

02/05/2018

Exhibit

Memorandum of Understanding

Port of Seattle and (Airlines)

This Memorandum of Understanding ("MOU") sets forth the terms and understanding between the Port of Seattle ("Port") and [name Airline(s)] (collectively, referred to as the "Airlines") to work together to develop a strategic plan to reduce carbon emissions and air pollutants, and the community and environmental impacts from existing and forecasted aviation growth at Sea-Tac Airport ("Sea-Tac"). The plan will explore the use of sustainable aviation fuels as well as a variety of other mechanisms that could contribute to carbon and air emission reductions, including technology, operations, infrastructure, and future aircraft technology.

Background

The Century Agenda of the Port of Seattle includes the goals of reducing Scope 3 greenhouse gas (GHG) emissions, which include aviation related emissions by Sea-Tac Airport, by 50 percent by 2030 and to meet increased energy needs through conservation and renewable sources.

As operator of the region's largest commercial airport - the fastest-growing in the nation for the past three years - and an engine for economic vitality, the Port of Seattle is engaging in partnerships with the aviation industry to achieve these important environmental and community goals.

On December 19, 2017, the Port of Seattle Commission adopted a motion entitled "TO DEVELOP A COMPREHENSIVE PORT OF SEATTLE SUSTAINABLE AVIATION FUELS STRATEGY." The motion outlined specific goals:

- By 2028, ten percent (10%) of jet fuel available at Sea-Tac will be produced regionally from sustainable sources. Meeting this near term goal will be the focus of the MOU.
- By 2035, twenty-five percent (25%) of jet fuel available at Sea-Tac will be produced regionally from sustainable sources.
- By 2050, the maximum blend currently approved for jet fuel will be produced regionally from sustainable sources (e.g., fifty percent (50%) from sustainable sources is the maximum blend currently approved for HEFA-based SAF).

Purpose

This MOU formalizes a commitment between the Airlines and the Port to work in partnership to develop a strategic plan to reach the first goal of ten percent (10%) jet fuel available at Sea-Tac produced regionally from sustainable sources by 2028. The plan will identify and make recommendations as to how to create and benefit from opportunities, address challenges, and support policies and financial incentives needed to meet the near term goal. The plan will also analyze and recommend additional mechanisms that could contribute to carbon and air emission reductions and the environmental impacts from forecasted aviation growth at Sea-Tac, including technology, operations, infrastructure and future aircraft technology.

The above goal will be accomplished by undertaking the following activities:

- By no later than thirty (30) days following signing of this MOU, representatives of the Airlines, Port staff and other partners will form a committee for the purposes of developing the strategic plan.
- The committee will identify the steps necessary to deliver on the 2028 goal, including the hurdles and supports needed to reach the goal.
- The committee will evaluate market barriers and opportunities to produce SAF in the region, and identify strategies to overcome those barriers.
- The committee will consider the wealth of material available from existing science and industry resources, and identify gaps in the research that would be helpful in reaching the goal.
- The committee will consult, as needed, with experts to update the work completed in the Sustainable Aviation Fuels NW (SAFN) report published in 2011. This will include review of the factors necessary to meet current internationally accepted standards or protocols for certifying the sustainability of the fuel.
- The strategic plan will include the steps and key milestones to meet the 2028 goal and other mechanisms that could contribute to carbon and air emission reductions at Sea-Tac to meet the Port's near term Century Agenda GHG reduction goals.
- The Port contemplates a future MOU with Airline(s) to implement the strategic plan.

Reporting

The parties to the MOU will return to the Commission in open session with a scope of work for the strategic plan described above within two (2) months of forming the Airline-Port committee. Once the scope of work is approved by the Commission, the progress of the Airline-Port committee will be overseen by the Commission's Energy and Sustainability Policy Committee. It is expected that a draft of the strategic plan will be completed within nine (9) months of the Commission's approval of the scope of work. The Airline-Port committee will report monthly to the Energy and Sustainability Policy Committee on the progress of the plan's development and identify any near term opportunities and/or issues of concern. The parties will return to the Energy and Sustainability Policy Committee within twelve (12) months of forming the Airline-Port committee with the draft final strategic plan, and then to the Commission for approval or identification of additional work needed to be accomplished.

Funding

This MOU is not a commitment of funds on behalf of any of the parties. The parties will commit a sufficient level of staff resources to accomplish development of the plan on the specified timeline.

Duration

This MOU shall become effective upon signature by the authorized officials from the Airlines and will remain in effect for the duration of the Signatory Lease and Operating Agreement IV, unless otherwise modified or terminated in writing by agreement of the parties.