

REIMBURSEMENT AGREEMENT

Dated November 19, 2015

by and between

PORT OF SEATTLE, WASHINGTON

and

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch,

relating to

Port of Seattle
Subordinate Lien Revenue Notes
(Commercial Paper)

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EXHIBITS

EXHIBIT A	FORM OF IRREVOCABLE DIRECT-PAY LETTER OF CREDIT
EXHIBIT B	FORM OF REIMBURSEMENT NOTE
EXHIBIT C	FORM OF CERTIFICATE OF ISSUER REGARDING NO EVENT OF DEFAULT
EXHIBIT D	FORM OF STOP ISSUANCE INSTRUCTION

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REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT (the “*Agreement*”) is entered into November 19, 2015 by and between the PORT OF SEATTLE, WASHINGTON, a municipal corporation of the State of Washington (the “*Issuer*”) and SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch, and its successors and assigns (the “*Bank*”).

WITNESSETH:

WHEREAS, pursuant to Resolution No. 3456, as amended, entitled “A RESOLUTION of the Port Commission of the Port of Seattle, authorizing the sale of Subordinate Lien Revenue Notes (Commercial Paper), in series from time to time in an aggregate principal amount not to exceed \$250,000,000, for the purpose of financing and refinancing capital improvements, including refunding outstanding notes, within the Issuer, for working capital and for paying maturing revenue notes of the same series and/or reimbursing one or more credit providers for advances made therefor; providing a method of determining the dates, forms, terms, maturities, and interest rates of each series of such notes; authorizing the execution and delivery of one or more bank reimbursement notes; approving the form of and authorizing the execution, delivery and performance of various agreements relating to said notes; and making certain other covenants and agreements with respect thereto” (the “*Resolution*”), the Issuer has authorized the issuance of its Port of Seattle Subordinate Lien Revenue Notes (Commercial Paper) (the “*Notes*”); and

WHEREAS, the Issuer has requested the Bank to issue a Letter of Credit (as hereinafter defined) to support the payment by the Registrar, when and as due, of the principal of and interest on the Notes on their respective maturity dates; and

WHEREAS, the Bank is willing to issue an irrevocable direct-pay letter of credit in the form attached as Exhibit A hereto (as the same may be amended from time to time, the “*Letter of Credit*”), which the Bank has agreed to do subject to the terms and conditions set forth herein;

NOW, THEREFORE, to provide for and set forth the obligation of the Issuer to reimburse the Bank for any drawings under the Letter of Credit, and in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer and the Bank agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Defined Terms. As used in this Agreement and unless otherwise expressly indicated, or unless the context clearly requires otherwise:

- (a) All the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or

amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof and of this Agreement.

(b) The terms “Issuer” and “Bank” shall have the meanings assigned to such terms in the introductory paragraph of this Agreement and the terms “Resolution,” “Notes,” and “Letter of Credit” shall have the meanings assigned to such terms in the recitals to this Agreement.

(c) Any term used herein and not otherwise defined shall have the meaning assigned that term in the Resolution.

(d) The following terms shall have the following meanings (such meanings to be equally applicable to both singular and plural forms of the terms defined):

“*Accountant*” shall mean the independent certified public accountant or a firm of independent certified public accountants, or the Division of Municipal Corporations of the State Auditor’s office of the State, retained or otherwise engaged to audit the financial statements required to be delivered hereunder.

“*Affiliate*” means with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“*Agreement*” shall mean this Reimbursement Agreement, dated November 19, 2015, by and between the Issuer and the Bank, as the same may be amended, restated or supplemented from time to time in accordance with its terms.

“*Alternate Credit Facility*” shall have the meaning assigned that term in the Resolution.

“*Amortization Period*” shall have the meaning set forth in Section 2.03(b) hereof.

“*Annual Debt Service*” shall have the meaning assigned that term in the Resolution.

“*Authorized Representative*” shall mean, with respect to the Registrar, any Person at the time designated to act on behalf of the Registrar for purposes of this Agreement by written certificate furnished to the Bank containing the specimen signature of such Person and, with respect to the Issuer, the Designated Port Representative (as defined in the Resolution).

“*Available Amount*” shall have the meaning assigned that term in the Letter of Credit.

“*Available Revenue*” shall have the meaning assigned that term in the Resolution.

“Bank Agreement” means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, supplemental indenture or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide loans or funds to make payment of, or to purchase securities or provide liquidity support or credit enhancement for Debt of the Issuer secured by or payable from Gross Revenues or Available Revenue.

“Bank Rate” means, during the Liquidity Period: (i) for any day commencing on the date such Drawing is made to and including the 60th day next succeeding the date such Drawing is made, a rate per annum equal to the Base Rate in effect for such day; (ii) for any day commencing on the 61st day next succeeding the date such Drawing is made to and including the 90th day next succeeding the date such Drawing is made, a rate per annum equal to the sum of the Base Rate from time to time in effect *plus* one percent (1.00%); (iii) for any day commencing on the 91st day next succeeding the date such Drawing is made to and including the Term-Out Date for such Drawing, a rate per annum equal to the sum of the Base Rate from time to time in effect *plus* two percent (2.00%); and (iv) for any day after the Liquidity Period, a rate per annum equal to the Term Loan Rate; *provided* that at no time shall the Bank Rate be less than the highest interest rate at which any Outstanding Note secured by the Letter of Credit but not held by the Bank is then accruing interest.

“Base Rate” shall mean, for any day, the rate of interest per annum equal to the greatest of (i) the Prime Rate in effect for such day *plus* two percent (2.00%), (ii) the Federal Funds Rate in effect for such day *plus* three percent (3.00%), (iii) the One Month USD LIBOR Rate in effect for such day *plus* three percent (3.00%), (iv) the SIFMA Rate in effect for such day *plus* three percent (3.00%) and (v) seven and one-half percent (7.50%). Each determination of the Base Rate by the Bank shall be conclusive and binding on the Issuer absent manifest error.

“Basic Documents” shall mean this Agreement, the Fee Letter, the Resolution, the Letter of Credit, the Notes (including the Reimbursement Note), and the Dealer Agreement.

“Business Day” shall mean any day other than (i) a Saturday, Sunday or a day on which banking institutions in the State of Washington or the State of New York are closed, (ii) a day on which the New York Stock Exchange is closed and (iii) a day upon which commercial banks are closed in the city in which demands for payment are to be presented under the Letter of Credit.

“Change of Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, statute, treaty, policy, guideline or directive by any Governmental Authority, (b) any change in any law, rule, regulation, statute, treaty, policy, guideline or directive or in the application, interpretation, promulgation, implementation, administration or enforcement thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) all statutes, requests, rules guidelines or directives promulgated under or in connection with the Dodd-Frank Act implemented subsequent to the execution and delivery of this Agreement, and (y) all requests, rules, guidelines or directives

promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III or any other Basel accord, regardless of the date enacted, adopted, issued or promulgated, shall, in each case, be deemed to be a “Change of Law.”

“*Code*” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, including relevant regulations, proposed and temporary regulations and published rulings of the Department of the Treasury promulgated thereunder.

“*Commission*” shall mean the Port Commission of the Issuer.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Issuer or any subsidiary, are treated as a single employer under Section 414 of the Code.

“*Date of Issuance*” shall mean the date on which the Bank delivers the Letter of Credit pursuant to this Agreement.

“*Dealer*” shall have the meaning assigned that term in the Resolution.

“*Dealer Agreement*” shall have the meaning assigned that term in the Resolution.

“*Debt*” shall mean at any date, without duplication and to the extent any of the following are secured or payable, in whole or in part, from Gross Revenues (i) all obligations of the Issuer for borrowed money and reimbursement obligations which are not contingent, (ii) all obligations of the Issuer evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations of the Issuer to pay the deferred purchase price of property which purchase price is due twelve months or more from the date of incurrence of the obligation in respect thereof, (iv) all obligations of the Issuer as lessee under capital leases, (v) all Debt of others Guaranteed by the Issuer and (vi) all payment obligations of the Issuer, in addition to any obligations set forth in clauses (i) through (v) above, arising under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate futures contract, interest rate option contract or other similar arrangement and under any foreign exchange contract, currency swap agreement, foreign exchange futures contract, foreign exchange option contract, synthetic cap or other similar agreement (each a “*Swap Agreement*”); provided that it is understood that Debt does not include contingent obligations of the Issuer to reimburse any other Person in respect of surety bonds or letters of credit to the extent that such surety bonds or letters of credit support Debt of the Issuer. For purposes of this definition, if any of the agreements or contracts set forth in clause (vi) above relate to any other obligation of the Issuer which is otherwise included in this definition of Debt, such agreements and contracts shall constitute Debt only to the extent that the payment obligations of the Issuer thereunder, less any amounts receivable by the Issuer thereunder, exceed or are expected to exceed the interest payable on the related Debt.

“*Default Rate*” shall mean the Base Rate plus four percent (4.00%) per annum; *provided* that at no time shall the Default Rate be less than the highest interest rate at which any

Outstanding Note secured by the Letter of Credit but not held by the Bank is then accruing interest.

“*Drawing*” shall mean a drawing under the Letter of Credit accompanied by a certificate in the form of Annex A or Annex H-2 to the Letter of Credit.

“*Drawing Date*” shall mean the date on which the Bank pays a Drawing on the Letter of Credit in accordance with the terms thereof.

“*Environmental Law*” shall mean any and all federal, state and local laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder, or any successor statute.

“*Event of Default*” shall have the meaning set forth in Section 7.01 hereof.

“*Facilities*” shall have the meaning assigned that term in the Resolution.

“*Final Drawing Notice*” shall mean a Drawing under the Letter of Credit accompanied by a certificate in the form of Annex H-1 to the Letter of Credit.

“*First Lien Bonds*” shall have the meaning assigned that term in the Resolution.

“*Facility Fee*” shall have the meaning assigned that term in the Fee Letter.

“*Facility Fee Rate*” shall have the meaning assigned that term in the Fee Letter.

“*Federal Funds Rate*” shall mean, for any day, the per annum rate (rounded upward, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers on that day; provided that (a) if the date for which the rate is to be determined is not a Business Day, the Federal Funds Rate for that day shall be the rate on such transactions on the next succeeding Business Day and (b) if that rate is not so published for any day, the Federal Funds Rate for that day shall be the average rate charged to the Bank on that day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Issuer.

“*Fee Letter*” shall mean that certain Fee Letter dated as of the Date of Issuance between the Issuer and the Bank, as amended, supplemented, modified, and/or restated from time to time.

“*Fitch*” shall have the meaning assigned that term in the Resolution.

“*GAAP*” shall mean generally accepted accounting principles in the United States of America from time to time as set forth in (i) the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and (ii) statements and pronouncements of the Governmental Accounting Standards Board, as modified by the opinions, statements and pronouncements of any similar accounting body of comparable standing having authority over accounting by governmental entities.

“*Governmental Authority*” means any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“*Gross Revenues*” shall have the meaning assigned that term in the Resolution.

“*Guarantee*” by any Person shall mean any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise), (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (iii) with respect to any letter of credit issued for the account of such other Person or as to which such other Person is otherwise liable for reimbursement of drawings; provided that the term *Guarantee* shall not include (x) endorsements for collection or deposit in the ordinary course of business, or (y) performance or completion guarantees. The term “*Guarantee*” used as a verb has a corresponding meaning.

“*Interest Coverage*” shall have the meaning assigned that term in the Resolution.

“*Intermediate Lien Master Resolution*” shall mean Resolution No. 3540, as amended, and as the same may be amended in the future in accordance with its terms.

“*Intermediate Lien Parity Bonds*” shall have the meaning assigned that term in the Intermediate Lien Master Resolution.

“*Investment Grade*” means a rating of “*Baa3*” (or its equivalent) or better by Moody’s or “*BBB-*” (or its equivalent) or better by S&P or Fitch.

“*Lien*” shall mean, with respect to any asset, (i) any lien, charge, claim, mortgage, security interest, pledge or assignment of revenues of any kind in respect of such asset or (ii) the

interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Liquidity Period” shall mean the period of time from and after a Drawing under the Letter of Credit, to and including the date one hundred and eighty (180) days from the date of such Drawing.

“Material Adverse Effect” means a material adverse change in or material adverse effect upon (i) solely with respect to Section 6.01(k) hereof, the operations, assets, condition (financial or otherwise) or prospects of the Issuer, (ii) solely with respect to Section 6.02(g) hereof, (a) the Issuer’s ability to perform its material obligations under any of the Basic Documents, (b) the legality, validity, binding effect or enforceability of any material provision of any of the Basis Documents or the legality, validity, binding effect, enforceability, perfection or priority of any lien, pledge or security interest created or purportedly created by any of the Basic Document, or (c) the rights, remedies, security, duties or obligations of the Bank under any Basic Document.

“Maximum Rate” shall mean, solely for the purposes of Sections 6.01(o) and 6.02(l) hereof, twelve (12%) percent per annum.

“Moody’s” shall have the meaning assigned that term in the Resolution.

“Notice of Termination” shall mean a Notice of Termination in substantially the form of the certificate attached to the Letter of Credit as Annex G.

“Offering Memorandum” shall mean the offering memorandum used in connection with the sale of the Notes.

“One Month USD LIBOR Rate” means, for any day, the rate per annum equal to the rate for deposits in United States dollars of amounts equal to or comparable to the principal amount of the Notes paid with the proceeds of a Drawing under the Letter of Credit, offered for a term of one month, which rate appears on the display designated as Reuters LIBOR01 Page (or such other page as may replace Reuters LIBOR01 Page or such other service or services as may be nominated by the British Bankers’ Association for the purpose of displaying London interbank offered rates for United States dollar deposits), determined as of approximately 11:00 a.m., London time, on such day.

“Operating Expenses” shall have the meaning assigned that term in the Resolution.

“Other Taxes” shall have the meaning set forth in Section 3.01(b) hereof.

“Outstanding” shall have the meaning assigned that term in the Resolution.

“Participant” shall mean each bank purchasing a participation from the Bank pursuant to a Participation Agreement.

“*Participation Agreement*” shall mean any certain participation agreement, among the Bank and the other bank or banks purchasing participations and named therein, relating to this Agreement, the Letter of Credit and the Reimbursement Note.

“*Permitted Prior Lien Bonds*” shall have the meaning assigned that term in the Resolution.

“*Person*” shall have the meaning assigned that term in the Resolution.

“*Plan*” means, with respect to the Issuer and each subsidiary at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group of which the Issuer or such subsidiary is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Issuer or such subsidiary is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“*Prime Rate*” shall mean, for any day, the rate per annum established by the Bank from time to time as its “*prime rate*” for U.S. dollar loans, or its equivalent, as is in effect on such day, any change in such rate to be effective on the date such change is effective for the Bank’s purposes, it being understood that such rate shall not necessarily be the best or lowest rate of interest available to the Bank’s best or most preferred prime, large commercial customers. Each determination of the Prime Rate by the Bank shall be conclusive and binding on the Issuer absent manifest error. The Prime Rate is a reference rate only, and the Bank may make loans from time to time at interest rates above, equal to or below the Prime Rate.

“*Rating*” shall mean the long-term rating assigned by a Rating Agency to the Subordinate Lien Parity Bonds (without regard to any third-party credit enhancement). The term Rating refers to rating categories as presently determined by the Rating Agency and in the event of adoption of any new or changed rating system by any such Rating Agency, each Rating from the Rating Agency in question shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect.

“*Rating Agency*” shall mean Moody’s, S&P and/or Fitch, as applicable.

“*Reduction Fee*” shall have the meaning assigned to that term in the Fee Letter.

“*Registrar*” shall have the meaning assigned that term in the Resolution.

“*Reimbursement Account*” shall mean the following account, or such other account as may be designated by the Bank in writing to the Issuer and the Registrar:

ABA#: _____

A/C#: _____

A/C Name: _____
Attn: _____
Re: Letter of Credit No. _____

“*Reimbursement Note*” shall mean the Reimbursement Note issued by the Issuer to the Bank pursuant to the Resolution evidencing all obligations of the Issuer to the Bank hereunder with respect to the Notes secured by the Letter of Credit, in the form attached hereto as Exhibit B.

“*Related Parties*” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“*S&P*” shall have the meaning assigned that term in the Resolution.

“*Senior Lien Master Resolution*” shall mean Resolution No. 3059, as amended by Resolution No. 3214, Resolution No. 3241, Resolution No. 3436, and as amended and restated by Resolution No. 3577, as the same may be amended in the future in accordance with its terms.

“*Semi-annual Payment Date*” shall have the meaning set forth in Section 2.03(b) hereof.

“*Semiannual Principal Payment*” shall have the meaning set forth in Section 2.03(b) hereof.

“*SIFMA*” means Securities Industry & Financial Markets Association (formerly the Bond Market Association).

“*SIFMA Rate*” means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Bank and effective from such date. In the event Municipal Market Data no longer produces an index satisfying the requirements of the preceding sentence, the SIFMA Rate (a/k/a, the “SIFMA Municipal Swap Index”) shall be deemed to be the S&P Weekly High Grade Index, or if either such index is not available, such other similar national index as shall be reasonably designated by the Bank.

“*State*” shall mean the State of Washington.

“*Stated Amount*” shall have the meaning set forth in Section 2.01(a) hereof.

“*Stated Expiration Date*” shall mean the close of business on November 18, 2020 or any subsequent date to which the Letter of Credit shall have been extended in accordance with its terms and the terms of Section 2.12 hereof.

“*Stop Issuance Instruction*” means the written instruction, in the form attached as Exhibit D hereto, given by the Bank to the Issuer and the Registrar pursuant to Sections 7.02(e) and 7.05 hereof.

“*Subordinate Lien Note Fund*” shall have the meaning assigned that term in the Resolution.

“*Subordinate Lien Parity Bonds*” shall have the meaning assigned that term in the Resolution.

“*Subordinate Lien Rate Covenant*” shall have the meaning assigned that term in the Resolution.

“*Subordinate Lien Resolutions*” shall have the meaning assigned that term in the Resolution.

“*Swap Agreement*” shall have the meaning assigned to that term in the definition of “Debt”.

“*Taxes*” shall have the meaning set forth in Section 3.01(a) hereof.

“*Term Loan*” shall have the meaning set forth in Section 2.03(a) hereof.

“*Term Loan Maturity Date*” shall mean the maturity date of any Term Loan, which date shall be the earlier of (i) the fifth (5th) anniversary of the Stated Expiration Date (as the same may be extended from time to time), (ii) the date the Registrar cancels the Letter of Credit or replaces the Letter of Credit with an Alternate Credit Facility, and (iii) the fifth (5th) anniversary of the related Drawing Date.

“*Term Loan Rate*” shall mean, for any day, the Base Rate in effect for such day plus two percent (2.00%).

“*Term-Out Date*” shall have the meaning set forth in Section 2.03(b) hereof.

“*Termination Date*” shall mean the Stated Expiration Date or any earlier date on which the Letter of Credit shall terminate, expire or be cancelled in accordance with its terms.

“*Termination Fee*” shall have the meaning set forth in the Fee Letter.

“*United States*” and “*U.S.*” shall mean the United States of America.

Section 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP as in effect from time to time, applied on a basis consistent (except for

changes approved by the Issuer's Accountant) with the most recent audited financial statements of the Issuer delivered to the Bank.

Section 1.03. Rules of Construction. When used in this Agreement:

- (a) the singular includes the plural and the plural includes the singular;
- (b) "or" is not exclusive;
- (c) a reference to a law includes any amendment or modification to such law;
- (d) a reference to a Person includes its permitted successors and permitted assigns;
- (e) a reference to an agreement, instrument or document shall include such agreement, instrument or document as the same may be amended, modified or supplemented from time to time in accordance with its terms and as permitted hereby;
- (f) all references to time shall mean Seattle time (daylight or standard, as applicable), unless otherwise specified; and
- (g) any use of the term "Bank" to refer to any institution or entity agreeing to make advances hereunder, which is not actually a banking institution, is for purposes of convenience only and shall not imply that such entity or institution is regulated as a banking institution.

ARTICLE II

ISSUANCE OF LETTER OF CREDIT AND PAYMENTS; TERM LOANS

Section 2.01. Issuance of Letter of Credit.

(a) *Issuance of Letter of Credit.* The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Registrar an amended Letter of Credit substantially in the form of Exhibit A hereto dated the Date of Issuance and completed in accordance with such form and the terms of this Section 2.01(a). The Letter of Credit shall be in the initial stated amount of \$125,000,000 (the "*Stated Amount*"). The Stated Amount may be from time to time reduced and/or reinstated in accordance with the terms of the Letter of Credit. The Bank will use only its own funds in honoring a Drawing on the Letter of Credit.

(b) *Delivery to a Successor Registrar.* Promptly following the appointment and qualification of any successor Registrar, the Bank shall deliver to such successor Registrar, against receipt of the Letter of Credit held by the predecessor Registrar and payment of the fees, costs and charges set forth in the Fee Letter hereof, the Bank will endorse the Letter of Credit in favor of such successor Registrar.

(c) *Procedure for Drawings.* All Drawings to be made under the Letter of Credit shall be made by hand delivery or by facsimile transmission in the form of Annex A or Annex H-2 to the Letter of Credit, addressed to the Bank and submitted by the Registrar at the time and place specified in the Letter of Credit, and no further presentation of documentation, including the original Letter of Credit, need be made; it being understood that the facsimile transmission shall, in all events, be considered to be the sole operative instrument of drawing. The Bank may rely upon any such facsimile transmission drawing which it, in good faith, believes to have been dispatched by the Registrar.

Section 2.02. Drawings.

(a) *Interest on Drawings.* Subject to Section 2.03(a) hereof, all Drawings under the Letter of Credit not reimbursed on the Drawing Date shall bear interest (computed on the basis of a 365/366-day year and actual days elapsed) payable monthly in arrears on the first Business Day of each month. The principal component of each Drawing shall bear interest at the Bank Rate or the Default Rate, as applicable, as from time to time in effect. The interest component of each Drawing, if not paid on the Drawing Date, shall bear interest at the Default Rate. All Term Loans shall bear interest at a rate per annum equal to the greater of (i) the Term Loan Rate and (ii) the highest interest rate at which any Outstanding Note secured by the Letter of Credit but not held by the Bank is then accruing interest.

(b) *Default Rate.* Upon the occurrence of any Event of Default, the Issuer shall pay interest on all outstanding Drawings, any Term Loans and any other amounts then accruing interest hereunder, at the Default Rate. If the Issuer shall fail to pay any amount due and payable hereunder, each such unpaid amount shall bear interest for each day from and including the date it was so due until paid in full at a rate per annum equal to the Default Rate (computed on the basis of a year of 365/366 days and actual days elapsed). Any amount of interest accruing hereunder at the Default Rate shall accrue each day and shall be payable on demand. The taking of any judgment hereunder shall not operate as a merger of any covenant herein or affect the right of the Bank to receive interest at the Default Rate.

(c) *Clawback Amount.* Notwithstanding anything herein or in the other Basic Documents to the contrary, to the extent permitted by law, if at any time the rate per annum payable hereunder exceeds any applicable statutory or constitutional interest rate limitation or restriction and the Bank shall not receive payment at such rate (such amount of interest not received by the Bank on the date due being herein referred to as the "Clawback Amount"), any subsequent reduction in such rate shall not reduce the rate of interest utilized for the calculation of amounts payable to the Bank hereunder or under any other Basic Document until the total Clawback Amount has been paid to the Bank; provided, however, that if such Clawback Amount due to the Bank has not been paid to the Bank on or prior to the later of the (i) the date on which all obligations under this Agreement have been paid in full and (ii) the Termination Date, such amounts due shall convert to a termination fee due and payable on the Termination Date; and provided, further, that any Clawback Amount shall bear interest at the Term Loan Rate until paid in full.

Section 2.03. Repayment of Drawings and Other Payments.

(a) *Drawings.* The Issuer agrees to reimburse the Bank, at the times, in the manner and otherwise in accordance with the terms of this Agreement, for any payment made under the Letter of Credit honoring a demand for payment made by the Registrar thereunder and to pay all other amounts specified herein, together with interest thereon, pursuant to the terms hereof. The Issuer shall pay or cause to be paid to the Bank, by 5:00 p.m. (Seattle time), on the Drawing Date the full amount of such Drawing. Notwithstanding the above, so long as on the Drawing Date (i) no Event of Default has occurred and is continuing and (ii) the representations and warranties of the Issuer is deemed to have made in Article V hereof are true and correct in all material respects, the principal component of any Drawing made on a Drawing Date may remain outstanding and unpaid during the Liquidity Period and, thereafter, may be converted to a term loan (a “*Term Loan*”); *provided* all conditions set forth in Section 2.03(b) below shall have been met.

(b) *Term Loans.* In the event the portion of any Drawing used to pay the principal amount of any Notes on the maturity date thereof has not been repaid in full by the last day of the Liquidity Period (the “*Term-Out Date*”), then, provided (i) no Event of Default has occurred and is continuing, (ii) the representations and warranties of the Issuer is deemed to have made in Article V hereof are true and correct in all material respects, and (iii) the sum of the Outstanding Notes supported by the Letter of Credit, plus the Interest Coverage with respect thereto, plus all unreimbursed Drawings and all Term Loans then outstanding including the Term Loan then proposed to be made, shall not exceed the Stated Amount on the Date of Issuance, as such amount may have been reduced following receipt by the Bank of a certificate in the form of Annex B to the Letter of Credit, such principal component of such Drawing shall be converted to a Term Loan. Each Term Loan shall mature on the Term Loan Maturity Date. The Issuer shall pay the principal amount of each Term Loan in equal semi-annual installments (“*Semiannual Principal Payments*”) commencing on the Term-Out Date and on the first Business Day of each sixth (6th) calendar month thereafter (each a “*Semi-annual Payment Date*”), with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan due and payable on the Term Loan Maturity Date (the period commencing on the Term-Out Date and ending on the Term Loan Maturity Date is referred to as the “*Amortization Period*”). Each Semiannual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Semiannual Principal Payments over the applicable Amortization Period.

(c) *Manner of Payments.* All payments to be made by or on behalf of the Issuer to the Bank on account of amounts at any time owing hereunder or under the Reimbursement Note or in connection herewith or therewith shall be made, and shall not be considered made until received, in United States Dollars in the Reimbursement Account in immediately available funds. Each payment required to be made hereunder or thereunder shall be made not later than 5:00 p.m. (Seattle time) on the date such payment shall be due in lawful money of the United States of America to the Reimbursement Account in immediately available funds. Any payment received after 5:00 p.m. (Seattle time) shall be deemed made on the next succeeding Business Day.

(d) *Credit Against Obligations Hereunder.* To the extent the Bank receives any payment of any amounts pursuant to the Reimbursement Note, such amounts shall be credited

against the obligation of the Issuer hereunder to repay the principal of and interest on Drawings and Term Loans, to the extent of such payment under the Reimbursement Note.

Section 2.04. Prepayment. The Issuer may prepay any Term Loan, in whole or in part, at any time, without penalty, provided that such prepayment is accompanied by all interest accrued thereon. The Reimbursement Note shall be subject to prepayment at any time in accordance with the terms of this Agreement.

Section 2.05. Fees and Expenses. The Issuer hereby agrees to perform the obligations provided for in the Fee Letter, including, without limitation, the payment of any and all fees, expenses and other amounts provided for therein, at the times and in the amounts set forth in the Fee Letter. Without limiting the generality of the foregoing, in the event that the Letter of Credit is terminated or the Stated Amount is reduced and is not subject to reinstatement, the Issuer shall pay to the Bank the Termination Fee and/or Reduction Fee, if any, at the times and in the amounts set forth in and as required by the Fee Letter. The terms and provisions of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. All references to amounts or obligations due hereunder or in this Agreement shall be deemed to include all amounts and obligations (including without limitation fees and expenses) under the Fee Letter. All fees paid under this Agreement and the Fee Letter shall be fully earned when due and nonrefundable when paid.

Section 2.06. Liability of Bank. Neither the Bank nor any of its present or former officers or directors shall be liable or responsible for (a) the use which may be made of the Letter of Credit or for any acts, omissions, errors, interruptions, delays in transmission, dispatch or delivery of any message or advice, however transmitted, of the Registrar in connection with the Letter of Credit; (b) any action, inaction or omission which may be taken by the Bank in good faith without gross negligence in connection with the Letter of Credit; (c) the validity, sufficiency or genuineness of documents, or of any endorsements thereon, as against any party or signatory to such document except for the Bank, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (d) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (e) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except only that the Issuer shall have a claim against the Bank for acts or events described in the immediately preceding clauses (a) through (e), and the Bank shall be liable to the Issuer, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by it which are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms of the Letter of Credit or (ii) the Bank's willful failure or gross negligence in failing to pay under the Letter of Credit after the presentation to it by the Registrar of a certificate strictly complying with the terms and conditions of the Letter of Credit.

The Issuer further agrees that any action taken or omitted by the Bank under or in connection with the Letter of Credit or the related draft or documents, if done in good faith without gross negligence, shall be effective against the Issuer as to the rights, duties and

obligations of the Bank and shall not place the Bank under any liability to the Issuer. In furtherance and not in limitation of the foregoing, the Bank may accept documents from the Registrar or the Dealer that appear on their face to be in order, without responsibility for further investigation, unless the Bank shall receive written notification from the Registrar or the Dealer that such documents are not to be accepted or honored.

Section 2.07. Reserved.

Section 2.08. Voluntary Termination. Notwithstanding any provisions of this Agreement or the Letter of Credit to the contrary, the Issuer may terminate or replace the Letter of Credit at any time upon fulfillment of the following conditions:

(i) the payment to the Bank of all fees, expenses and other amounts payable hereunder and under the other Basic Documents, including the Termination Fee or Reduction Fee, if any, specified in the Fee Letter;

(ii) the payment to the Bank of all principal and accrued interest owing on all Drawings and Term Loan and all other obligations payable hereunder and under the other Basic Documents; and

(iii) provision to the Bank and the Registrar notice of its intention to do so, and the proposed date thereof, at least ten (10) days prior to the date of such termination or replacement.

Section 2.09. Security. The obligations of the Issuer hereunder shall be evidenced by the Reimbursement Note, the terms of which are incorporated herein by this reference.

(a) Without limiting any other provision in this Agreement, the covenants of the Issuer with respect to the priority and use of Gross Revenue set forth in Section 4.01 of the Resolution are hereby incorporated herein for the benefit of the Bank and for the repayment of the obligations hereunder, as evidenced by the Reimbursement Note.

(b) The Notes (including the Reimbursement Note) and the lien thereof created and established under the Resolution shall be obligations only of the Subordinate Lien Note Fund. The Notes shall be payable solely from and secured solely by Available Revenue and amounts on deposit in the Subordinate Lien Note Fund.

(c) From and after the time of issuance and delivery of the Notes and so long thereafter as the Reimbursement Note remains Outstanding, the Issuer hereby irrevocably obligates and binds itself to set aside and pay into the Subordinate Lien Note Fund out of Available Revenue, on or prior to the date on which the principal of and interest on the Notes shall become due, the amount necessary to pay such principal and interest coming due on the Notes and its obligations hereunder as the same become due.

Said amounts so pledged to be paid into the Subordinate Lien Note Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever except for Operating Expenses and except for the lien on Gross Revenue of the Permitted Prior Lien Bonds as set forth in clauses “First” through “Fourth” of Section 4.01(b) of the Resolution and except that the amounts so pledged are of equal lien to the liens and charges on Gross Revenue which have been, are or may hereafter be made to pay and secure the payment of the principal of and interest on any other Subordinate Lien Parity Bonds.

(d) The Issuer may cause the Registrar to make any payment to the Bank on its behalf.

2.10. Payment on Non Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day (and if so made, shall be deemed to have been made when due), and such extension of time shall in such case be included in the computation of the payment of interest due hereunder.

2.11. Book Entries. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the obligations of the Issuer resulting from the amounts of principal and interest payable and paid from time to time hereunder or under the Reimbursement Note. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall, in the absence of manifest error, be conclusive evidence of the existence and amounts of the obligations of the Issuer therein recorded.

Section 2.12. Extension of Stated Expiration Date. The Issuer may, by written notice to the Bank not more than one hundred eighty (180) and not less than sixty (60) days prior to the then current Stated Expiration Date, request the Bank to extend the Stated Expiration Date for a period of up to five years. The Bank shall respond to the Issuer’s request in writing within thirty (30) days after the Bank’s receipt of the Issuer’s written request. If by the thirty-first (31st) day after the Bank’s receipt of the Issuer’s request for such extension the Bank has not notified the Issuer that the Bank will extend the Stated Expiration Date, the Bank shall be deemed to have not consented to such request. Any decision by the Bank to extend the Stated Expiration Date shall be in the Bank’s sole and absolute discretion based on credit underwriting factors concerning the Issuer.

If the Bank elects to extend the Stated Expiration Date, the Bank will notify the Issuer of the terms and conditions of such extension (including conditions relating to legal documentation and pricing, such as fees for renewal and drawings). If the Bank and the Issuer agree upon the terms and conditions to extend the Stated Expiration Date then in effect, the Bank shall deliver to the Registrar a Notice of Extension in the form of Annex F to the Letter of Credit (herein referred to as a “*Notice of Extension*”) designating the date to which the Stated Expiration Date is being extended. Such extension of the Stated Expiration Date shall be effective, after receipt of such notice, on the Business Day following the date of delivery of such Notice of Extension, and thereafter all references in this Agreement to the Stated Expiration Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the Registrar.

Section 2.13. Issuance Generally. The Issuer shall ensure that the Registrar issues Notes only in accordance with the terms of and subject to the conditions set forth in the Resolution, this Agreement and the other Basic Documents. The Issuer shall ensure that, without the prior written consent of the Bank, the Registrar does not issue any Notes with a maturity date shorter than seven (7) days.

ARTICLE III

TAXES; INCREASED COSTS

Section 3.01. Taxes.

(a) *Payments Free of Taxes.* To the extent permitted by law, any and all payments by the Issuer hereunder or under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall gross or net income or receipts of the Bank (and franchise taxes imposed in lieu of such income taxes or receipts) by the jurisdiction of the Bank's applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). To the best of the Bank's knowledge, there are no such Taxes currently imposed or required to be withheld or deducted. If the Issuer shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Fee Letter, then, to the extent permitted by law, (i) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those Taxes payable solely by reason of additional sums payable under this Section 3.01) the Bank receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the Issuer shall make such withholdings or deductions and (iii) the Issuer shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) *Payment of Other Taxes.* In addition, to the extent permitted by law, the Issuer agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise under the laws of the United States or the State from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement, the Fee Letter or the Letter of Credit (hereinafter referred to as "*Other Taxes*").

(c) *Reimbursement by the Issuer.* If the Issuer fails to pay Taxes and/or Other Taxes (including Taxes imposed by any jurisdiction on amounts payable under this Section 3.01) required to be paid by the Issuer pursuant to clause (a) or (b) above in accordance with applicable law, then to the extent permitted by law the Issuer will hold harmless the Bank, and reimburse the Bank, as applicable, for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.01) paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payments by the Issuer pursuant to this subSection shall be

made within thirty (30) days from the date the Bank makes written demand therefor which demand shall be accompanied by a certificate describing in reasonable detail the Bank's determination of such amounts.

(d) *Evidence of Payments.* Within thirty (30) days after the date of any payment of Taxes by the Issuer, the Issuer shall furnish to the Bank with respect to which such payment was made, at its address referred to in Section 8.11 hereof, the original or a certified copy of a receipt evidencing payment thereof. The Issuer shall compensate the Bank for all reasonable losses and expenses sustained by the Bank as a result of any failure by such party to so furnish such copy of such receipt.

(e) *Treatment of Refunds.* If the Bank determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been paid or reimbursed by the Issuer or with respect to which the Issuer has paid additional amounts pursuant to this Section 3.01, it shall promptly pay to the Issuer an amount equal to such refund (but only to the extent of payments made, or additional amounts paid, by the Issuer under this Section 3.01 with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Bank and without interest (other than any interest paid by the relevant taxation authority with respect to such refund net of all reasonable out-of-pocket expenses of the Issuer and without interest); provided that the Issuer, upon the request of the Bank, agrees to repay the amount paid over to the Issuer (plus any penalties, interest or other charges imposed by the relevant taxation authority) to the Bank in the event the Bank is required to repay such refund to such taxation authority. This subSection shall not be construed to require the Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Issuer or any other Person.

(f) *Survival.* Without prejudice to the survival of any other agreement of the Issuer hereunder, the agreements and obligations contained in this Section 3.01 shall survive the payment in full of fees, principal and interest hereunder, under the Fee Letter and under the Letter of Credit.

Section 3.02. Increased Costs. If the Bank or any Participant shall have determined that a Change of Law shall have occurred which, shall:

(i) subject the Bank or any Participant to any tax, charge, fee, deduction or withholding of any kind with respect to the Letter of Credit, this Agreement or the Fee Letter, or any amount paid or to be paid by the Bank as the issuer of the Letter of Credit or any Participant (other than any tax measured by or based upon the overall gross or net income or receipts of the Bank or a Participant);

(ii) impose, modify or deem applicable any reserve, liquidity or capital ratio, premium, special deposit, liquidity, insurance, premium, compulsory loan, fee, financial charge, monetary burden or similar requirement against funding any Drawing under the Letter of Credit or maintaining the Letter of Credit, or complying with any term of this Agreement, or against any assets held by, deposits with or for the account of, or loans, letters of credit or commitments by, an office of the Bank or any Participant;

(iii) change the basis of taxation of payments due the Bank or any Participant under this Agreement (other than a change in taxation of the overall gross or net income or receipts of the Bank or a Participant); or

(iv) impose upon the Bank or any Participant any other condition with respect to such amount paid or payable to or by the Bank or any Participant or with respect to this Agreement, the Fee Letter or the Letter of Credit;

and the result of any of the foregoing is to increase the cost to the Bank or any Participant of agreeing to issue, issuing, making any payment under or maintaining the Letter of Credit, the obligations of the Issuer hereunder or under the Reimbursement Note, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank or any Participant or to require the Bank or any Participant to make any payment on or calculated by reference to the gross amount of any sum received by it, then:

(1) the Bank shall promptly notify the Issuer in writing of the happening of such event within one hundred eighty (180) days of the date the Bank learns about such event and its impact on the Bank's costs (the "*Cut-Off Date*"), except that if the Change of Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be shortened to 90 days and such period shall be extended to include the period of retroactive effect thereof);

(2) the Bank shall promptly deliver to the Issuer a certificate stating the change that has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or a Participant or the request, direction or requirement with which it has complied together with the date thereof, the amount of such increased cost, reduction or payment and the way in which such amount has been calculated, including a reasonably detailed calculation and the Bank's determination of such amounts, which determination shall be conclusive absent fraud or manifest error; and

(3) the Issuer shall pay to the Bank, from time to time as specified by the Bank, such an amount or amounts as will compensate the Bank or such Participant for such additional cost, reduction or payment, together with interest on such amount following, and including, the date specified by the Bank for payment (which specified date shall not be sooner than the date that is thirty (30) days after the date the Bank provides notice to the Issuer of the amount or amounts due).

In addition to the foregoing, if after the date hereof the Bank or any Participant shall have determined that a Change of Law shall have occurred there with of which shall impose, modify or deem applicable any capital (including but not limited to contingent capital) adequacy, reserve, insurance, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or any Participant (or any entity controlling any such Person) allocates capital or liquidity resources or reserves to its commitments that either (i) affects or would affect the amount of capital, liquidity or reserves required or expected to be maintained by the Bank or such Participant (or any entity controlling any such Person), or (ii) reduces or would reduce the rate of return on the Bank's or such

Participant's (or any entity controlling any such Person) capital or liquidity or reserves to a level below that which the Bank or such Participant could have achieved but for such circumstances (taking into consideration the policies of the Bank or such Participant (or any entity controlling any such Person) with respect to capital adequacy and liquidity or the maintenance of reserves), then from time to time the Issuer shall be obligated to pay or cause to be paid to the Bank such additional amount or amounts as will compensate the Bank or such Participant (or any entity controlling any such Person) for such reduction or capital or liquidity increase with respect to any period for which such reduction or capital or liquidity increase was incurred upon demand by the Bank, together with interest on such amount for each day from the date set forth by the Bank for payment until payment in full at the Default Rate. The Bank shall be required to deliver to the Issuer a certificate setting forth in reasonable detail any reduction in the rate of return on capital or liquidity, or such capital or liquidity increase, of the Bank or a Participant (or any entity controlling any such Person) as a result of any event mentioned in this paragraph, which such certificate shall, in the absence of manifest error, be conclusive as to the amount thereof.

Notwithstanding anything in this Section 3.02 to the contrary, if such costs are to be incurred on a continuing basis and the Bank shall so notify the Issuer in writing as to the amount thereof, such costs shall be paid by the Issuer to the Bank quarterly in arrears, together with all other fees payable pursuant to the Fee Letter. The Bank shall use a reasonable method of allocation or attribution to equitably apportion any increased costs or reduction in the rate of return on capital among all of its customers so affected.

The protections of this Section 3.02 shall be available to the Bank and the Participants, regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined that any amount so paid by the Issuer pursuant to this Section 3.02 is in excess of the amount payable under the provisions hereof, the Bank or such Participant, as the case may be, shall refund such excess amount to the Issuer, with any interest the Issuer may have paid on such amount.

Notwithstanding the foregoing, in no event shall the Issuer be required to pay to the Bank on behalf of any Participant any increased cost required under this Agreement in excess of the amount the Issuer would have paid to the Bank if the Bank had not entered into a participation with such Participant.

ARTICLE IV

CONDITIONS PRECEDENT

The obligation of the Bank to issue the Letter of Credit shall be subject to the satisfaction of the following conditions precedent, which satisfaction shall be evidenced by the issuance and delivery by the Bank of the Letter of Credit:

Section 4.01. Resolution; Other Basic Documents. (a) The Resolution shall not have been revoked or rescinded or otherwise further amended or modified and shall be in full force and effect;

(b) all other Basic Documents shall have been executed (where applicable) and copies thereof delivered to the Bank (with originals to be promptly delivered to the Bank if requested) and shall be in full force and effect and shall be in form and substance satisfactory to the Bank; and

(c) the Bank and its counsel shall have received copies of the Offering Memorandum and each of the Basic Documents (other than the Letter of Credit) along with a certificate, as requested by the Bank, of an Authorized Representative of the Issuer dated the Date of Issuance to the effect that (A) such copies are true, correct and complete copies of such documents and (B) such documents to which the Issuer is a party were duly issued, adopted or executed and delivered by the Issuer and are in full force and effect.

Section 4.02. Opinions. The Bank shall have received legal opinions addressed to the Bank, dated the Date of Issuance and in form and substance satisfactory to the Bank, from (i) counsel of the General Counsel to the Issuer as to such matters as the Bank may reasonably request and (ii) K&L Gates LLP, as counsel to the Issuer, as to enforceability with respect to the Basic Documents and as to such matters as the Bank may reasonably request. The Bank shall have received a reliance letter, dated the Date of Issuance and in form and substance satisfactory to the Bank, from K&L Gates LLP with respect to the approving and tax opinion with respect to the Notes.

Section 4.03. Events of Default, Representations and Warranties. (a) No Event of Default and no event which is or with the passage of time or giving of notice or both would be an Event of Default and no default under any of the Basic Documents (other than the Letter of Credit) or the Senior Lien Master Resolution or Intermediate Lien Master Resolution shall have occurred and be continuing, and

(b) The representations of the Issuer set forth in Article V hereof, in any other Basic Document or the Senior Lien Master Resolution or Intermediate Lien Master Resolution shall be true and correct on and as of the Date of Issuance with the same force and effect as if made on and as of such date (taking into account any passage of time since the date of the applicable representation).

Section 4.04 No Litigation. Except as disclosed to the Bank pursuant to Section 6.01(h), there is no action, suit, investigation or proceeding pending or, to the best of the Issuer's knowledge after due inquiry, threatened

(a) in connection with this Agreement, the Notes, the other Basic Documents, or the Senior Lien Master Resolution or Intermediate Lien Master Resolution or any transactions contemplated thereby or hereby, or

(b) against or affecting the Issuer, in which an adverse determination would have a material adverse effect on the financial condition of the Issuer or its ability to perform its obligations hereunder, under the Notes, the other Basic Documents or the Senior Lien Master Resolution or Intermediate Lien Master Resolution.

Section 4.05. No Material Adverse Change. (a) Since the date of the most recent financial statements of the Issuer, no material adverse change shall have occurred in the status of the business, operations or conditions (financial or otherwise) of the Issuer or the Facilities or its ability to perform its obligations hereunder, under the Notes, the other Basic Documents or the Senior Lien Master Resolution or Intermediate Lien Master Resolution; and

(b) The Bank shall have received a copy of the Issuer's current adopted budget and copies of the audited financial statements for the three most recently ended fiscal years of the Issuer.

Section 4.06. Certificate. The Bank shall have received:

(a) certified copies of all proceedings taken by the Commission authorizing the execution, delivery and performance of this Agreement, the Offering Memorandum and the other Basic Documents (other than the Letter of Credit), and the transactions contemplated hereby and thereby and by the Letter of Credit; and

(b) a certificate or certificates of one or more Authorized Representatives of the Issuer dated the Date of Issuance certifying (i) as to the matters set forth in Sections 4.03 (with respect to the Basic Documents to which the Issuer is a party), 4.04 and 4.05, (ii) to the effect that all consents, permits, licenses and approvals of, and filings, registrations and declarations with, governmental authorities that are required to be obtained or made in connection with the Notes (other than compliance with any state blue sky laws or regulations, as to which the Issuer makes no representations), this Agreement, the Offering Memorandum and the other Basic Documents have been obtained or made, and (iii) the name, incumbency and signature of each individual authorized on behalf of the Issuer to sign this Agreement, the Offering Memorandum, the other Basic Documents to with the Issuer is a party and the other documents or certificates to be delivered by the Issuer pursuant hereto or thereto, on which certificate or certificates the Bank may conclusively rely until a revised certificate is similarly delivered.

Section 4.07. Payment of Expenses. All expenses due and payable to the Bank on the Date of Issuance in accordance with the provisions of Section 8.05 hereof shall have been paid.

Section 4.08. Ratings; CUSIP. (a) The Bank shall have received evidence that (i) the Notes secured by the Letter of Credit shall have received at least the short-term and long-term ratings of the Bank from Moody's and S&P and (ii) the Ratings on Subordinate Lien Parity Bonds are at least "A2" (or its equivalent) by Moody's and "A" (or its equivalent) by S&P and Fitch (which shall be evidenced by screen shots of such ratings on the Date of Issuance).

(b) *CUSIP and Rating.* The Bank shall have received written confirmation that (i) a CUSIP number (No. _____) has been obtained from Standard and Poor's CUSIP Services for the Reimbursement Note and (ii) a long term rating of at least Investment Grade has been obtained for Reimbursement Note (and its related CUSIP number) from any Rating Agency.

Section 4.09. Registrar Certificate. The Bank shall have received a certificate of an Authorized Representative of the Registrar certifying as to the authority, incumbency and specimen signatures of the Authorized Representatives of the Registrar authorized to sign the Basic Documents (other than the Letter of Credit) to which it is a party and any other documents to be delivered by it hereunder and who will be authorized to represent the Registrar in connection with this Agreement and the Letter of Credit, on which certificate the Bank may conclusively rely until it receives a new certificate.

Section 4.10. No Change in Law. No law, regulation, ruling or other action of the United States, the State, the State of New York or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Issuer from fulfilling its obligations under this Agreement.

Section 4.11. Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement, the Offering Memorandum and the other Basic Documents shall be satisfactory to the Bank, and the Bank shall have received such other statements, certificates, agreements, documents and information with respect to the Issuer and matters contemplated by this Agreement as the Bank may request.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to issue the Letter of Credit, the Issuer hereby represents and warrants to the Bank, as of the Date of Issuance and, except for the representations set forth in Sections 5.03(b), 5.06, 5.07, 5.08, 5.10, 5.17 and 5.18 hereof, as of the date of each Drawing under the Letter of Credit and as of each Term-Out Date, as follows:

Section 5.01. Organization and Authorization. The Issuer is a municipal corporation organized and existing under the Constitution and laws of the State.

Section 5.02. Issuer Authority to Adopt or Execute and Deliver Documents. The Issuer had, as of the date of adoption thereof, full power and authority to adopt the Senior Lien Master Resolution, the Intermediate Lien Master Resolution and the Resolution, and has, or had as of the date of execution and delivery, full power and authority to issue or to execute and deliver this Agreement, the Notes, the Offering Memorandum, and the other Basic Documents (other than the Letter of Credit), and to execute, deliver and perform all other agreements and instruments executed and delivered or to be executed and delivered by the Issuer pursuant to or in connection with this Agreement, the Notes, the Offering Memorandum, the Resolution, and the other Basic Documents, and the Issuer has full power and authority to perform its obligations under each of the foregoing and has full power and authority to pledge the Available Revenue to secure the obligations under this Agreement, the Fee Letter and the Reimbursement Note.

Section 5.03. Obligations Legal, Valid and Binding. (a) This Agreement, the Offering Memorandum and the other Basic Documents have been duly and validly authorized, executed and delivered, or in the case of the Resolution, duly and validly adopted, and this Agreement and

the other Basic Documents constitute, or will constitute upon issuance in the case of the Notes, the legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except insofar as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and remedies generally, and by general principles of equity, whether applied by a court of law or equity.

(b) No Event of Default has occurred and is continuing hereunder and the Issuer is not in default under the Senior Lien Master Resolution, the Intermediate Lien Master Resolution, the Resolution, any other Subordinate Lien Resolution or any other Basic Document. Notwithstanding this or any other provision of this Agreement, a default under the Senior Lien Master Resolution or the Intermediate Lien Master Resolution shall not constitute a default or an Event of Default hereunder.

Section 5.04. No Legal Bar. (a) The Issuer is in compliance with and not in violation under any laws, rules or regulations of the State which would adversely affect the Issuer's existence or its powers and authority referred to in Section 5.02 hereof.

(b) The adoption of the Resolution, and the execution, delivery (or issuance, in the case of the Notes) and performance by the Issuer of its obligations under this Agreement and the other Basic Documents, and all other agreements and instruments relating to all the foregoing executed and delivered by the Issuer in connection herewith and therewith,

(i) do not violate any provision of the laws of the State or any other applicable law, regulation, order, writ, judgment or decree of any court, arbitrator or governmental authority, and

(ii) do not violate any provision of, constitute a default under any mortgage, resolution, indenture, contract, agreement or other undertaking with respect to the Facilities to which the Issuer is a party or which purports to be binding on the Issuer or on any of its assets.

(c) The Issuer is not a party to, or otherwise subject to, any provision contained in any instrument evidencing Debt of the Issuer, any agreement relating thereto or to the Facilities, or any other contract or agreement which limits the amount of, or otherwise imposes restrictions on the incurring of, obligations of the Issuer that would materially and adversely affect the ability of the Issuer to perform its obligations hereunder, under the Reimbursement Note or under any of the other Basic Documents.

Section 5.05. Consents. The Issuer has obtained, or will obtain on or before the Date of Issuance, all consents, permits, licenses and approvals of, and has made all filings, registrations and declarations with, governmental authorities required to be obtained by the Issuer under law, to authorize the issuance and sale of the Notes (other than compliance with any state blue sky laws or regulations, as to which the Issuer makes no representations), the adoption of the Resolution, the execution and delivery of the Offering Memorandum, and the execution, delivery and performance of this Agreement, the other Basic Documents to which the Issuer is a party and

all other agreements delivered or to be delivered in connection with any thereof, and all such consents, permits, licenses, approvals, filings, registrations and declarations remain in full force and effect.

Section 5.06. Litigation.

(a) There is no action, suit, investigation or proceeding pending or, to the best of the Issuer's knowledge after due inquiry, threatened

(i) in connection with the Notes, this Agreement or the other Basic Documents or any transactions contemplated thereby or hereby or

(ii) against or affecting the Issuer, in which an adverse determination could have a material adverse effect on the financial condition of the Issuer or its ability to perform its obligations under this Agreement, the Notes, the Resolution or under any other Basic Document to which the Issuer is a party.

(b) Except as disclosed to the Bank pursuant to Section 6.01(h) hereof, to the best of the Issuer's knowledge, there is no action, suit, investigation or proceeding (including any arbitration or mediation proceeding) pending against the Issuer, in which an adverse determination could have a material adverse effect on the ability of the Issuer to perform its obligations hereunder or under the Reimbursement Note or any other Basic Document.

Section 5.07. Disclosure. All audited financial statements of the Issuer furnished to the Bank were prepared in accordance with GAAP as in effect from time to time, applied on a consistent basis (except for changes approved by the Accountant) throughout the periods involved. Other than as disclosed to the Bank in writing, since the date of the most recent audited financial statements referred to in the preceding sentence, no event has occurred which could have material adverse effect on the financial condition of the Issuer or affect the ability of the Issuer to perform its obligations under this Agreement, the Notes, the Resolution or under any other Basic Document. The representations and statements made by the Issuer herein, in the Offering Memorandum or in any document furnished to the Bank by the Issuer in connection herewith were, taken in the aggregate and at the time the same were so furnished, accurate and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 5.08. The Resolution and the Basic Documents. The representations and warranties of the Issuer set forth in the Resolution and the other Basic Documents are true and accurate in all material respects on the Date of Issuance as fully as though made on the Date of Issuance. The Issuer makes as of the Date of Issuance each of such representations and warranties and each of the covenants contained in the Basic Documents to, and for the benefit of, the Bank as if the same were set forth at length herein together with all applicable definitions thereto. No amendment, modification or termination of any such representations, warranties, covenants or definitions contained in the Resolution or the Notes, and, if such amendment, modification or termination would have an adverse impact on the rights of the Bank hereunder or

thereunder, no amendment, modification or termination of any provisions contained in Sections 2, 3, 5, 6, 7(a) through (f), 9(i), 14, 16, 17, 19 or 21 of the Senior Lien Master Resolution, Sections 2, 3, 5, 6(a) through (f), 7, 8(j), 9, 10 or 11 of the Intermediate Lien Master Resolution, or of any other provision of any other Basic Document shall be effective to amend, modify, or terminate the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Bank.

Section 5.09. Liens. No filings, recordings, registrations or other actions are necessary to create and perfect the Liens provided for in the Senior Lien Master Resolution, the Intermediate Lien Master Resolution, the Resolution and herein; the Lien provided for in the Resolution in respect of the Notes, including the Reimbursement Note, constitutes the valid prior Lien on Available Revenue subject to no other Liens other than the Liens in favor of the other Subordinate Lien Parity Bonds which are on parity with such Lien provided for in the Resolution.

Section 5.10. No Proposed Legal Changes. There is no amendment, or to the knowledge of the Issuer, no proposed amendment, to the Constitution of the State certified for placement on a statewide or local ballot, or any published administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is or if passed would be to materially adversely affect the Notes or any holder thereof in its capacity as such, or the ability of the Issuer to perform its obligations under this Agreement, the other Basic Documents or the Reimbursement Note.

Section 5.11. Environmental Matters. In the ordinary course of its business, the Issuer conducts an ongoing review of the effect of Environmental Laws on the business, operations and Facilities of the Issuer, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of such review the Issuer does not believe that noncompliance with any Environmental Laws would have a material adverse effect on the ability of the Issuer to perform its obligations hereunder, under the Notes, the other Basic Documents or the Senior Lien Master Resolution or Intermediate Lien Master Resolution.

Section 5.12. Sovereign Immunity. The Issuer is subject to civil and commercial suit to enforce its obligations under this Agreement and under each of the other Basic Documents.

Section 5.13. No Maximum Interest Rate. The Issuer is authorized by the laws of the State to enter into this Agreement, the Reimbursement Note and the other Basic Documents and the transactions contemplated hereby or thereby. In accordance therewith, the obligations of the Issuer hereunder and under the Reimbursement Note are not subject to any constitutional and

statutory limitation as to maximum rate of interest under the Resolution or otherwise. The terms of this Agreement, the Reimbursement Note and the other Basic Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

Section 5.14. Security. The Bank has a valid and enforceable lien on the Available Revenue and amounts on deposit in the Subordinate Lien Note Fund to the extent and as described under Section 2.09 hereof, subject to the provisions of the Resolution.

Section 5.15. Anti-Terrorism Laws. The Issuer is not in violation of any laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*Patriot Act*”);

(a) The Issuer is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control of the United States Department of the Treasury (“*OFAC*”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(b) The Issuer does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subSection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 5.16. Margin Stock. The Issuer is not engaged principally, or as one of its important activities, in the business of extending credit for the purposes of purchasing or

carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System).

Section 5.17. Tax-Exempt Status. The Issuer has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Notes issued on a federally tax-exempt basis from gross income for federal income tax purposes.

Section 5.18. Parity Repayment. The Issuer has not granted to the issuer of any Credit Facility providing security or liquidity to any obligation secured by or payable from Gross Revenues or Available Revenue the right to declare such obligations (or the related contractual obligations owing to the issuer of such Credit Facility) to be immediately due and payable, or to be due and payable earlier or in proportionately greater amounts than the Issuer's obligations with respect to the Reimbursement Note, the Drawings, Term Loans or its contractual obligations hereunder (i.e., with respect to the Reimbursement Note, the Drawings and Term Loans, payable over a period less than five years).

ARTICLE VI

COVENANTS

Section 6.01. Affirmative Covenants. As long as this Agreement is in effect, and until all amounts payable hereunder and under other Basic Documents to which the Issuer is a party, including, without limitation the Reimbursement Note, are indefeasibly paid in full, the Issuer will perform and observe the covenants set forth below, unless the Bank shall otherwise consent in writing:

(a) *Financial Records.* The Issuer shall at all times maintain financial records and furnish to the Bank, as soon as available but no later than six (6) months after the end of each fiscal year, financial statements prepared in accordance with GAAP as in effect from time to time, applied on a consistent basis (except for changes approved by the Accountant) throughout the periods involved, including:

- (i) a balance sheet as of the end of each fiscal year,
- (ii) the related statements of operations and changes in equity,
- (iii) statements of cash flows for such fiscal year, and
- (iv) a calculation of the ratio of Available Revenue to Annual Debt Service for such fiscal year.

(b) *Certificate of Authorized Representative.* As soon as available, but no later than two hundred seventy (270) days after the end of each fiscal year, the Issuer shall furnish to the Bank the audited financial statements of the Issuer, certified by the Accountant. Concurrently with the delivery of the audited financial statements, the Issuer shall deliver to the Bank a

certificate of an Authorized Representative substantially in the form of Exhibit C attached hereto to the effect that such Person has reviewed the Issuer's obligations hereunder and under the Resolution and stating that no Event of Default hereunder has occurred and is continuing or, if for any reason such statements cannot be made, so stating and describing the relevant circumstances.

(c) *Budgets; Semi-Annual Reports.* The Issuer shall deliver to the Bank no later than February 28 of each year a copy of its then current annual budget and such additional period as may be covered by such budget. The Issuer also shall deliver to the Bank, within 30 days after presentation to the Commission, a copy of the financial performance report prepared by the Issuer on a semi-annual basis. The Issuer may deliver its annual budget to the Bank by giving notice to the Bank that such budget has been made available to the public on the Issuer's website.

(d) *Other Information.* The Issuer shall furnish to the Bank, as the Bank may reasonably request, such additional financial and operational information concerning the Issuer in order to enable the Bank to determine whether the covenants, terms and provisions of this Agreement, the Notes, the Resolution and the other Basic Documents have been complied with by the Issuer, and for that purpose all pertinent books, documents and vouchers relating to the Issuer's business, affairs and properties and not required to be kept confidential by the Issuer pursuant to RCW 42.17.250 et seq. shall at all reasonable times during regular business hours and upon three Business Days' prior notice be open to the inspection of such accountants or other agents (who may make copies of all or any part thereof at their own cost and expense) as shall from time to time be designated by the Bank. The Bank shall not divulge any information it may receive to any other Person, other than to its agents and employees, any Participant or financial institution to which it may assign any interest pursuant to Sections 8.06 or 8.07 hereof, any auditors or examiners of the Bank and any other Person to whom the Bank is required by law to provide such information. Without limiting the foregoing, upon three Business Days' prior notice the Issuer will permit the Bank to visit and inspect any of the properties of the Issuer during regular business hours and to discuss the affairs, finances and accounts of the Issuer with its officials and any accounting firm performing services for the Issuer, as often as such Bank may reasonably request. Notwithstanding any notice requirement in this Section 6.01(d) to the contrary, if an Event of Default shall occur and be continuing, the Bank may review such books and records, make such inspections, copy such information, and enter into such discussions with the Issuer's officials and accountants as the Bank may deem necessary or desirable.

(e) *EMMA Postings.* The Issuer shall be deemed to have complied with the financial reporting requirements set forth in Section 6.01(a), (c) and (d) hereof to the extent that (i) the Issuer has made such financial information available on <http://emma.msrb.org> (or, upon prior written notice to the Bank, any other applicable online system used by the Issuer) and (ii) the Issuer has given notice to the Bank that such financial information is available on <http://emma.msrb.org> (or, upon prior written notice to the Bank, any other applicable online system used by the Issuer), in each case, not later than the deadlines required by such Sections.

(f) *Notice of Default.* (i) The Issuer shall promptly notify the Bank, the Registrar and the Dealer in writing of the occurrence of any Event of Default under Sections 7.01(a) or (c) hereof.

(ii) The Issuer shall, promptly upon obtaining knowledge thereof, notify the Bank, the Registrar and the Dealer in writing of the occurrence of any other Event of Default or any default by the Issuer under the Notes, the Resolution or any other Basic Document. The Issuer shall also notify the Bank of the occurrence of any default or other event under any indenture, contract or instrument providing for the creation of other Debt of the Issuer where the effect thereof is to accelerate, or permit the acceleration of, the maturity of such Debt.

(g) *Compliance With Obligations.* The Issuer shall observe and comply in all material respects with all of its obligations arising in connection with the Senior Lien Master Resolution, the Intermediate Lien Master Resolution, the Resolution, the other Basic Documents (including, without limitation, the issuance of additional Debt strictly in accordance with the terms of the foregoing) and all applicable laws, ordinances, rules or regulations of duly constituted public authorities which may be applicable to the Issuer; provided, however, that the failure of the Issuer to comply with the Senior Lien Master Resolution or the Intermediate Lien Master Resolution shall not by itself constitute an Event of Default hereunder. Any failure of the Issuer to comply with any continuing disclosure agreement or undertaking to provide information pursuant to Rule 15c2-12(b)(5), adopted by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as the same may be amended from time to time, likewise shall not constitute a default or an Event of Default hereunder.

(h) *Litigation.* The Issuer shall promptly notify the Bank in writing with respect to any action, suit, investigation or proceeding (including any arbitration or mediation proceeding) commenced or pending, the existence of which would cause the representation set forth in Section 5.06(b) hereof to be untrue or inaccurate in any material respect if such representation were made by the Issuer on the date such action, suit, investigation or proceeding was commenced.

(i) *Licenses, Permits, Etc.* The Issuer will take all necessary and appropriate action to ensure the continuance in force of all consents, licenses, permits, orders, decrees, approvals, authorizations, registrations and filings obtained or made in connection with this Agreement, the Notes, the Resolution and the other Basic Documents or to authorize the execution and delivery by the Issuer of the Offering Memorandum and the execution, delivery and performance by the Issuer of this Agreement, the Notes, the Resolution or the other Basic Documents, the absence of which consents, licenses, permits, orders, decrees, approvals, authorizations, registrations and filings would have a material adverse effect on the ability of the Issuer to perform its obligations hereunder, under the Notes, the other Basic Documents or the Senior Lien Master Resolution or Intermediate Lien Master Resolution.

(j) *Books and Records.* The Issuer shall keep or cause to be kept adequate and proper records and books of account with respect to the Issuer and the management and operation of the Facilities in which complete and correct entries shall be made, reflecting all financial transactions of the Issuer in connection with the proceeds of the Notes.

(k) *Maintenance of Existence.* The Issuer shall preserve and maintain its existence as a municipal corporation organized and existing under the laws of the State, and its rights,

franchises and privileges material to the conduct of its business and the operation of its Facilities as from time to time being conducted or operated.

(l) *Offering Memoranda and Official Statements.* Upon request, the Issuer shall furnish to the Bank a copy of any offering memorandum or official statement prepared in connection with the sale of any securities by the Issuer.

(m) *Notice of Material Adverse Change.* The Issuer shall notify the Bank as soon as possible after any member of the office of the Chief Financial Officer of the Issuer acquires knowledge of the occurrence of any event which, in the reasonable judgment of such member or officer, is likely to have a material adverse effect on the financial condition or operations of the Issuer or affect the ability of the Issuer to perform its obligations under the Notes, this Agreement or under any other Basic Document. The occurrence of any such event shall not, in and of itself, constitute an Event of Default under this Section 6.01(m) unless the occurrence of such event would otherwise be an Event of Default under another provision of this Agreement.

(n) *Ratings and CUSIP Number.* The Issuer shall at all times (i) maintain, or cause to be maintained, a short-term credit rating on the Notes by any two of Fitch, Moody's or S&P, (ii) maintain, or cause to be maintained, Ratings on Subordinate Lien Parity Bonds from any two of Moody's, Fitch or S&P, and (iii) maintain, or cause to be maintained, an Investment Grade long-term credit rating by any one of Moody's, Fitch or S&P applicable to the Reimbursement Note.

(o) *Dealer and Dealer Agreement.* The Issuer will cause a Dealer acceptable to the Bank to be in place at all times while this Agreement is in effect or any Notes secured by the Letter of Credit are Outstanding. The Issuer shall require in the Dealer Agreement that the Dealer to use its best efforts to sell Notes secured by the Letter of Credit up to the Maximum Rate to pay maturing Notes. If the Dealer fails to perform its duties under the Dealer Agreement (including without limitation failing to use its best efforts to sell Notes secured by the Letter of Credit up to the Maximum Rate), then the Issuer agrees, at the written request of the Bank, to cause the Dealer to be replaced with another commercial paper dealer satisfactory to the Bank. The Issuer shall require in the Dealer Agreement that the Dealer may not resign until the earlier of (i) the appointment of a Dealer which is acceptable to the Bank and such Dealer's acceptance of such appointment and (ii) the date which is at least thirty (30) days following the receipt by the Issuer, the Registrar and the Bank of prior written notice of such resignation. The Issuer shall immediately notify the Bank of any resignation of a Dealer.

(p) *Rate Covenant.* The Issuer shall at all times comply with the Subordinate Lien Rate Covenant.

(q) *Reserved.*

(r) *Maintenance of Insurance.* The Issuer shall maintain, or cause to be maintained, insurance on the Facilities and with respect to its business operations and properties against such risks, in such amounts, with such companies and with such deductibles as required by Section 5.07(e) of the Resolution.

(s) *Alternate Credit Facility.* In the event that the Bank delivers a notice to the Issuer and the Registrar that the expiration date of the Letter of Credit will not be extended beyond its then present expiration date, the Issuer shall promptly, and in any event not less than ten (10) days prior to the Stated Expiration Date, obtain a commitment for an Alternate Credit Facility or pay all outstanding Notes secured by the Letter of Credit. The Issuer agrees that any termination of the Letter of Credit as a result of the provision of any Alternate Credit Facility will require, as a condition thereto, that the Issuer or the issuer of the Alternate Credit Facility will provide funds on the date of such termination or provision, which funds will be sufficient to insure the payment of all amounts due to the Bank hereunder, including without limitation, the repayment of all unreimbursed Drawings and Term Loans together with accrued but unpaid interest thereon. Without limiting the foregoing, not less than ten (10) days prior to the Stated Expiration Date, the Issuer shall either obtain a commitment for an Alternate Credit Facility or pay all outstanding Notes secured by the Letter of Credit. On the date of any such replacement or payment, the Issuer shall pay to the Bank an amount equal to the outstanding principal amount of any and all other obligations (other than Term Loans) payable hereunder. The Issuer shall not permit an Alternate Credit Facility to become effective with respect to less than all of the Notes supported by the Letter of Credit without the prior written consent of the Bank.

(t) *Environmental Laws.* The Issuer shall comply in all material respects with all Environmental Laws applicable to ownership or use of the Facilities, and will cause, to the extent possible, its tenants and other Persons occupying or using the Facilities to comply with such Environmental Laws (through covenants to such effect to be inserted into any lease or other occupancy agreement executed on or after the Date of Issuance with such tenants or occupants), will timely pay or cause to be paid all costs and expenses incurred in such compliance, and will keep or cause to be kept all of the Facilities free and clear of any Liens imposed pursuant to such Environmental Laws, unless the same are being contested in good faith and by appropriate legal proceedings and such contest shall operate to stay the material adverse effect of any such non-compliance.

(u) *Amendments.* The Issuer shall provide, within a reasonable period of time after adoption of any resolution pursuant to which the Issuer intends to issue any Permitted Prior Lien Bonds or Subordinate Lien Parity Bonds, but no later than thirty (30) days after such adoption, written notice thereof, and reasonable prior written notice of, together with a draft of, any other proposed amendments to, or modifications of, any of the Basic Documents.

(v) *Payment of Obligations; Removal of Liens.* The Issuer shall pay all assessments or other governmental charges as the same respectively become due, all taxes, assessments (general or special) and governmental charges of any kind whatsoever that may be at any time lawfully assessed or levied against or with respect to any of the Available Revenue or any interest thereon and promptly discharge or cause to be discharged all liens, encumbrances and charges on such Available Revenue.

(w) *Maintenance of Assets.* The Issuer shall at all times keep and maintain or cause to be kept or maintained all of the Facilities in good repair, working order and condition and shall at all times operate or cause to be operated the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

(x) *Disclosure to Participants.* The Issuer shall permit the Bank to disclose the information described in Sections 6.01(a) through 6.01(d) hereof to any participants of the Bank in this Agreement.

(y) *Reserved.*

(z) *Further Assurances.* From time to time hereafter, the Issuer will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement or the other Basic Documents or for the purpose of more fully perfecting or renewing the rights of the Bank with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the Issuer which may be deemed to be a part thereof). Upon the exercise by the Bank of any power, right, privilege or remedy pursuant to this Agreement or the other Basic Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Issuer will execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Bank may be required to obtain for such governmental consent, approval, registration, qualification or authorization.

(aa) *Other Obligations.* If the Issuer issues other obligations, incurs additional Debt payable from or secured by the Gross Revenues or any Available Revenue or has or shall enter into or otherwise consent to any Bank Agreement or Swap Agreement (or any amendment, supplement or other modification thereof) with any Person, which provides the holder of such Debt or obligation or any Person with (1) a cross default to any Debt or obligation payable or secured on a basis senior to such Debt, obligation, Bank Agreement or Swap Agreement, or (2) any right of acceleration or a remedy which permits such counterparty to any such Bank Agreement or Swap Agreement to cause such Debt to become due and payable prior to its stated maturity, such provisions containing such cross default or greater acceleration rights shall be deemed automatically incorporated into this Agreement and the Issuer shall also deliver a copy of such agreement or obligation to the Bank. Moreover, to the extent provisions of this Agreement are required to be modified to reflect such provisions, the parties agree that this Agreement shall be deemed modified.

(bb) *Legal Authority.* At all times, the Issuer shall have the legal authority to issue bonds or other indebtedness secured by or payable from Gross Revenues or Available Revenue to enable it to repay an amount at least equal to the sum of (i) the aggregate principal amount of the Notes authorized under the Resolution, plus (ii) the Obligations hereunder and under the Fee Letter.

Section 6.02. Negative Covenants. As long as this Agreement is in effect, and until all amounts payable hereunder and under the Fee Letter, including, without limitation, the Reimbursement Note are indefeasibly paid in full, the Issuer will perform and observe the covenants set forth below, unless the Bank shall otherwise consent in writing:

(a) *Fundamental Changes.* Except as required by applicable law, the Issuer shall not merge, dissolve, liquidate or consolidate with or into another Person.

(b) *No Amendments.* The Issuer shall not amend, extend, modify, waive, revise or otherwise alter or terminate:

(i) any term of the Notes or the Resolution; or

(ii) if such amendment, modification or termination could have an adverse impact on the rights of the Bank hereunder or thereunder, any provisions contained in Sections 2, 3, 5, 6, 7(a) through (f), 9(i), 14, 16, 17, 19 or 21 of the Senior Lien Master Resolution, or Sections 2, 3, 5, 6(a) through (f), 7, 8(j), 9, 10 or 11 of the Intermediate Lien Master Resolution.

(c) *Tax Status of Notes.* The Issuer shall not invest the proceeds of any tax-exempt Notes in any way that would violate the Code or cause such Notes to be “arbitrage bonds” or knowingly take any action or omit to take any action if such action or omission would adversely affect the exclusion of interest on such Notes from gross income of the holders thereof for Federal income tax purposes.

(d) *Dealer.* The Issuer shall not appoint, remove or consent to the appointment or removal of a Dealer with respect to the Notes secured by the Letter of Credit without the consent of the Bank.

(e) *Debt.* The Issuer shall not issue any Debt except as permitted by the Resolution.

(f) *Offering Document.* The Issuer shall not permit the marketing of Notes pursuant to any Offering Memorandum or other offering document unless the Bank shall have approved in writing of the description of the Bank contained in such document.

(g) *Rights of Bank.* The Issuer shall not take action, or cause the Registrar to take any action, under or with respect to any of the Basic Documents if such action could result in a Material Adverse Effect; *provided, however,* that any action taken to issue any Debt under such documents, which Debt is otherwise permitted to be issued hereunder, shall not, by itself, be deemed capable of causing a Material Adverse Effect.

(h) *Alternate Credit Facility.* The Issuer shall not so long as any of the Issuer’s obligations hereunder remain unpaid, cause the Registrar to cancel the Letter of Credit or replace the Letter of Credit with an Alternate Credit Facility under the Resolution unless the Issuer shall have received a firm underwriting commitment from a purchaser to purchase the Notes secured by the Letter of Credit or unless the Issuer shall have on deposit with the Registrar or otherwise sufficient funds to reimburse the Bank for any Drawing made in connection therewith.

(i) *No Liens.* The Issuer shall not create or suffer to be created any pledge of or Lien on the Available Revenue or any of the funds pledged to the Bank pursuant to Section 2.09 hereof, other than the pledge and Lien provided for in and permitted by the Resolution and the Subordinate Lien Resolutions, and the Issuer will take all actions and do all things necessary to maintain the pledge of and the Lien on the Available Revenue and such funds.

(j) *Accounting Changes.* The Issuer shall not make any material change in its accounting policies or financial reporting practices that would be inconsistent with GAAP.

(k) *Maximum Amount.* The Issuer shall not permit the marketing of Notes secured by the Letter of Credit in an aggregate principal amount at such interest rate and for such interest period such that the principal and interest due on all Outstanding Notes secured by the Letter of Credit upon maturity all such Notes, would exceed the Available Amount.

(l) *Maximum Rate.* The Issuer shall not elect to not issue Notes secured by the Letter of Credit to pay maturing Notes secured by the Letter of Credit up to the Maximum Rate, or otherwise take action to restrict the interest rate to be paid on Notes secured by the Letter of Credit below the Maximum Rate, if such election or action results in a Drawing on the Letter of Credit or nonpayment of a then outstanding Term Loan.

(m) *Reserved.*

(n) *Offering Memorandum.* Except for the Offering Memorandum, the Issuer shall not refer to any financial information relating to the Bank or any of the Bank's long or short-term credit ratings in any official statement or similar offering document, or make any changes in reference to any financial information relating to the Bank or any of the Bank's long or short-term credit ratings that appear in the Offering Memorandum or any official statement or similar offering document, in each case without the Bank's written consent thereto, such consent not to be unreasonably withheld.

(o) *Swap Agreements.* The Issuer will not enter into any Swap Agreement relating to any obligation secured by or payable from all or any portion of the Gross Revenues or the Available Revenue wherein any termination payments thereunder are payable or secured on a basis that is senior to or on parity with the payments on the Notes or the other obligations of the Issuer hereunder.

(p) *Sovereign Immunity.* If the defense of sovereign immunity in respect of contract claims becomes available to the Issuer, the Issuer agrees, to the fullest extent permitted by law, not to assert the defense of sovereign immunity in any proceeding to enforce any of the obligations of the Issuer under this Agreement or (to the extent it could affect the Bank) any other Basic Document in any court of competent jurisdiction.

(q) *Federal Reserve Board Regulations.* The Issuer shall not use any portion of the proceeds from the issuance of the Notes or Drawings under the Letter of Credit for the purpose of carrying or purchasing any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and shall not incur any Debt which is to be reduced, retired or purchased by the Issuer out of such proceeds.

ARTICLE VII

EVENTS OF DEFAULT, REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an “Event of Default” hereunder:

(a) *Payments.* The Issuer shall:

(i) fail to pay any amount due under Articles II or III hereof, under the Reimbursement Note or under any Notes secured by the Letter of Credit (other than as a result of the failure of the Bank to honor any properly presented and conforming draw under the Letter of Credit) when the same shall become due and payable; or

(ii) fail to pay any other amount payable hereunder or under the Reimbursement Note within three (3) Business Days of the date the same shall become due and payable.

(b) *Representations Untrue.* Any representation, warranty, certification or statement made by the Issuer in this Agreement or in any other Basic Document or in any financial statement or certificate delivered pursuant to clauses (a) and (b) of Section 6.01 hereof shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made.

(c) *Certain Covenant Defaults.* The Issuer shall default in the due performance or observance of any term, covenant or agreement contained in clauses (f)(i), (k), or (p) of Section 6.01 hereof or in Section 6.02 (except clause (l) of such Section) hereof.

(d) *Other Covenant Defaults.* The Issuer shall default in the due performance or observance of any term, covenant or agreement contained herein (other than those covered by clause (a) or (c) of this Section) and such default, if capable of being remedied, shall remain unremedied for thirty (30) days after written notice thereof shall have been given to the Issuer by the Bank or the Issuer first becomes aware thereof; *provided, however,* if a default under clauses (g), (i), (j), (n), (o), (r), (t), (v), (w), (z), or (bb) of Section 6.01 hereof is capable of being cured and cannot reasonably be cured within said thirty (30) day period, then the Issuer shall have an additional maximum thirty (30) day period to cure such default and no Event of Default shall be deemed to

exist hereunder so long as the Issuer commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting maximum sixty (60) day period from the date of the Bank's notice or the Issuer's awareness.

(e) *Invalidity.* (i) This Agreement, the Senior Lien Master Resolution, the Intermediate Lien Master Resolution, the Resolution, the Notes, the Reimbursement Note or the Fee Letter or any material provision hereof or thereof, at any time after its adoption, issuance or execution and delivery, shall, for any reason, cease to be valid and binding on the Issuer or in full force and effect or be declared to be null and void by a final non-appealable judgment of a court of competent jurisdiction, or the validity or enforceability of any such document or provision shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under any such document or

(ii) any other Basic Document or any material provision thereof, at any time after its execution and delivery shall, for any reason, cease to be valid and binding on the Issuer or in full force and effect or be declared to be null and void, or the validity or enforceability of any such document or provision shall be contested by any governmental agency or authority having jurisdiction over the Issuer; unless with respect to this clause (ii), the same is being contested by the Issuer in good faith and by appropriate proceedings and, under no circumstance could such invalidity or unenforceability have an adverse impact on the ability of the Issuer to perform its obligations hereunder or under the Notes, the Resolution, the Senior Lien Master Resolution or the Intermediate Lien Master Resolution, the Reimbursement Note or the Fee Letter.

(f) *Insolvency, Etc.*

(i) The Issuer shall become insolvent or admit in writing its inability to pay its debts as they mature, make an assignment for the benefit of creditors, or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any substantial part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for it or for a substantial part of its property or revenues and shall not be discharged within a period of sixty (60) days; or

(ii) The State or any other governmental authority having jurisdiction over the Issuer or its Facilities imposes on the Issuer a debt moratorium, debt restructuring, or comparable restriction on repayment when due and payable of the principal of or interest on any debt by the Issuer or any receiver or other governmental entity shall be appointed for the Issuer or the Facilities, or the property or Facilities of the Issuer shall be condemned, seized, or otherwise appropriated, if such condemnation, seizure or appropriation could have a material adverse effect on the ability of the Issuer to perform its obligations under

this Agreement, the Notes, the Resolution or under any other Basic Document, or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the Issuer, in respect of the Issuer (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of sixty (60) days.

(g) *Pledge, Etc.* Any pledge or security interest created by the Resolution, the Subordinate Lien Resolutions or this Agreement to secure any amount due under any Subordinate Lien Parity Bonds, the Reimbursement Note or this Agreement shall fail to be fully enforceable with the priority required under this Agreement, the Resolution or any Subordinate Lien Resolution, as the case may be, by reason of a final, non-appealable judgment of a court of competent jurisdiction.

(h) *Basic Document Default.* The Issuer shall default in the due performance or observance of any material term, covenant or agreement contained in any Basic Document and the same shall not have been cured within any applicable cure period. For avoidance of doubt, the parties agree that the failure of the Issuer to comply with the Senior Lien Master Resolution or the Intermediate Lien Master Resolution shall, by itself, not constitute a default or an Event of Default hereunder.

(i) *Cross-Defaults.* The Issuer shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, demand or otherwise) any Subordinate Lien Parity Bonds (other than the Notes), or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Subordinate Lien Parity Bonds.

(j) *Certain Unsatisfied Judgments.* A final and non-appealable judgment or court order for the payment of money in excess of \$10,000,000 shall be rendered against the Issuer, and such judgment or court order shall continue unsatisfied and in effect for a period of one hundred eighty (180) consecutive days without being vacated, discharged or satisfied.

(k) *Attachment.* Any of the funds on deposit in, or otherwise to the credit of, any of the funds or accounts established under the Resolution shall become subject to any writ, warrant or attachment, execution or similar process.

(l) *Rating Downgrade, Etc.* (i) If Moody's shall lower its Rating below "Baa3" or S&P or Fitch shall lower its Rating below "BBB-", as applicable, or any higher threshold (for example BBB or Baa2) contained in any similar default or event of default contained in any Credit Facility or relating reimbursement agreement; or

(ii) any Rating Agency shall suspend or withdraw its Rating for credit-related reasons.

Section 7.02. Remedies. Upon the occurrence and during the continuance of any Event of Default, the Bank at its option, upon notice to the Registrar and the Issuer, may do any one or more of the following:

(a) declare the principal of and interest on all obligations payable hereunder and under the Reimbursement Note to be due and payable in ten (10) equal semi-annual installments on each Semi-annual Payment Date commencing with the first Semi-annual Payment Date that is at least three (3) months following the occurrence of the Event of Default leading to such remedy;

(b) reduce the Stated Amount to an amount equal to the principal amount of all Outstanding Notes secured by the Letter of Credit together with interest which will accrue thereon to the maturity date thereof and instruct the Issuer and the Registrar to immediately cease issuing, delivering and selling additional Notes by delivering to the Registrar a Notice of Termination in the form attached as Annex G to the Letter of Credit and/or a Stop Issuance Instruction;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 10th day after the date of receipt thereof by the Registrar);

(d) exercise any or all rights provided or permitted by law or in equity or granted pursuant to this Agreement or any of the other Basic Documents in such order and in such manner as the Bank may, in its sole judgment, determine; or

(e) deliver a Stop Issuance Instruction in the form of Exhibit D attached hereto.

Section 7.03. Waiver of Remedies. No waiver of any breach of or default under any provision of this Agreement or any other Basic Document shall constitute or be construed as a waiver by the Bank of any subsequent breach of or default under that or any other provision of this Agreement or any other Basic Document.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon the Bank is intended to be exclusive of any other remedy herein or in any other agreement between the parties hereto or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute.

Section 7.05. Stop Issuance Instructions; Final Drawing Notice. (a) Notes may be issued from time to time prior to the Termination Date in accordance herewith and with the terms of and subject to the conditions set forth in the Resolution and the other Basic Documents so long as (i) no Event of Default hereunder has occurred and is continuing, (ii) the Registrar is not in receipt of a Stop Issuance Instruction then in effect given by the Bank pursuant to Section 7.02(e) hereof and not rescinded and/or (ii) the Registrar is not in receipt of a Final Drawing Notice in substantially the form attached to the Letter of Credit as Annex H-1.

(b) Unless the Issuer shall have previously advised the Bank in writing that (i) any or all of the representations and warranties deemed to have been made in Article V of this Agreement are not true and correct on and as of the date the Bank honors such Drawing as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date) or (ii) any event has occurred and is continuing, or would result from the Bank honoring such Drawing, which constitutes an Event of Default, then the Issuer shall be deemed to have represented and warranted on the date the Bank honors such Drawing that (i) the representations and warranties deemed to have been made in Article V hereof and in each other Basic Document shall be true and correct on and as of the date of such Drawing as though made on and as of such date, and (ii) no event has occurred and is continuing, or would result from the Bank honoring such Drawing, which constitutes an Event of Default.

(c) A Stop Issuance Instruction or the Final Drawing Notice shall be effective when received by the Registrar; *provided, however*, that a Stop Issuance Instruction or the Final Drawing Notice received by the Registrar after 12:00 noon Seattle time, on any day on which Notes are being issued shall be effective on the next succeeding day. A Stop Issuance Instruction or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Stop Issuance Instruction or the Final Drawing Notice in writing shall not render such Stop Issuance Instruction or the Final Drawing Notice ineffective. The Bank agrees that if, after the delivery of a Stop Issuance Instruction, the Bank determines that the conditions to the execution and delivery of any Note have been satisfied and the Bank has received a notice from the Issuer to such effect, then the Bank shall promptly deliver a notice (a copy of which shall be delivered by the Bank to the Issuer and the Dealer) to the Registrar, rescinding such Stop Issuance Instruction. The Bank will furnish a copy of any Stop Issuance Instruction or the Final Drawing Notice to the Issuer and the Dealer promptly following delivery thereof to the Registrar, but the failure to furnish any such copy shall not render ineffective such Stop Issuance Instruction or the Final Drawing Notice.

The Bank shall not incur any liability as a result of the Bank's giving any Stop Issuance Instruction. In addition, the Bank shall have no obligation to honor any Drawing under the Letter of Credit the proceeds of which shall be used to pay the principal of and interest on maturing Notes that were executed and delivered by the Registrar after receipt by the Registrar of a Stop Issuance Instruction or Final Drawing Notice.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Payments to the Bank. All payments to the Bank hereunder shall be made without setoff or counterclaim.

Section 8.02. Right to Set-off. (a) Upon the occurrence and during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, without notice to the Issuer (any such notice being expressly waived by the Issuer) and to the extent

permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by the Bank to or for the credit or the account of the Issuer against any and all of the obligations of the Issuer to the Bank then due and payable under this Agreement or the Reimbursement Note, irrespective of whether or not such Bank shall have made any demand hereunder. Notwithstanding anything in this Section to the contrary, nothing in this Section 8.02 shall entitle the Bank to apply deposits at times earlier than or in amounts greater than would be permitted under the priority of payments set forth in the Resolution. Accordingly, the Bank's rights under this Section are subject at all times to the priority of payments set forth in, and all other provisions of, the Resolution, and are subject to the following requirements:

(i) Prior to exercising any right of set-off the Bank shall make best efforts to determine which deposits, if any, then held by the Bank to or for the credit or the account of the Issuer are legally subject to set-off and application.

(ii) The Bank shall not set-off and apply any amounts that are not legally available under the Resolution for such set-off and application, including without limitation amounts that constitute bond proceeds, amounts that are held in a trust or custodial capacity, amounts that are pledged to pay bonds and the application of which would be inconsistent with the priority of the Lien of the Bank described in the Resolution and under Section 2.09 hereof, or that would create a default under the Issuer's bond or other contractual agreements or that would be otherwise prohibited by law.

(b) The Bank agrees to promptly notify the Issuer in writing after any such set-off and application; provided that the failure to give such notice shall not in and of itself affect the validity of such set-off and application. The rights of the Bank under this Section 8.02 shall be in addition to all other rights and remedies (including, without limitation, other rights of set-off or recoupment) that the Bank may have at law, in equity or by statute.

(c) In the event that in connection with the exercise of its rights under this Section 8.02 the Bank does set-off and apply any amounts that are not legally available under the Resolution for such application, the Bank agrees to promptly (within one Business Day) return such amounts to the Issuer or the Person or Persons legally entitled thereto. The rights of the Issuer under this Section 8.02 shall be in addition to all other rights and remedies that the Issuer may have at law, in equity or by statute.

Section 8.03. Liability of the Bank. The Issuer assumes all risks of the acts or omissions of the Registrar and the Dealer with respect to the proceeds of a draw on the Letter of Credit. Neither the Bank, nor any of its officers, directors, employees or agents shall be liable or responsible for:

(i) the use which may be made of the proceeds of a draw on the Letter of Credit or of any acts or omissions of the Registrar, the Dealer or any transferee in connection therewith,

(ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon (other than the validity as against the Bank of any agreement to which the Bank is a party), even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged,

(iii) the lack of validity or enforceability of this Agreement, the Notes, the Senior Lien Master Resolution, the Intermediate Lien Master Resolution, the Resolution, the other Basic Documents or any other agreement or instrument relating thereto (other than the validity or enforceability as against the Bank of any agreement to which the Bank is a party), or

(iv) any other circumstances whatsoever in making or failing to make payment under this Agreement or the Letter of Credit,

provided, that the Issuer shall have a claim against the Bank, and the Bank shall be liable to the Issuer, to the extent of any direct, as opposed to incidental or consequential, damages suffered by the Issuer to the extent that such direct damages are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit complied with the terms thereof, or (y) the Bank's willful failure or gross negligence in failing to pay under the Letter of Credit after the presentation to it by the Registrar of a certificate strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information (other than actual knowledge of uncontested information) to the contrary.

Section 8.04. Indemnification. The Issuer, to the extent permitted by law, hereby indemnifies and holds the Bank harmless from and against any and all claims, damages, losses, liabilities, costs or expenses which the Bank may incur or which may be claimed against the Bank by any Person:

(a) by reason of any inaccuracy in any material respect, or any untrue statement or alleged untrue statement of any material fact, contained in the Offering Memorandum or any amendment or supplement thereto (other than information regarding the Bank that was furnished to the Issuer by the Bank), or by reason of the omission or alleged omission to state therein a material fact necessary to make the statements contained in the Offering Memorandum in the light of the circumstances under which they were made, not misleading; or

(b) by reason of or in connection with the execution or delivery of the Offering Memorandum or the execution, delivery, performance or non-performance of this Agreement or any other Basic Document or any transaction contemplated hereby or by the Offering Memorandum or any other Basic Document; provided, however, that the Issuer shall not be required to indemnify the Bank pursuant to this Section 8.04 for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the Bank in determining

whether the documents presented under the Letter of Credit complied with the terms thereof, or (ii) the Bank's willful misconduct or gross negligence in failing to pay under the Letter of Credit after the presentation to it by the Registrar of a certificate strictly complying with the terms and conditions of the Letter of Credit.

In case any proceeding (including any governmental investigation) shall be instituted in respect of which indemnity may be sought pursuant to this Section 8.04, the Bank shall promptly notify the Issuer in writing, and the Bank will tender the defense thereof to the Issuer to be conducted in accordance with the following parameters. The Bank shall manage the response and course of action with respect to such proceeding and selection of counsel; *provided* that the Bank shall in good faith use commercially reasonable efforts to consult with the Issuer regarding the response and course of action with respect to such proceeding, and regarding selection of counsel for the Bank in connection with such proceeding, which counsel shall be reasonably satisfactory to the Bank and the Issuer, and the Issuer shall pay the reasonable fees and disbursements of such counsel related to such proceeding. Counsel for the Bank shall provide the Issuer with monthly invoices substantiating the reasonable fees and disbursements of such counsel related to such proceeding to be paid by the Issuer. The Bank shall manage negotiations and determinations regarding reasonable settlement of any such proceeding; *provided* that the Bank shall in good faith use commercially reasonable efforts to consult with and obtain the concurrence of the Issuer regarding any settlement of any such proceeding, but if settled or if there shall be a final judgment against the Bank, the Issuer, to the extent permitted by law, agrees to indemnify the Bank from and against any loss or liability by reason of such settlement of judgment. Without prejudice to the survival of any other obligation of the Issuer under this Agreement, the indemnities and related obligations of the Issuer contained in this Section 8.04 will survive payment of the Reimbursement Note, the Notes, the termination or expiration of the Letter of Credit, and the full payment and performance of all other amounts and obligations of the Issuer hereunder and under the Reimbursement Note.

Section 8.05. Costs and Expenses. The Issuer agrees to pay on demand:

(a) on the Date of Issuance, all costs and expenses paid or incurred by the Bank (including the reasonable fees and out-of-pocket expenses of counsel for the Bank (not to exceed an amount agreed to by the Bank and the Issuer in writing)) in connection with the preparation, review, execution and delivery of this Agreement, the Letter of Credit, the Resolution, the Offering Memorandum and the other Basic Documents and

(b) thereafter, all reasonable costs and expenses paid or incurred by the Bank from time to time, including, without limitation, reasonable allocated costs of staff counsel and reasonable fees and out-of-pocket expenses of other counsel for the Bank, in connection with the filing, recording administration (other than normal routine administration), enforcement, interpretation, maintenance, renewal or cancellation of this Agreement, the Letter of Credit, the Resolution, the Offering Memorandum or the other Basic Documents, or any waiver or consent hereunder or under any Basic Document or any amendment hereof or thereof requested by the Issuer.

Section 8.06. Participants. The Bank shall have the right to grant participations from time to time (to be evidenced by one or more Participation Agreements) in this Agreement, the Letter of Credit, the Reimbursement Note and the other Basic Documents to one or more Participants, provided that the grant of any such participation shall not terminate or otherwise affect any obligation of the Bank hereunder and provided, further, that the Issuer shall continue to deal solely with the Bank for all purposes hereunder. Each Participant purchasing such a participation shall in the discretion of the Bank have all rights of the Bank hereunder to the extent of the participation purchased. The Issuer agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement and the Fee Letter (including, without limitation, Section 3.02 and Section 8.04 hereof) as if such Participant were the Bank; *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 7.01 hereof; and *provided further* that no such Participant shall be entitled to receive payment pursuant to Section 3.02 hereof in an amount greater than the amount which would have been payable had the Bank not granted a participation to such Participant. In connection with the granting of participations, the Bank may disclose to any proposed Participant any information that the Issuer or a Dealer delivers or discloses pursuant to this Agreement. The Bank shall give notice to the Issuer of any Participant that is granted a participation pursuant to this Section 8.06.

Section 8.07. Successors and Assigns. (a) This Agreement shall be binding upon and inure to the benefit of the Issuer, the Bank and their respective successors and assigns, except that (i) the Issuer may not assign its rights or obligations hereunder or under the Reimbursement Note or any interest herein or therein without the prior written consent of the Bank and (ii) so long as no Event of Default has occurred and is continuing, the Bank may not, except as provided in this Section 8.07 and in Section 8.06 hereof, assign its rights or obligations hereunder or under the Reimbursement Note or the Letter of Credit or any interest herein or therein without the prior written consent of the Issuer.

(b) The Bank may assign and pledge all or any portion of the obligations of the Issuer hereunder or under the Reimbursement Note to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned obligations made by the Issuer to the Bank in accordance with the terms of this Agreement shall satisfy the Issuer's obligations hereunder or under the Reimbursement Note in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder or under the Letter of Credit.

Section 8.08. Modification or Waiver of this Agreement. This Agreement is intended by the parties hereto as a final expression of their agreement with respect to the subject matter hereof, and is intended as a complete and exclusive statement of the terms and conditions of that agreement. No modification or waiver of any provision of this Agreement (including this Section 8.08 and the Reimbursement Note) shall be effective unless the same shall be in writing and signed by the Bank and the Issuer. Any modification or waiver referred to in this Section 8.08 shall be effective only in the specific instance and for the specific purpose for which

given. No notice to or demand on the Issuer in any case shall entitle the Issuer to any other or further notice or demand in the same, similar or other circumstances.

Section 8.09. No Waiver of Rights by the Bank; Cumulative Rights. No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder or under any other Basic Document shall preclude any other or further exercise or the exercise of any right, power or privilege hereunder or under any other Basic Document. The rights of the Bank under this Agreement, the Resolution and the other Basic Documents are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have.

Section 8.10. Governing Law; Waiver of Jury Trial.

(a) *Governing Law.* This Agreement shall be deemed to be a contract under, and shall be governed by, and construed and interpreted in accordance with the law of the State; *provided*, however, that any rights and obligations of the Bank hereunder shall be governed by and constituted in accordance with the laws of the State of New York.

(b) *Waiver of Jury Trial.* Each of the Issuer and the Bank hereby waives to the extent permitted by applicable law, any right it may have to have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Letter of Credit, this Agreement, any of the other Basic Documents or the transactions contemplated hereby or thereby (whether based on contract, tort or other theory). Each party hereby:

(i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, and

(ii) acknowledges that it and the other parties hereto have freely and voluntarily entered into this agreement to waive trial by jury and have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 8.10.

(c) *Jurisdiction and Venue.* Each of the Issuer and the Bank hereby irrevocably submits to the nonexclusive jurisdiction of any state or federal court sitting in Seattle, King County, Washington, and in the borough of Manhattan in New York, New York in any action or proceeding brought to enforce or otherwise arising out of or relating to this Agreement, the Letter of Credit, the Reimbursement Note or the other Basic Documents, hereby waives any objection to venue in any such court and any claim that such forum is an inconvenient forum and agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing in this Section 8.10 shall impair the right of the Issuer or the Bank to bring any action or proceeding hereunder in the courts of any other jurisdiction.

Section 8.11. Notices. (a) Unless otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto or referred to herein shall be deemed to have been given (i) in the case of notice by letter, when delivered, or (ii) in

the case of notice by facsimile upon confirmation of receipt or by email upon confirmation as described in Section 8.11(c) hereof, addressed as follows or to such other address, facsimile number or email address as any of the parties hereto set forth below or as otherwise provided in Section 8.11(d) hereof:

to the Issuer: Port of Seattle, Washington
Pier 69
2711 Alaskan Way
P.O. Box 1209
Seattle, Washington 98111
Attention: Chief Financial Officer
Telephone: (206) 787-3205
Telecopy: (206) 787-3207
Email: _____

Bank, with respect to credit matters: Sumitomo Mitsui Banking Corporation
277 Park Avenue
New York, New York 10172
Attention: Public and Infrastructure Finance
Telephone: (212) 224-4000
Facsimile: (212) 224-5227

Bank, with respect to Drawings under the Letter of Credit: Sumitomo Mitsui Banking Corporation
277 Park Avenue
New York, New York 10172
Attention: Trade Credit Services District
Telephone: (212) 224-4000
Facsimile: (212) 224-4566
Email: _____

with a copy to: Sumitomo Mitsui Banking Corporation
277 Park Avenue
New York, New York 10172
Attention: Public and Infrastructure Finance
Telephone: (212) 224-4000
Facsimile: (212) 224-5227
Email: _____

to the Registrar: _____

Attention: _____

Telephone: () -
Telecopy: () -
Email: _____

to the Dealer:

[Dealer]

Attention: _____
Telephone: () _____
Telecopy: () _____
Email: _____

(b) Unless otherwise specified herein, certain notices and other information to be furnished pursuant to the terms of this Agreement shall be delivered as follows:

(i) For each Drawing, by facsimile, with receipt immediately confirmed telephonically. The Paying Agent shall promptly deliver an original of such Drawing by postage prepaid, U.S. mail; *provided* that the receipt of such original is not a condition to the Bank's obligation to honor .

(ii) For each item to be delivered by the Issuer to the Bank pursuant to Section 6.01(a) hereof, by email transmission.

(c) *Electronic Communications.* Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Bank, *provided* that the foregoing shall not apply to Drawings under the Letter of Credit. The Bank or the Issuer may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Bank otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(d) *Change of Address, Etc.* The Issuer or the Bank may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto.

(e) *Reliance by Bank.* The Bank shall be entitled to rely and act upon any notices (including telephonic notices) purportedly given by or on behalf of the Issuer even if such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein. To the extent permitted by law, the Issuer shall indemnify any Indemnified Person for all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Issuer; *provided, however,* that the Issuer shall not be required to indemnify the Bank for any losses, costs, expenses or liabilities pursuant to this Section 8.11(e) to the extent, but only to the extent, such costs, expenses or liabilities resulted from the willful misconduct or gross negligence of the Bank. All telephonic notices to and other telephonic communications with the Bank may be recorded by the Bank, and the Issuer hereby consents to such recording.

Section 8.12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one document, and shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto.

Section 8.13. Certificates, Etc. In connection with the execution and delivery of this Agreement, the parties hereto may rely on any certificates delivered by or on behalf of each other respective party hereto as representations and warranties as to the matters therein certified.

Section 8.14. Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall negotiate in good faith to replace any invalid, illegal or unenforceable provision with a valid provision, which, to the extent possible, will preserve the economic effect of the invalid, illegal or unenforceable provisions.

Section 8.15. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 8.16. Waiver of Rules of Construction. The Issuer hereby waives any and all provisions of law to the effect that an ambiguity in a contract or agreement should be interpreted against the party responsible for its drafting.

Section 8.17. USA PATRIOT Act Notice. The Bank hereby notifies the Issuer that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Bank to identify the Issuer in accordance with the Patriot Act. The Issuer agrees to, promptly following a request by the Bank, provide all such other documentation and information that the Bank requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

The Issuer shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Issuer is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Issuer or from otherwise conducting business with the Issuer and (b) ensure that the proceeds of the Notes and Drawings shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 8.18. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Basic Document), the Issuer acknowledges and agrees, that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between the Issuer, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Issuer is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Basic Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Issuer, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the Issuer with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Basic Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Issuer.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto authorized as of the date first above written.

PORT OF SEATTLE, WASHINGTON

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT A

FORM OF IRREVOCABLE DIRECT-PAY LETTER OF CREDIT

DRAFT

EXHIBIT B

FORM OF REIMBURSEMENT NOTE

NO. R-1

November 19, 2015

**UNITED STATES OF AMERICA
STATE OF WASHINGTON
PORT OF SEATTLE
SUBORDINATE LIEN REVENUE NOTES (COMMERCIAL PAPER)**

The Port of Seattle, a municipal corporation of the State of Washington, (hereinafter called the "*Port*"), for value received, hereby promises to pay to the order of Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*"), pursuant to that certain Reimbursement Agreement, dated November 19, 2015 (the "*Reimbursement Agreement*"), between the Port and the Bank, at the office of the Bank at 27 Park Avenue, New York, New York 10172, the aggregate unpaid principal amount of all Term Loans (and other Drawing that do not become Term Loans) (referred to below) made by the Bank from time to time pursuant to the Reimbursement Agreement and the Letter of Credit on the dates and in the amounts provided for in the Reimbursement Agreement.

The Port promises to pay interest on the unpaid principal amount of such Term Loans and other Drawings on the dates and at the rate or rates provided for in the Reimbursement Agreement. All payments of principal and interest shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Reimbursement Agreement.

This Note is the Reimbursement Note referred to in the Reimbursement Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. As provided in the Reimbursement Agreement, this Reimbursement Note is subject to prepayment, in whole or in part.

The Bank agrees, by acceptance of this Reimbursement Note, that it will make a notation on the schedule attached hereto of all Drawings and Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid, all as provided in the Reimbursement Agreement; *provided, however*, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Port hereunder with respect to payments of principal of and interest on this Reimbursement Note.

This Reimbursement Note is authorized by the Port Commission of the Port to be issued for the purpose of financing and refinancing capital improvements, including refunding outstanding notes of the Port for working capital and for paying maturing revenue notes of the same series and/or reimbursing one or more credit providers for advances made therefor. This Reimbursement Note is issued under and pursuant to and in full compliance with the Constitution and laws of the State of Washington including Resolution No. 3456, as amended,

entitled "A RESOLUTION of the Port Commission of the Port of Seattle, authorizing the sale of Subordinate Lien Revenue Notes (Commercial Paper) adopted by the Port Commission on _____, 20__.

This Reimbursement Note is given to the Bank to evidence the Port's obligations under the Reimbursement Agreement and the terms of the Reimbursement Agreement are hereby incorporated by this reference in this Reimbursement Note, as fully as set forth in full herein.

This Reimbursement Note shall be deemed to be a contract under, and shall be governed by, and construed and interpreted in accordance with the law of the State of Washington.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington, resolutions and ordinances of the Port to be done precedent to and in the issuance of this Reimbursement Note have happened, been done and performed.

IN WITNESS WHEREOF, THE PORT OF SEATTLE, has caused this Reimbursement Note to be executed with the manual or facsimile signature of the Designated Port Representative.

[SEAL]

PORT OF SEATTLE, WASHINGTON

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

**SCHEDULE FOR REIMBURSEMENT NOTE DATED NOVEMBER 19, 2015
BY THE PORT OF SEATTLE
PAYABLE TO SUMITOMO MITSUI BANKING CORPORATION, ACTING THROUGH ITS NEW YORK
BRANCH**

Date	Amount of Drawing or Term Loan Made	Amount of Principal Paid	Date to Which Interest Paid	Due Date	Notation Made by
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DRAFT

EXHIBIT C

FORM OF CERTIFICATE OF ISSUER REGARDING NO EVENT OF DEFAULT

Financial Statement Date: _____, _____

Sumitomo Mitsui Banking Corporation
277 Park Avenue
New York, New York 10172
Attention: Public and Infrastructure Finance
Telephone: (212) 224-4000
Facsimile: (212) 224-5227

Ladies and Gentlemen:

Reference is hereby made to that Reimbursement Agreement dated November 19, 2015 (the "*Agreement*"), between the Port of Seattle, a municipal corporation of the State of Washington (the "*Port*") and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*"). Capitalized terms used herein that are not defined shall have the meaning set forth in the Agreement.

The undersigned Authorized Representative hereby certifies as of the date hereof that he/she is the _____ of the Port, and that, as such, he/she is authorized to execute and deliver this Certificate to the Bank on the behalf of the Port, and that:

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 6.01(b) of the Agreement for the fiscal year of the Port ended as of the above date, together with the certification of the Accountant required by such section.
2. The undersigned has reviewed and is familiar with the terms of the Agreement and the Resolution and has made, or has caused to be made under his/her supervision, a review of the transactions and condition (financial or otherwise) of the Port during the accounting period covered by the attached financial statements.
3. A review of the activities of the Port during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Port performed and observed all its obligations under the Agreement and the Resolution, and

[select one:]

[to the best knowledge of the undersigned during such fiscal period, the Port performed and observed each covenant and condition of the Agreement and the Resolution applicable to it, and no Event of Default has occurred and is continuing.]

--or--

[certain covenants or conditions have not been performed or observed and the following is a list of each such Event of Default and its nature and status:]

Delivery of an executed counterpart of a signature page of this Certificate by fax transmission or other electronic mail transmission (*e.g.* “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____, _____.

PORT OF SEATTLE, WASHINGTON

By: _____

Name: _____

Title: _____

DRAFT

EXHIBIT D

[FORM OF STOP ISSUANCE INSTRUCTION]

[Dated Date]

Port of Seattle, Washington

Attention: _____

[_____] ,
as Registrar

Attention: _____

Re: Port of Seattle
Subordinate Lien Revenue Notes
(Commercial Paper)

Ladies and Gentlemen:

Pursuant to Section 7.02(e) of that certain Reimbursement Agreement, dated November 19, 2015 (the "*Reimbursement Agreement*"), by and between the Port of Seattle, Washington (the "*Issuer*") and the undersigned, as Bank, you are hereby notified that (a) either (1) an "Event of Default" under Section 7.01() of the Reimbursement Agreement has occurred and is now continuing or (2) one or more of the representations and warranties of the Issuer set forth in the Reimbursement Agreement (other than those set forth in Section 5.03(b) thereof), are in the reasonable opinion of the Bank, no longer true and correct in all material respects and; (b) upon receipt of this notice, (i) no new Notes, as defined in the Reimbursement Agreement, shall be issued or authenticated under the Resolution, (ii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$ _____, representing the principal amount of Notes currently outstanding and interest thereon, and shall be further permanently reduced following the maturity of any such Notes, and (iii) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings.

This Stop Issuance Instruction shall remain in effect unless you have received written notification from us that this Stop Issuance Instruction has been rescinded.

Very truly yours,

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch, as Bank

By: _____
Name: _____
Title: _____

cc: [DEALER]
[RATING AGENCIES]

DRAFT