, benefit, covenant, or security of this resolution, except the right to receive the funds so set aside and pledged and notices of early redemption, if any, and such Bonds shall no longer be deemed to be Outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the Port except as described in (g) below.

(b)    Escrow Securities must not be subject to redemption prior to their respective maturities at the option of the issuer of such securities.

(c) If any Bond is to be redeemed prior to its respective maturity, either:

(1) the Trustee shall receive evidence that notice of such redemption has been given by the Registrar in accordance with the provisions of this resolution or the Supplemental Resolution pursuant to which such Bonds were issued, or

(2) the Port shall have conferred to the Registrar, with a copy to the Trustee irrevocable instructions to give such notice on behalf of the Port.

(d) The Trustee shall receive a Favorable Opinion of Bond Counsel and an opinion of Bond Counsel to the effect that following the establishment of such trust, the Bonds defeased thereby shall no longer be considered Outstanding under the terms of this resolution.

(e) The Trustee shall receive a report from a firm of nationally recognized certified public accountants or such other independent certified public accountant or other consultant as may be acceptable to the Trustee stating in effect that the principal of and interest on the Escrow Securities in such trust, without reinvestment following the initial deposit of Escrow Securities, together with the cash (if any) initially deposited therein, will be sufficient to make the required payments from such trust to pay all principal of, interest and premium, if any on the Bonds being defeased.

(f) All fees and expenses of the Trustee then due are paid in full.

(g) Whenever the Bonds have been Fully Paid, then the lien, rights and interests created hereby shall cease, determine and become null and void (except as to any surviving rights of transfer or exchange of the Bonds herein provided for and the obligation of the Registrar to pay the Bonds from such escrow account) and, upon payment of all amounts then due and owing to the Trustee, the Trustee shall pay, assign, transfer and deliver to the Port or upon the order of the Port, all cash and securities then held by it hereunder that are then pledged to the Bonds.

If cash and/or Escrow Securities are deposited with the Trustee pursuant to this Section 30, the Trustee shall hold such cash or Escrow Securities as a separate, irrevocable trust fund for the benefit of the Registered Owners of the Bonds to be paid from such funds; provided that the Trustee shall be entitled to compensation from the Port for its fees and expenses incurred thereunder. Such cash and the principal and interest payable on such Escrow Securities shall be applied by the Trustee solely to the payment of the principal of and premium, if any, and interest on such Bonds.

Within 30 days after any Bonds are defeased, whether or not such Bonds are Fully Paid, the Registrar shall provide notice of defeasance of such Bonds to Registered Owners of the Bonds being defeased, to each party entitled to be notified in accordance with Section 41.

**Section 31. Authorization of 2013 Bonds.** The Port shall issue the 2013 Bonds in the principal amount of not to exceed \$100,000,000 for the purpose of providing all or a portion of the funds necessary to:

- (a) refund the 2003 Bonds; and
- (b) pay all or a part of the costs incidental to the foregoing and to the issuance of the 2013 Bonds.

**Section 32. 2013 Bond Details.** The 2013 Bonds shall be designated as “Port of Seattle, Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013,” shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated as of their Closing Date, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, and shall be issued in the aggregate principal amount determined by the Chief Executive Officer, pursuant to the authority granted in Section 40; provided that the



aggregate principal amount shall not exceed \$100,000,000. The 2013 Bonds shall bear interest on unpaid principal at the rates set forth in the 2013 Bond Purchase Contract and approved by the Chief Executive Officer pursuant to Section 40. Interest on the 2013 Bonds shall be payable from their Closing Date until the 2013 Bonds have been paid or their payment duly provided for, payable semiannually on the first days of each June and December beginning on December 1, 2013 (each a "Payment Date"). The 2013 Bonds shall mature on June 1 of the years and in the principal amounts set forth in the 2013 Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 40.

The 2013 Bonds are not general obligations of the Port, and no tax or revenues of the Port other than the Pledged Lease Revenue may be used to pay the principal of, premium, if any, and interest on the 2013 Bonds.

The 2013 Bonds shall be obligations payable only from the Trust Estate including without limitation the Debt Service Account and the Debt Service Reserve Account into which Pledged Lease Revenue and Other Revenue is obligated to be transferred in accordance with the terms of this resolution and shall be payable and secured as provided herein. The 2013 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

**Section 33. Redemption and Purchase.**

(a) *Optional Redemption.* The 2013 Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the 2013 Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 40.

(b) *Mandatory Redemption.* The 2013 Bonds shall be subject to mandatory redemption if and to the extent set forth in the 2013 Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 40.

(c) *Extraordinary Optional Redemption.* The 2013 Bonds are subject to extraordinary optional redemption at a price equal to 100% of the principal amount of the 2013 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium, at any time, as a whole or in part, at the sole option and written direction of the Port, upon the destruction, damage or condemnation of all or a portion of the Fuel System, or the Premises, or in the event of the permanent closure of the Airport from such funds as may be available and deposited in the Debt Service Account.

(d) *Purchase of Bonds for Retirement.* The Port reserves the right to deposit with the Trustee at any time any legally available funds of the Port to purchase for retirement any of the Bonds offered to the Port at any price deemed reasonable to the Designated Port Representative. Such Bonds shall be delivered to the Registrar for cancellation.

(e) *Effect of Optional Redemption/Purchase.* To the extent that the Port shall have optionally redeemed or purchased for cancellation any 2013 Bonds that are term bonds since the last scheduled mandatory redemption of such 2013 Bonds, the Port may reduce the principal amount of such 2013 Bonds of the same maturity to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by the Designated Port Representative.

(f) *Selection of Bonds for Redemption.* If the 2013 Bonds then are held in book-entry only form, the selection of 2013 Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated

form, the selection of 2013 Bonds to be redeemed shall be made as provided in this subsection (f). If the Port redeems at any one time fewer than all 2013 Bonds pursuant to an extraordinary optional redemption under Section 33(c), the 2013 Bonds to be redeemed shall be selected on a pro rata basis, based on Outstanding principal amounts, among each series and maturity. In all other cases, if the Port redeems at any one time fewer than all of the 2013 Bonds having the same maturity date, the particular 2013 Bonds or portions of 2013 Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a 2013 Bond of a denomination greater than \$5,000, the Port and Registrar shall treat each 2013 Bond as representing such number of separate 2013 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such 2013 Bond by \$5,000. In the event that only a portion of the principal sum of a 2013 Bond is redeemed, upon surrender of such 2013 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof or, at the option of the Registered Owner, a 2013 Bond of like maturity and interest rate in any of the denominations herein authorized. The provisions of this subsection (f) and their application to 2013 Bonds other than the 2013 Bonds may be modified in a Supplemental Resolution adopted in connection with the issuance of such Bonds.

(g) *Notice of Redemption.*

(1) Official Notice. Unless waived by any owner of 2013 Bonds to be redeemed official notice of any such redemption (which notice, in the case of an optional redemption, shall state that redemption is conditioned upon the receipt by the Registrar of sufficient funds for redemption) shall be given by the Registrar on behalf of the Port by mailing a

copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the 2013 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar.

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

- (A) the date fixed for redemption,
- (B) the redemption price,
- (C) if fewer than all Outstanding 2013 Bonds are to be redeemed, the identification by maturity and Series (and, in the case of partial redemption, the respective principal amounts) of the 2013 Bonds to be redeemed,
- (D) that on the date fixed for redemption, provided that in the case of optional redemption the full amount of the redemption price is on deposit therefor, the redemption price will become due and payable upon each such 2013 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (E) the place where such 2013 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

On or prior to any date fixed for redemption, the Trustee shall deposit, to the extent of funds on deposit in the Debt Service Account and available for such purpose, with the Registrar an amount of money sufficient to pay the redemption price of all the 2013 Bonds or portions of 2013 Bonds which are to be redeemed on that date.

Failure to give notice as to redemption of any 2013 Bond or any defect in such notice shall not invalidate redemption of any other 2013 Bond.

Notwithstanding the foregoing, if the 2013 Bonds are then held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then effect at DTC but not less than 20 days prior to the date of redemption.

(2) Effect of Notice; 2013 Bonds Due. Official notice of redemption having been given as aforesaid, the 2013 Bonds or portions of 2013 Bonds so to be redeemed shall, on the date fixed for redemption (unless in the case of optional redemption available money on deposit with the Registrar is insufficient to pay the redemption price), become due and payable at the redemption price therein specified, and from and after such date such 2013 Bonds or portions of 2013 Bonds shall cease to bear interest. Upon surrender of such 2013 Bonds for redemption in accordance with said notice, such 2013 Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to a date fixed for mandatory redemption shall be payable as herein provided for payment of interest. Upon surrender for partial redemption of any 2013 Bond, there shall be prepared for the Registered Owner a new 2013 Bond or 2013 Bonds of the same maturity in the aggregate amount of the unpaid principal. All 2013 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the Registrar on behalf of the Port as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all 2013 Bonds being redeemed; (B) the date of issue of the 2013 Bonds; (C) the rate of interest borne by each 2013 Bond being redeemed; (D) the maturity date of each 2013 Bond being redeemed; and (E) any other

descriptive information needed to identify accurately the 2013 Bonds being redeemed. Each further notice of redemption shall be sent at least 25 days before the date fixed for redemption to each party entitled to receive notice pursuant to Section 41.

(4) Use of CUSIP Numbers. Upon the payment of the redemption price of 2013 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the 2013 Bonds being redeemed with the proceeds of such check or other transfer. Neither the Port, the Trustee nor the Registrar shall be liable for any failure to include a CUSIP number or any error in designation of a CUSIP number, appearing either in a notice of defeasance or redemption or in any payment or transfer advice.

(5) Amendment of Notice Provisions. The foregoing notice provisions of this Section 33, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended without the consent of any Owners of 2013 Bonds by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

**Section 34. Place and Medium of Payment.** The principal of, premium, if any, and interest on the 2013 Bonds shall be payable in lawful money of the United States of America. Interest on the 2013 Bonds shall be calculated on the basis of a 360-day year (twelve 30-day months). For so long as all 2013 Bonds are in fully immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

In the event that the 2013 Bonds are no longer in fully immobilized form, interest on the 2013 Bonds shall be paid by check or draft mailed (or by wire transfer, without transfer fee, to a

Registered Owner of such 2013 Bonds in aggregate principal amount of \$1,000,000 or more who so requests in writing) to the Registered Owners of the 2013 Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal and premium, if any, of the 2013 Bonds shall be payable upon presentation and surrender of such 2013 Bonds by the Registered Owners at the principal office of the Registrar.

**Section 35. Registration.**

(a) *Registrar/Bond Register.* The Port hereby appoints the fiscal agency of the State of Washington as the Registrar for the 2013 Bonds. The Port shall cause a Bond Register to be maintained by the Registrar. So long as any 2013 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of 2013 Bonds at its principal corporate trust office and shall make such records available to the Trustee. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar 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 qualified and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver 2013 Bonds transferred or exchanged in accordance with the provisions of such 2013 Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the 2013 Bonds.

(b) *Registered Ownership.* The Port, the Trustee and the Registrar shall deem and treat the Registered Owner of each 2013 Bond as the absolute owner thereof for all purposes

(except as provided in Section 42 of this resolution), and none of the Port, the Registrar or the Trustee shall be affected by any notice to the contrary. Payment of any such 2013 Bond shall be made only as described in Section 34 hereof, but such 2013 Bond may be transferred as herein provided. All such payments made as described in Section 34 shall be valid and shall satisfy and discharge the liability of the Port upon such 2013 Bond to the extent of the amount or amounts so paid.

If any 2013 Bond shall be duly presented for payment and funds have not been duly provided by the Port on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such 2013 Bond until such 2013 Bond is paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the 2013 Bonds as eligible for deposit at DTC, the Port has executed and delivered to DTC the Letter of Representations.

None of the Port, the Trustee or the Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the 2013 Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of, premium, if any, or interest on 2013 Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the Port to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any 2013 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered



Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the Beneficial Owners or the owners of any other beneficial interest in such 2013 Bonds.

(d) *Use of Depository.*

(1) The 2013 Bonds shall be registered initially in the name of “Cede & Co.”, (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC, with one 2013 Bond maturing on the maturity date of the 2013 Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized 2013 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the 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 the Designated Port Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Port Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all Outstanding 2013 Bonds, together with a written request on behalf of the Designated Port Representative, issue a single new 2013 Bond for each maturity of the 2013 Bonds then Outstanding, registered in the name of such successor or such

substitute depository, or their nominees, as the case may be, all as specified in such written request of the 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) the Designated Port Representative determines that it is in the best interest of the Beneficial Owners of the 2013 Bonds that such owners be able to obtain such bonds in the form of 2013 Bond certificates, the ownership of such 2013 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 2013 Bonds, to issue 2013 Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding 2013 Bonds together with a written request on behalf of the Designated Port Representative to the Registrar, new 2013 Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any 2013 Bond may be registered and 2013 Bonds may be exchanged, but no transfer of any such 2013 Bond shall be valid unless such 2013 Bond is surrendered to the Registrar with the assignment form appearing on such 2013 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 2013 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new 2013 Bond (or 2013 Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized

denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered 2013 Bond, in exchange for such surrendered and canceled 2013 Bond. Any 2013 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of 2013 Bonds of the same date, maturity and interest rate, in any authorized denomination or denominations. Except as provided in a Supplemental Resolution, the Registrar shall not be obligated to register the transfer of or to exchange any 2013 Bond during the 15 days preceding the date any such Bond is to be redeemed.

(f) *Registrar's or Trustee's Ownership of Bonds.* The Registrar or Trustee may become the Registered Owner of any 2013 Bond with the same rights it would have if it were not the Registrar or Trustee, as applicable, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of 2013 Bonds.

(g) *Registration Covenant.* The Port covenants that, until all 2013 Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each 2013 Bond that complies with the provisions of Section 149 of the Code.

**Section 36. Tax Covenants.** The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2013 Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on such 2013 Bonds. The Port shall comply with its covenants set forth in the Federal Tax Certificate.

If the Trustee receives amounts or instructions to transfer amounts on deposit in any of the funds hereunder for the payment of rebatable arbitrage, determined in accordance with the Federal Tax Certificate, the Trustee shall establish a rebate fund and deposit such amounts therein. The Trustee shall withdraw such amounts to pay rebatable arbitrage required to be paid to the United States of America in accordance with the Federal Tax Certificate but shall have no duty to determine rebatable arbitrage. At the direction of the Port, amounts in the rebate fund, if any, shall be invested in permitted investments for Port funds.

**Section 37. Lost, Stolen, Mutilated or Destroyed 2013 Bonds.** In case any 2013 Bond or 2013 Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new 2013 Bond or 2013 Bonds of like interest rate, maturity, date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the Port in connection therewith and upon his/her surrendering the mutilated 2013 Bond or filing with the Port evidence satisfactory to the Port that such 2013 Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the Port and the Trustee with indemnity satisfactory to both.

**Section 38. Form of 2013 Bonds and Registration Certificate.** The 2013 Bonds

shall be in substantially the following form:

UNITED STATES OF AMERICA  
NO. \_\_\_\_\_ \$ \_\_\_\_\_

STATE OF WASHINGTON  
PORT OF SEATTLE  
SPECIAL FACILITY REVENUE REFUNDING BOND  
(SEATAC FUEL FACILITIES LLC), 2013

Maturity Date: \_\_\_\_\_ CUSIP No. \_\_\_\_\_

Interest Rate:

Registered Owner: Cede & Co.

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 Special Facility Revenue Bond Account" (the "Debt Service Account") created by Amended and Restated Resolution No. 3680 of the Port Commission (the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Debt Service Account from \_\_\_\_\_, 2013, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each June and December 1 beginning on December 1, 2013. 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 refinance special facility bonds issued to finance a fuel storage and distribution system at the Seattle-Tacoma International Airport.

The bonds of this issue shall be subject to extraordinary optional redemption as set forth in the Bond Resolution and to optional redemption in advance of their scheduled maturity on and

after June 1, 20\_\_ in whole or in part on any date at the following prices, expressed as a percentage of the principal amount, plus accrued interest to the date of redemption.

Redemption Dates (all dates are inclusive)	Redemption Prices
--	-------------------

%

Unless redeemed pursuant to the foregoing optional redemption provisions or purchased and delivered to the Trustee for cancellation, the bonds of maturing on June 1, \_\_\_\_\_ shall be redeemed by the Port on June 1 of the following years in the following principal amounts at a price of par, plus accrued interest to the date of redemption:

Year	Principal Amount
------	------------------

\$

\*

\* 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 has conveyed, pledged, encumbered and granted all of its right, title and interest in Pledged Lease Revenue, all special funds and accounts created under the Bond Resolution, all Pledged Lease Revenue therein and any right, title and interest, if any, that it may have in all Pledged Lease Revenue and any right, title and interest, if any, that it may have in all Other Revenue and Other Revenue on deposit in such special funds and accounts. The Trustee is directed to receive and hold in trust the Trust Estate for the payment of the principal of and the interest on the Bonds to secure the observance and performance of any other duty, covenant, obligation or agreement under the Bond Resolution. The Bonds shall be payable from the Trust Estate.

The Port does hereby bind itself to set aside from Pledged Lease Revenue in the manner described in the Bond Resolution 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 are hereby declared to be a prior lien and charge upon the Pledged Lease 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,

premium, if any, and interest on any bonds issued by the Port having a parity of lien on such Trust Estate. The Port has reserved the right to issue parity lien revenue bonds in the future.

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 \_\_\_\_\_, 2013.

[SEAL]

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 Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013 of the Port of Seattle dated \_\_\_\_\_, 2013.

WASHINGTON STATE FISCAL  
AGENCY, Registrar

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

In the event any 2013 Bonds are no longer in fully immobilized form, the form of such Bonds may be modified to conform to printing requirements and the terms of this resolution.

**Section 39. Execution.** The 2013 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 2013 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar or the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the 2013 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either of the officers of the Port who shall have executed the 2013 Bonds shall cease to be such officer or officers of the Port before the 2013 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such 2013 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 2013 Bond may also be signed and attested on behalf of the Port by such persons as at the actual date of execution of such 2013 Bond shall be the proper officers of the Port although at the original date of such 2013 Bond any such person shall not have been such officer.

**Section 40. Sale of 2013 Bonds.** The 2013 Bonds shall be sold at negotiated sale to the 2013 Underwriters pursuant to the terms of the 2013 Bond Purchase Contract. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the



2013 Bonds and execute the 2013 Bond Purchase Contract, with such terms as are approved by the Chief Executive Officer pursuant to this section and consistent with this resolution. The 2013 Underwriters have advised the Commission 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 to approve the final interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity, redemption provisions and other terms and conditions of the 2013 Bonds. The Chief Executive Officer is hereby authorized to approve the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption provisions for the 2013 Bonds in the manner provided hereafter so long as the aggregate principal amount of the 2013 Bonds does not exceed \$100,000,000 and so long as so long as the Savings Target is met with respect to the 2013 Bonds.

In determining the final interest rates, maturity dates, aggregate principal amounts, principal maturities, redemption provisions of the 2013 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 2013 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 2013 Bonds. Subject to the terms and conditions set forth in this Section 40, the Designated Port Representative is hereby authorized to execute the final form of the 2013 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 2013 Bond

Purchase Contract, the Chief Executive Officer shall provide a report to the Commission, describing the final terms of the 2013 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 40 shall expire six months after the date of approval of this resolution. If a 2013 Bond Purchase Contract for the 2013 Bonds has not been executed before November 7, 2013, the authorization for the issuance of the 2013 Bonds shall be rescinded, and the 2013 Bonds shall not be issued nor their sale approved unless such 2013 Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of such 2013 Bonds may be in the form of a new resolution repealing this resolution in whole or in part 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 40.

Upon the adoption of this resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the 2013 Bonds to the 2013 Underwriters thereof and further to execute the 2013 Bond Purchase Contract and all closing certificates and documents required to effect the closing and delivery of the 2013 Bonds in accordance with the terms of the 2013 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) (both as defined in the 2013 Bond Purchase Contract) relating to the issuance and sale of the 2013 Bonds and the distribution of the Official Statement pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

**Section 41. Undertaking to Provide Ongoing Disclosure.** The Designated Port Representative is authorized to, in his or her discretion, execute and deliver a Continuing Disclosure Agreement to assist the 2013 Underwriters in complying with the Rule.

**Section 42. Application of 2013 Bond Proceeds; Redemption of 2003 Bonds.**

(a) *Approval of Expenditures.* The Designated Port Representative is hereby authorized to defease and redeem the 2003 Bonds.

(b) *Application of 2013 Bond Proceeds.* The Net Proceeds of the 2013 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), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be held by the Port and used at the direction of the Designated Port Representative to pay the costs of or reimbursing the Port for the costs of redeeming the Refunded Bonds or may be placed into the escrow account pursuant to the terms of the Escrow Agreement to effect a defeasance of the Refunded Bonds. Net Proceeds of the Bonds deposited with an Escrow Agent may be kept in cash or utilized to purchase the Government Obligations specified by the Designated Port Representative which meet the requirements of Resolution No. 3504, as amended (the “2003 Bond Resolution”) (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 2003 Bond Resolution, by providing for the payment of the interest on the 2003 Bonds to June 1, 2013 (the “Call Date”) and the redemption price (the principal amount) on the date fixed for redemption of the 2003 Bonds. When the final transfer has been made for the payment of such redemption price and interest on the Refunded

Bonds, any balance then remaining with the Escrow Agent 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 2003 Bonds on the Call Date; and
- (2) the price of redemption of the 2003 Bonds on the Call Date.

(d) *Appointing An Escrow Agent.* If the Designated Port Representative determines that an escrow deposit agreement is necessary or convenient, the Commission hereby approves the appointment of the Trustee to act as escrow agent for the Refunded Bonds (the “Escrow Agent”).

(e) Conditioned upon the issuance, closing and delivery of the 2013 Bonds, the Commission hereby calls the 2003 Bonds on the Call Date in accordance with the provisions of the 2003 Bond Resolution.

Said call for redemption of the callable 2003 Bonds shall be irrevocable after the closing and delivery of the 2013 Bonds.

The Designated Port Representative may cause to be disseminated a conditional notice of redemption prior to the closing and delivery of the 2003 Bonds. The Escrow Agent or the Registrar, as the case may be, shall be authorized and directed to provide for the giving of irrevocable notice of the redemption of the 2003 Bonds in accordance with the terms of 2003 Bond Resolution and as described in the Escrow Agreement, if any. 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 subsection (c). All such sums shall be paid from the moneys and the Acquired Obligations pursuant to the previous section of this resolution, and the income therefrom and proceeds thereof.

The Port will cause all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds to be paid when due. If an Escrow Agreement is utilized, 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 Bonds. The Escrow Agreement shall be substantially in the form of Exhibit A attached to this resolution and by this reference hereby made a part of this resolution.

**Section 43.** **Severability.** If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed separable from, and shall in no way affect the validity of, any of the other provisions of this resolution or of the Bonds issued pursuant to the terms hereof.

**Section 44.** **Amended and Restated Resolution.** This resolution amends and restates Sections 1 through 30 of Resolution 3504, as amended. This resolution shall be effective from and after the date of its adoption and approval; provided, however, this resolution shall be of no further force and effect and shall be deemed repealed if the Bond Purchase Contract for the 2013 Bonds has not been approved by November 7, 2013 and the 2013 Bonds have not been issued as

provided herein and therein by December 7, 2013. The amendments approved in this resolution shall not apply to the 2003 Bonds.

ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held this \_\_\_\_\_ day of \_\_\_\_\_, 2013, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF SEATTLE

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Commissioners

CERTIFICATE

I, the undersigned, Secretary of the Port Commission (“Commission”) of the Port of Seattle (herein called the “Port”), DO HEREBY CERTIFY:

1. That the attached resolution numbered 3680 (herein called 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 \_\_\_\_\_, 2013, 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 \_\_\_\_\_, 2013.

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Secretary

**EXHIBIT A**  
**ESCROW DEPOSIT AGREEMENT**

**PORT OF SEATTLE**

**SPECIAL FACILITY REVENUE REFUNDING BONDS**  
**(SEATAC FUEL FACILITIES LLC), 2013**

**THIS ESCROW AGREEMENT**, dated as of \_\_\_\_\_, 2013 (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 Annex A attached hereto and made a part hereof.

**WITNESSETH:**

**WHEREAS**, the Port has issued and there presently remain outstanding the obligations described in Exhibit B (the “Refunded Bonds”); and

**WHEREAS**, pursuant to Resolution No. 3680 adopted on \_\_\_\_\_, 2013 (the “Bond Resolution”), the Port has determined to issue its Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013 (the “Bonds”) for the purpose of providing funds to pay the costs of defeasing and/or refunding the Refunded Bonds; and

**WHEREAS**, the Escrow Agent has reviewed this Agreement and the Bond Resolution, and is willing to serve as Escrow Agent; and

**WHEREAS**, \_\_\_\_\_, a firm of independent certified public accountants, has prepared a verification report which is dated \_\_\_\_\_, 2013 (the “Verification Report”) relating to the source and use of funds available to accomplish the defeasance and/or refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and

**WHEREAS**, pursuant to the Bond Resolution, certain Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, such Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C; and certain Refunded Bonds have been designated for defeasance and shall be paid on their scheduled maturity dates, and will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C; and

**WHEREAS**, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded



Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

**WHEREAS**, the 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 Bonds when due as shown on Exhibit C; and

**WHEREAS**, the Port desires that, concurrently with the delivery of the Bonds to the purchasers, the proceeds of the Bonds, together with certain other available funds of the Port, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as (the “Escrowed Securities”) for deposit to the credit of the Refunding Account and to establish a beginning cash balance (if needed) in the Refunding Account; and

**WHEREAS**, simultaneously herewith, the Port is entering into a Costs of Issuance Agreement with the Escrow Agent to provide for the payment of costs of issuance relating to the Bonds;

**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:

***Escrow Account Deposits*** mean the cash deposits from proceeds of the Bonds [and contributions from the Port] in the amount and all as described in Exhibit D.

***Escrowed Securities*** means the noncallable Government Obligations described in Exhibit D, 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.

**Refunding Account** means the escrow account of that name established pursuant to this Agreement for the purpose of defeasing and refunding the Refunded Bonds.

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

The terms “Agreement,” “Port,” “Escrow Agent,” “Bond Resolution,” “Bonds,” “Refunded 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 Refunding Account.**

Concurrently with the sale and delivery of the Bonds the Port shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Refunding Account, the funds sufficient to purchase the Escrowed Securities described in Exhibit D, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Port in writing.

## **Article 3. Creation and Operation of Refunding Account**

### **Section 3.1. Refunding Account.**

The Escrow Agent is authorized and directed to create on its books a special trust account and irrevocable escrow to be known as the Refunding Account (the “Refunding Account”) for the purpose of refunding the Refunded Bonds. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Refunding Account certain amounts described in Exhibit D. Such deposits, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Refunding Account, (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 timely transfers of such amounts at such times as are provided for in Section 3.2. 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 Refunding Account shall be transferred to the Port, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

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

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Refunding Account, the amounts required to pay the principal of the Refunded Bonds on June 1, 2013 (the "Call Date") and interest thereon to the Call Date.

### **Section 3.3. Sufficiency of Refunding Account.**

The Port represents that, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from in the Refunding Account will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2., the Port shall timely deposit in the Refunding Account, 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 Refunding Account or the Port's failure to make additional deposits.

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

The Escrow Agent shall hold at all times the Refunding Account, the Escrowed Securities and all other assets of the Refunding Account, 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 Refunding Account to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Account only as set forth herein. The Escrowed Securities and other assets of the Refunding Account 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 shall at all times be maintained on the books of the Escrow Agent. 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 Escrow Agent under the terms of this Agreement.

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

### **Section 4.1. Investments.**

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

## **Section 4.2. Substitution of Securities.**

At the written request of the Port, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Refunding Account, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Refunding Account to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the Port in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not cause any of the Bonds or Refunded Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

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

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

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Refunding Account. 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.

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

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

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

### **Section 6.2. Notice of Redemption/Notice of Defeasance.**

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of Resolutions No. 3504, as amended, of the Port Commission of the Port and in substantially the forms attached as and as described in Appendix A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance or resolution authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

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

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

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

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

While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Port a written report summarizing all transactions relating to the Refunding Account during the preceding year, including, without limitation, credits to the Refunding Account as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Refunding Account for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Refunding Account as of the end of such period.

## **Article 8. Concerning the Paying Agent 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 Refunding Account. 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 Refunding Account 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 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.

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

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

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

### **Section 8.3. Successor Escrow Agents.**

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Port, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Port within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the Port, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Port and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Port shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.3 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

## **Article 9. Miscellaneous**

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

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

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

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

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

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

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

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall

be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

**Section 9.5. Washington Law Governs.**

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

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

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

**Section 9.7. Notice to Moody's and S&P.**

In the event that this Agreement or any provision thereof is severed, amended or revoked, the Port shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds; and to Standard & Poor's Rating Service, a Division of the McGraw Hill Companies, 55 Water Street, New York, New York 10041, Attention: Public Finance Rating Desk/Refunded Bonds.

**Section 9.8. Amendments.**

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies, (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.



**EXECUTED** as of the date first written above.

**PORT OF SEATTLE**

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Chief Financial and Administrative Officer

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Authorized Signer

- Exhibit A - Addresses of the Port and the Escrow Agent
- Exhibit B - Descriptions of the Refunded Bonds
- Exhibit C - Schedule of Debt Service on Refunded Bonds
- Exhibit D - Description of Beginning Cash Deposit and Escrowed Securities
- Exhibit E - Refunding Account Cash Flow
- Appendix A - Notice of Redemption for the 2003 Bonds
- Appendix B - Notice of Defeasance for the 2003 Bonds

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

**Port:** Port of Seattle  
2711 Alaskan Way  
Pier 69  
Seattle, WA 98121  
Attention: Daniel S. Thomas, Chief Financial and Administrative Officer

**Escrow Agent:**

**EXHIBIT B**  
**Description of the Refunded Bonds**  
**(the “Refunded Bonds”)**

**Port of Seattle**

Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003

Maturity Year (June 1)	Principal Amounts	Interest Rates
	\$	

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

<b>Date</b>	<b>Interest</b>	<b>Principal/ Redemption Price</b>	<b>Total</b>
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**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>
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**EXHIBIT E**  
**Refunding Account Cash Flow**

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Cash Balance</u>
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**APPENDIX A**

**Notice of Redemption\***  
**Port of Seattle**  
**Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003**

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on June 1, 2013, its then outstanding Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003 (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to June 1, 2013. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York Mellon Worldwide Securities Processing 2001 Bryan Street, 9th Floor Dallas, Texas 75201	-or-	Wells Fargo Bank, National Association Corporate Trust Department 14th Floor - M/S 257 999 Third Avenue Seattle, WA 98104
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Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 1, 2013.

The following Bonds are being redeemed:

<u>Maturity Years (June 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>CUSIP Numbers</u>
	\$	%	

The Port and Paying Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

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\* This notice shall be given not more than 60 nor less than 15 days prior to June 1, 2013 by first class mail to each registered owner of the refunded bonds. In addition notice shall be mailed at least 35 days prior to June 1, 2013 to The Depository Trust Company of New York, New York; Banc of America Securities LLC; Financial Guaranty Insurance Company; Fitch Ratings, Moody's Investors Service, Standard & Poor's and to the Municipal Securities Rulemaking Board.

**By Order of Port of Seattle**

**The Bank of New York Mellon, as Paying Agent**

Dated: \_\_\_\_\_.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2004 (the “Act”) unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.



**APPENDIX B**

**Notice of Defeasance\***

**Port of Seattle**

**Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003**

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated \_\_\_\_\_, 2013, by and between the Port of Seattle (the "Port") and \_\_\_\_\_ (the "Escrow Agent"), the Port has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No. 3504, as amended of the Port, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

**Port of Seattle**

**Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003**

(Dated May 14, 2003)

<u>Maturity Years (June 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>Redemption Date (at 100%)</u>	<u>CUSIP Numbers</u>
	\$	%	6/01/2013	

Information for Individual Registered Owner

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

Dated: \_\_\_\_\_, 2013.  
\_\_\_\_\_, as Escrow Agent

\* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; MBIA; Fitch Ratings, Moody's Investors Service, Standard & Poor's, and to the Municipal Securities Rulemaking Board.