In the opinion of K&L Gates LLP, Bond Counsel, assuming compliance with certain covenants of the Port and SEATAC Fuel, interest on the 2013 Bonds is excludable from gross income for federal income tax purposes under existing law, except for interest on any 2013 Bond for any period during which such 2013 Bond is held by a “substantial user” of the facilities financed or refinanced by such 2013 Bonds, or a “related person” to such “substantial user,” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Interest on the 2013 Bonds is an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. See “TAX MATTERS herein.”
Maturity Schedule

$88,660,000

Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013

<table>
<thead>
<tr>
<th>Maturity (June 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>CUSIP No. †</th>
</tr>
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<tr>
<td>2014</td>
<td>$2,960,000</td>
<td>3.00%</td>
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</table>

* Priced to the first par call date of June 1, 2023.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard and Poor’s Financial Services LLC on behalf of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. None of the Port, SEATAC Fuel, or any of the Underwriters takes any responsibility for the accuracy of such CUSIP numbers.
No dealer, broker, sales representative or other person has been authorized by the Port or SEATAC Fuel to give any information or to make any representations with respect to the 2013 Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Port, SEATAC Fuel, or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2013 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement (which term shall be deemed to include the Appendices to this Official Statement and all documents incorporated herein by reference) has been obtained from SEATAC Fuel, the Port, and other sources deemed reliable. The information and expressions of opinion contained in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of the Port or SEATAC Fuel since the date of this Official Statement. This Official Statement is not to be construed as a contract or agreement between the Port and purchasers or owners of any of the 2013 Bonds.

Neither SEATAC Fuel’s independent auditors nor any other independent accountants have compiled, examined, or performed any additional procedures with respect to the financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the financial information.

The initial public offering yields set forth on the inside cover page hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2013 Bonds to certain dealers, unit investment trusts or money market funds at yields higher than the public offering yields stated on the inside cover page hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements contained in this Official Statement, including the appendices, reflect not historical facts but forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “forecast” and “believe” and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. All forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, changes in regional, domestic and international political, social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, population changes, financial conditions of tenants and/or other users of Port facilities, technological change and various other events, conditions and circumstances, many of which are beyond the control of the Port.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2013 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.
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Official Statement
Relating to

$88,660,000
Port of Seattle
Special Facility Revenue Refunding Bonds
(SEATAC Fuel Facilities LLC), 2013

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, table of contents and appendices, is to furnish information in connection with the issuance by the Port of Seattle, a municipal corporation of the State of Washington (the “Port”) of $88,660,000 aggregate principal amount of Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013 (the “2013 Bonds”). The 2013 Bonds are being issued pursuant to Resolution 3504, as amended and restated by Resolution No. 3680, adopted by the Commission of the Port (the “Commission”) on May 14, 2013 (the “Resolution”). Wells Fargo Bank, National Association (the “Trustee”) has been appointed to act as trustee under the Resolution, and The Bank of New York Mellon, New York, New York (the “Registrar”) has been appointed to act as paying agent and registrar. Capitalized terms used in this Official Statement are defined in Appendices A and E and in the Resolution, a copy of which is included in Appendix C.

Purpose of the 2013 Bonds

Proceeds to be received from the sale of the 2013 Bonds are to be applied by the Port, together with other available funds, to refund for debt service savings all of the Port’s outstanding Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003 (the “2003 Bonds”), other than the 2003 Bonds maturing on June 1, 2013, and to pay all or a portion of the costs of issuing the 2013 Bonds. The 2003 Bonds were issued to finance the costs of acquiring, designing and constructing jet aircraft fuel storage and delivery facilities (as described below, the “Fuel System”). The Port, which owns and operates the Seattle-Tacoma International Airport (the “Airport”), acquired the Fuel System in 2002 and substantially completed the improvements funded by the 2003 Bonds in 2006.

Security and Sources of Payment for the Bonds

In general terms, payment on the 2013 Bonds will be made from a fuel delivery charge paid by airlines to SEATAC Fuel for delivery of fuel to their airplanes at the Airport. The charge is designed to be sufficient to meet debt service on the 2013 Bonds and the operating costs of the Fuel System. The Bonds (as hereinafter defined, see “—The Lease”), including the 2013 Bonds, will be limited obligations of the Port, and the principal of and premium, if any, and interest on the Bonds will be payable solely from the Trust Estate, including Facilities Rent payable under the Fuel System Lease, Guaranty payments and proceeds received from enforcement of the Security Agreement between SEATAC Fuel and the Trustee. See Section 2 of the Resolution in Appendix C. The Bonds will not be secured by any mortgage or other lien on the Premises or on any portion of the Fuel System, on any other part of the Airport or on any other real property or personal property owned by the Port or by SEATAC Fuel.

No tax funds, revenue, other than the Pledged Leased Revenue, or other funds of the Port are pledged to pay the principal of or premium, if any, or interest on the Bonds. Neither the State of Washington, nor any other municipal corporation, quasi-municipal corporation, subdivision or agency of the State is obligated to pay the principal of or premium, if any, or interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Washington, the Port or any other municipal corporation, quasi-municipal corporation, subdivision or agency thereof is pledged to the payment of the principal of or premium, if any, or interest on the Bonds.

Individual Contracting Airlines are obligated to make payments under the Interline Agreement but are not directly responsible for making any payments under the Resolution, the Bonds, the Lease or the Guaranty. See “SEATAC FUEL FACILITIES LLC—The Interline Agreement—Fees and Charges.”

The Fuel System

The Fuel System is the exclusive system for delivery of jet aircraft fuel to air carriers certified by the Federal Aviation Administration (the “FAA”) and operating at the Airport (the “Air Carriers”). The system for the receipt, storage, transmission and delivery of jet aircraft fuel at the Airport leased to SEATAC Fuel is referred to in this Official Statement as the “Fuel System.” Jet fuel, including any alternative fuels meeting required specifications
(latest revision), and any other material stored in or put through the Fuel System for use in connection with the operation of aircraft (“Other Products”) are referred to collectively in this Official Statement as “Fuel.” The Port leases the Fuel System to SEATAC Fuel Facilities LLC, a Delaware limited liability company (“SEATAC Fuel”), pursuant to a Fuel System Lease, dated May 14, 2003, as amended on August 31, 2007 (together with any amendments and supplements thereto permitted by the Resolution, the “Lease”). See “THE FUEL SYSTEM—The Lease.”

SEATAC Fuel and the Fuel System Operator

SEATAC Fuel was formed in January 2000 pursuant to a Limited Liability Company Agreement of SEATAC Fuel Facilities LLC, dated as of January 4, 2000 (the “LLC Agreement”), and a Seattle-Tacoma International Airport Fuel System Interline Agreement, amended and restated as of April 15, 2003 (the “Interline Agreement”). Currently, 21 Air Carriers (representing more than 96 percent of the estimated Fuel consumption at the Airport in 2012) are members of SEATAC Fuel and parties to the LLC Agreement and the Interline Agreement (the “Members”). The 21 current Members, together with Air Carriers that become Members in the future and excluding any Air Carriers that withdraw as Members, that are parties to the Interline Agreement are referred to in this Official Statement as the “Contracting Airlines.” See “SEATAC FUEL FACILITIES LLC” and “—The Interline Agreement” therein for descriptions of SEATAC Fuel, the LLC Agreement and the Interline Agreement, and “AUDITED FINANCIALS OF SEATAC FUEL FOR 2012 AND 2011” in Appendix H.


The Lease

Pursuant to the Lease, entered into in 2003, SEATAC Fuel is obligated to pay to the Trustee for payment of the 2013 Bonds and on any other bonds, notes or evidences of indebtedness issued under the Resolution (collectively, the “Bonds”) and for deposit to the Debt Service Reserve Account, if required, and to pay to the Port monthly payments of Base Rent.

The Lease provides that SEATAC Fuel’s obligation to pay Facilities Rent, amounts to be deposited to the Debt Service Reserve Account and Additional Rent payments to the Trustee is absolute and unconditional and is not subject to defense, set-off, counterclaim, recoupment, diminution, abatement or reduction for any reason. See “THE FUEL SYSTEM—The Lease” for the definition of “Facilities Rent” and other terms.

The Guaranty and the Security Agreement

SEATAC Fuel executed and delivered to the Trustee a Guaranty Agreement, dated May 14, 2003 (the “Guaranty”), pursuant to which SEATAC Fuel unconditionally guarantees to the Trustee the payment of the Bonds. As security for its obligations under the Guaranty, SEATAC Fuel executed and delivered to the Trustee a Security Agreement (the “Security Agreement”). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Security Agreement” and “—The Guaranty.”

The Interline Agreement

SEATAC Fuel’s source of funds to make the payments required by the Lease and the Guaranty and to pay the costs of operating and maintaining the Fuel System as required by the Lease is payments to be made by the Contracting Airlines under the Interline Agreement and by other users of the Fuel System. The Interline Agreement additionally provides for, among other things, the maintenance and operation of the Fuel System. The Interline Agreement also provides for payments by the Contracting Airlines when no Fuel is delivered to any Contracting Airline, when one or more of the Contracting Airlines is in default and following withdrawal of all the Contracting Airlines. See “SEATAC FUEL FACILITIES LLC—The Interline Agreement” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Trust Estate.”

Except to the extent provided in the Interline Agreement, individual Contracting Airlines are not directly responsible for making any payments under the Resolution, the Lease or the Guaranty or for guaranteeing the payment of the Bonds, including the 2013 Bonds.
Air Traffic and Fuel Consumption at the Airport

In 2012, the Airport was the 15th busiest airport nationwide in terms of the number of total passengers, according to preliminary statistics published by the Airports Council International-North America. The Airport served approximately 33.2 million total passengers (embarking and disembarking) in 2012. In 2012, approximately 427.1 million gallons of Fuel were used at the Airport, 96.4 percent by the Contracting Airlines. The Fuel used at the Airport is delivered via a 400-mile long pipeline. See “THE FUEL SYSTEM,” “SEATAC FUEL FACILITIES LLC,” “THE AIRPORT,” and “RISK FACTORS.”

DESCRIPTION OF THE 2013 BONDS

General

The 2013 Bonds are to bear interest at the rates and are to mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The 2013 Bonds are subject to redemption as described below. Interest on the 2013 Bonds from the date of their initial delivery is to be calculated on the basis of a 360-day year consisting of twelve 30-day months and is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2013.

The 2013 Bonds are being issued in fully registered form in denominations of $5,000 and integral multiples thereof within a maturity and when issued will be registered in the name of Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the 2013 Bonds. Individual purchases may be made only in book entry form. Purchasers will not receive certificates representing their interest in the 2013 Bonds purchased. So long as Cede & Co. is the registered owner of the 2013 Bonds, as nominee of DTC, references herein to “Owners,” “Bondholders” or “Registered Owners” mean Cede & Co. (or such other nominee) and not the Beneficial Owners of the 2013 Bonds. In this Official Statement, the term “Beneficial Owner” means the person for whom its DTC Participant acquires an interest in the 2013 Bonds.

So long as Cede & Co. is the registered owner of the 2013 Bonds, the principal of and interest on the 2013 Bonds are payable by wire transfer from the Registrar to Cede & Co., as nominee for DTC which, in turn, is to remit such amounts to the Direct Participants for subsequent disbursement to the Beneficial Owners. See “DTC AND ITS BOOK-ENTRY SYSTEM” in Appendix G.

Optional Redemption

The 2013 Bonds stated to mature on and after June 1, 2024 are subject to redemption at the option of the Port on and after June 1, 2023, as a whole or in part on any date, with the maturities to be selected by the Port (and within a maturity in accordance with the operational procedures of DTC then in effect), at a redemption price equal to 100 percent of the principal amount thereof, and without premium, plus interest accrued to the date fixed for redemption.

Extraordinary Optional Redemption

The Bonds, including the 2013 Bonds, are subject to extraordinary optional redemption at a redemption price equal to 100 percent of the principal amount of Bonds to be redeemed, plus interest accrued to the date fixed for redemption and without premium, at any time as a whole or in part (and if in part, selected as described below among the Outstanding Bonds of each series and maturity, based upon the Outstanding principal amounts), at the sole option and written direction of the Port, following the destruction of, damage to or condemnation of the Fuel System or the Premises or in the event of the permanent closure of the Airport, from such funds as may be available and deposited in the Debt Service Account in accordance with the Resolution. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Port Covenants Following a Casualty Event or Condemnation” below and Section 3(c) of the Resolution in Appendix C.

Manner of Selection of 2013 Bonds for Redemption

Extraordinary Optional Redemption

If the Bonds, including the 2013 Bonds, are not registered in book-entry-only form with DTC and if less than all of the Bonds of a series and maturity are to be redeemed in an extraordinary optional redemption, the Bonds, including
the 2013 Bonds, to be redeemed are to be selected on a pro rata basis, based upon Outstanding principal amounts among each series and maturity.

If the Bonds, including the 2013 Bonds, are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the 2013 Bonds, if less than all of the Bonds of a series and maturity are called for extraordinary optional redemption as described above, the Port intends that the particular Bonds or portions thereof to be redeemed will be selected on a pro rata basis in accordance with the operational arrangements of DTC then in effect.

DTC will select the 2013 Bonds for redemption in accordance with DTC procedures then in effect; the Port can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on a pro rata basis, as the Port intends. DTC’s operational arrangements may be modified at the discretion of DTC, without notice to the Port or any beneficial owners of the 2013 Bonds.

Optional Redemption

For as long as the 2013 Bonds are held in book-entry only form, the selection of particular 2013 Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC as required by the operational arrangements of DTC. If the 2013 Bonds are no longer held in uncertificated form, the selection of such 2013 Bonds to be redeemed shall be made as provided in the Resolution. If the Port redeems at any one time fewer than all of the 2013 Bonds having the same maturity date, the particular 2013 Bonds or portions of 2013 Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of $5,000. In the case of a 2013 Bond of a denomination greater than $5,000, the Port and Registrar shall treat each 2013 Bond as representing such number of separate 2013 Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal amount of such 2013 Bond by $5,000. In the event that only a portion of the principal sum of a 2013 Bond is redeemed, upon surrender of such 2013 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof or, at the option of the Registered Owner, a 2013 Bond of like maturity and interest rate in any of the denominations herein authorized.

Partial Redemption; Notice of Redemption; Cessation of Interest

The Resolution provides that unless waived by any owner of 2013 Bonds to be redeemed, official notice of redemption (which in the case of an optional redemption or extraordinary optional redemption may be conditioned upon receipt by the Registrar of sufficient funds for redemption) shall be given by the Registrar on behalf of the Port, by mailing a copy of an official redemption notice by first-class mail at least 20 days and not more than 60 days prior to the date fixed for redemption, to the Registered Owners of the 2013 Bonds or portions of 2013 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. With respect to 2013 Bonds registered in the name of Cede & Co., notice is to be sent to DTC exclusively, as provided in the Letter of Representations from the Port to DTC. The Resolution provides that failure to give notice as to the redemption of any 2013 Bond or any defect in such notice will not invalidate redemption of any other 2013 Bond. The Resolution provides that official notice of redemption having been given, the 2013 Bonds or portions of 2013 Bonds to be redeemed will, on the date fixed for redemption (provided, in the case of a conditional notice of an optional redemption or extraordinary optional redemption, that sufficient funds are on deposit with the Registrar), become due and payable at the redemption price therein specified, and that from and after such date such 2013 Bonds or portions of 2013 Bonds will cease to bear interest. As provided in the Resolution, upon surrender of such 2013 Bonds for redemption in accordance with said notice, such 2013 Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the date fixed for redemption shall be payable as provided in the Resolution for payment of interest. Additional redemption notices are to be given to the Municipal Securities Rulemaking Board as provided in the Resolution. See Section 33(g) of the Resolution in Appendix C.

Purchase of 2013 Bonds for Retirement

The Port has reserved the right at any time to purchase for cancellation any of the Bonds, including the 2013 Bonds, offered to the Port at any price deemed reasonable by the Designated Port Representative.
Defeasance

In the event cash and/or noncallable direct obligations of or obligations the full and timely payment of which is guaranteed by the United States of America (collectively, “Escrow Securities”) maturing or having guaranteed redemption prices at the option of the owner at such times and bearing interest in amounts sufficient without any reinvestment thereof to redeem and retire part or all of the Bonds in accordance with their terms are irrevocably set aside in a special account and pledged to effect such redemption and retirement, and if such Bonds are to be redeemed prior to maturity, irrevocable notice, or irrevocable instructions to give notice of such redemption have been given to the Registrar and if the other conditions set forth in the Resolution for defeasance are satisfied, then except as provided in the Resolution, further payments need not be made to pay the principal of, premium, if any, and interest on such Bonds, and such Bonds shall then cease to be entitled to any lien, benefit or security of the Resolution, except the right to receive the funds so set aside and pledged and notices of each redemption, if any, and such Bonds will thereafter be deemed not to be outstanding.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds, including the 2013 Bonds, will be limited obligations of the Port, and the principal of, premium, if any, and interest on the Bonds will be payable solely from the Trust Estate described below, including Facilities Rent payable under the Lease (See “THE FUEL SYSTEM—The Lease”) and proceeds received under the Guaranty and from enforcement of the Security Agreement. The Bonds will not be secured by any mortgage or other lien on the Premises or on any portion of the Fuel System or on any other part of the Airport or any other real property or personal property owned by the Port or by SEATAC Fuel.

No tax funds, revenue or other funds of the Port are pledged to pay the principal of or premium, if any, or interest on the Bonds. Neither the State of Washington, nor any municipal corporation, quasi-municipal corporation, subdivision or agency of the State is obligated to pay the principal of or premium, if any, or interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Washington, the Port or any other municipal corporation, quasi-municipal corporation, subdivision or agency thereof is pledged to the payment of the principal of or premium, if any, or interest on the Bonds.

The Trust Estate

The Trust Estate includes the Pledged Lease Revenue pledged by the Port, the Other Revenue to be received and held in trust by the Trustee and all rights, title and interests of the Trustee in the Security Agreement, the Guaranty, and the other Related Documents described below. “Pledged Lease Revenue” is defined in the Resolution to mean (i) Facilities Rent payable under the Lease and any Net Reletting Proceeds; (ii) payments made by SEATAC Fuel to replenish the Debt Service Reserve Account; (iii) Additional Rent payable to the Trustee; (iv) any other amounts payable to the Trustee under the Lease, including insurance proceeds and condemnation awards (but not including Base Rent or amounts payable to the Port pursuant to the Lease); (v) income from all investment of the foregoing and the proceeds thereof; and (vi) money and investments held in the Fuel Hydrant Revenue Fund, the Project Fund and the Bond Fund, including the Debt Service Reserve Account and the Debt Service Account, all as established under the Resolution.

“Other Revenue” means any and all payments received by the Trustee pursuant to the Security Agreement, the Guaranty, the LLC Agreement, the Interline Agreement, the Fuel System Operating Agreement, the Fuel System Access Agreements and/or the Non-Contracting User Agreements (collectively, the “Related Documents”), including amounts received from accounts and accounts receivable, insurance proceeds, refunds, premium rebates and proceeds of other collateral thereunder and all income from all investment of the foregoing and the proceeds thereof.

In the Resolution, the Port conveys, pledges, assigns, encumbers and grants all of its right, title and interest in Pledged Lease Revenue, all special funds and accounts created under the Resolution and all Pledged Lease Revenue therein and any right, title and interest, if any, the Port may have in the remainder of the Trust Estate, including without limitation all Other Revenue and Other Revenue on deposit in such special funds and accounts. The Resolution also provides that the amounts pledged by the Port to the payment of the Bonds are declared to be a prior lien and charge upon the Pledged Lease Revenue superior to all other charges of any kind or nature whatsoever, except for charges equal in rank that may be made thereon to pay and secure the payment of the principal of, premium, if any, and interest on Bonds issued in accordance with the provisions of the Resolution. See Section 2 of
the Resolution in Appendix C, and “—The Guaranty” and “—The Security Agreement” for a description of some of the components included in Other Revenue and of SEATAC Fuel’s assignments to the Trustee.

**Flow of Funds**

The Resolution provides for the continuation with the Trustee of the Project Fund, Bond Fund (and within the Bond Fund, the Debt Service Account and Debt Service Reserve Account) and Fuel Hydrant Revenue Fund. All Pledged Lease Revenue, Other Revenue and other money if accompanied by written direction from the Designated Port Representative or if otherwise provided in the Resolution, are to be deposited to the Fuel Hydrant Revenue Fund and, until applied as provided in the Resolution, are to be held for security of all Bonds Outstanding under the Resolution. At the written direction of the Designated Port Representative, insurance or condemnation proceeds (other than proceeds of business interruption insurance or contingent business interruption insurance) are to be deposited to the Project Fund or otherwise as described below under “Port Covenants Following a Casualty Event or Condemnation.”

Money in the Fuel Hydrant Revenue Fund is to be transferred and disbursed by the Trustee on the 25th day (or on the preceding Business Day if the 25th day is not a Business Day) of each month to the following accounts in the following order:

1. To the Debt Service Account, the Monthly Debt Service Deposit (1/6 of the interest coming due on the next succeeding interest Payment Date plus 1/12 of the principal of and premium, if any, on the Bonds coming due on the next succeeding principal Payment Date), and any other Facilities Rent required to be paid by SEATAC Fuel;

2. To any Credit Facility Issuer, the amount required to reimburse such Credit Facility Issuer for all amounts paid to pay principal of or interest on Bonds, other than payments made under Qualified Insurance or a Qualified Letter of Credit credited to the Debt Service Reserve Account;

3. To the Debt Service Reserve Account, the amount, if any, necessary to cure any deficiency in the Debt Service Reserve Account so that the amount then on deposit in the Debt Service Reserve Account is equal to the Required Debt Service Reserve Amount, to be held for the payment of debt service on the Bonds should the amounts on deposit in the Debt Service Account on any Payment Date be insufficient;

4. **Pro rata**, to reimburse each provider of Qualified Insurance or a Qualified Letter of Credit for draws thereon; and

5. To the Trustee for expenses of the Trustee.

See Sections 5 and 6 of the Resolution in Appendix C for a description of the deposits and disbursements required to be made from the Funds and Accounts established under the Resolution.

**Debt Service Reserve Account**

The Required Debt Service Reserve Amount is an amount equal to the least of (i) the maximum amount of regularly scheduled principal and interest payable in any year on the Bonds, (ii) 10 percent of the initial principal amount of each series of the Outstanding Bonds and (iii) 125 percent of the average annual scheduled principal and interest payable on the Bonds. The Resolution provides that the money in the Debt Service Reserve Account is to be maintained in deposits of cash and/or Permitted Investments and that investment earnings on the amounts on deposit in the Debt Service Reserve Account, to the extent such amounts exceed the Required Debt Service Reserve Amount, may, at the Port’s option, be transferred to the Project Fund; otherwise are to be transferred to the Debt Service Account. The Resolution also provides that the Port may substitute a Qualified Letter of Credit or Qualified Insurance for the cash and Permitted Investments then on deposit in the Debt Service Reserve Account. See Section 6(c) of the Resolution in Appendix C and the definitions of Qualified Letter of Credit and Qualified Insurance. The Lease requires SEATAC Fuel, following notice from the Trustee, to pay to the Trustee the amount of any deficiency in the Debt Service Reserve Account on the 1st day of the month following the month in which a withdrawal of funds from the Debt Service Reserve Account to pay debt service on the Bonds is made and on May 10 for a March 31 valuation and November 10 for a September 30 valuation if on any March 31 or September 30 valuation date the amount of moneys and investments on deposit in the Debt Service Reserve Account is less

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than the Required Debt Service Reserve Amount. See “THE FUEL SYSTEM—The Lease—Lease Term” and “SEATAC FUEL FACILITIES LLC—The Interline Agreement—Fees and Charges.”

Additional Bonds

The Resolution and the Lease provide for the issuance by the Port of Improvement Bonds and Refunding Bonds (collectively, “Additional Bonds”), that all of such Additional Bonds are to be parity obligations and that, except as provided in the Resolution, no other obligations may be issued by the Port secured by the Trust Estate. Except in the case of certain Refunding Bonds, no Additional Bonds may be issued under the Resolution if a Default under the Resolution exists or if there is an existing deficiency in the Debt Service Reserve Account unless the Additional Bonds would cure the deficiency. Upon the issuance of any Additional Bonds, the Port is required to provide for the deposit to the Debt Service Reserve Account of any amount necessary to make the amount on deposit therein equal to Required Debt Service Reserve Amount. See Sections 9 and 10 of the Resolution in Appendix C and “SUMMARY OF THE LEASE—Improvement or Refunding Bonds” in Appendix F.

Improvement Bonds. The Port may issue Improvement Bonds to pay the costs of any improvements, modifications, repairs, replacements, additions to and/or major maintenance of the Fuel System, to pay costs of capitalizing reserves and debt service and to pay the costs of issuance. See Section 9 of the Resolution in Appendix C and “SUMMARY OF THE LEASE—Additional Bonds” in Exhibit F for a description of SEATAC Fuel’s rights to request or consent to the issuance of Improvement Bonds.

Refunding Bonds. The Port may issue Refunding Bonds upon compliance with certain conditions set forth in the Resolution and the Lease. The Resolution provides that the Port may issue Refunding Bonds without complying with all of the conditions in the Resolution if the annual debt service on such Refunding Bonds in any year is not more than the annual debt service in any year on the Bonds to be refunded or if the Refunding Bonds are issued for the purpose of refunding any time within one year prior to maturity any Bonds for the payment of which sufficient Pledged Lease Revenue and Other Revenue are not available. See Section 10 of the Resolution in Appendix C and “SUMMARY OF THE LEASE—Additional Bonds” in Exhibit F for a description of SEATAC Fuel’s rights to consent to the issuance of Refunding Bonds. SEATAC Fuel has requested that the Port issue the 2013 Bonds.

Amendments, Consents, Defaults and Remedies

The Resolution limits the Port’s right to amend the Resolution and the Lease, to consent to amendments to the Interline Agreement, the LLC Agreement and the Fuel System Operating Agreement and to consent to amendments to the form of the Non-Contracting User Agreements or the Fuel System Access Agreement and limits the Trustee’s authority to amend the Guaranty and the Security Agreement. See Section 7(b) of the Resolution in Appendix C.

The Resolution also provides for remedies that may be exercised by the Trustee following a Default under the Resolution and specifies conditions that must be satisfied prior to the Trustee’s obligation to act following the occurrence of a Default. Defaults under the Resolution include, among others (i) the failure to make a payment of principal or interest on any Bonds when the same become due, (ii) a default by the Port in the observance or performance of any other covenants, conditions or agreements to be observed by the Port under the Resolution following specified notice and cure periods, (iii) invalidity of the Lease, the Guaranty, the Security Agreement, the Interline Agreement, or the LLC Agreement in combination with a default in payment of Facilities Rent or Additional Rent under the Lease, or invalidity of the lien created by the Resolution or the Security Agreement and (iv) the occurrence of a Lease Default Event after any cure periods. Payment of the principal of and accrued interest on the Bonds is not subject to acceleration following a Default under the Resolution. See Section 14 of the Resolution in Appendix C.

Upon the occurrence and continuance of a Default under the Resolution, payment of the principal of and accrued interest on the 2013 Bonds is not subject to acceleration. Payments of debt service on the Bonds are required to be made only as they become due. In the event of multiple defaults in payment of principal or interest on the Bonds, the Bondholders would be required to bring a separate action for each such payment not made. Any such action to compel payment or for money damages would be subject to the limitations on legal claims and remedies.

The Port’s Reletting Obligation Under the Resolution

The Port covenants in the Resolution that following certain of the Lease Default Events, the Port will exercise its rights under the Lease to reenter the Premises, with or without terminating the Lease, and that upon reentry, the Port will, with due speed, use its best efforts to (i) relet the Premises to a replacement tenant (a “Replacement Tenant”)
that is or that contracts with a qualified and duly licensed fuel system operator (a “Replacement Operator”) or (ii) retain a Replacement Operator (which may be the current operator) or (iii) as authorized by law, operate and maintain the Fuel System with its own employees. The Port agrees in the Resolution that it will charge, or require any Replacement Tenant or Replacement Operator to charge, usage charges for use of the Fuel System that are at least sufficient to pay, in the following order of priority (1) Reletting Costs; (2) all costs of operating and maintaining the Fuel System; (3) to the Trustee the Facilities Rent, and to the Trustee or the Port, the Additional Rent that would have been payable by SEATAC Fuel under the Lease; (4) to the Port, Base Rent; and (5) costs of any extraordinary repair, replacement and maintenance. The Resolution provides that the Port may charge or permit a Replacement Tenant or Replacement Operator to charge usage charges that are less than the amount necessary to pay all of such costs but that the Port will not be required to relet to a Replacement Tenant or to retain a Replacement Operator that charges less than the amount necessary to pay Reletting Costs, operation and maintenance costs and Base Rent and Additional Rent payable to the Port in their entirety. The Resolution does not require the Port to relet to a Replacement Tenant, to retain a Replacement Operator or to operate and maintain the Fuel System with its own employees if Fuel is no longer used by commercial air carriers. See Section 7(i) of the Resolution in Appendix C.

Other Covenants of the Port

The Port makes a number of other covenants in the Resolution, including a covenant that so long as the Bonds are Outstanding, the Fuel System will be the exclusive system for the receipt, storage, transmission and delivery of Fuel at the Airport. The Port also covenants that it will not mortgage, lease, transfer or otherwise encumber the Land or permit any such mortgage, lease, transfer or encumbrance (other than Permitted Encumbrances). The Port covenants in addition that it will enforce, or direct the Trustee to enforce, the Lease and to the extent of the Trustee’s rights under the Security Agreement, will direct the Trustee to enforce the other Related Documents. See Sections 7 and 15 of the Resolution in Appendix C.

Port Covenants Following a Casualty Event or Condemnation

The Resolution provides that upon the occurrence of damage or destruction of all or any portion of the Fuel System or improvements on the Land (as “Land” is defined in the Lease) (a “Casualty Event”), (i) the Port (or SEATAC Fuel, but only to the extent required by the Lease) will repair, replace, reconstruct and rebuild the damaged property so that the repaired facility is of reasonably comparable utility; or (ii) the Port will exercise its option under the Lease to undertake the Refinancing Alternative described below; or (iii) the Port will establish an irrevocable escrow resulting in the Bonds’ being Fully Paid (as defined in the Resolution).

The Resolution provides that either SEATAC Fuel or the Port may initiate the process to obtain approvals for the issuance of Additional Bonds in the event insurance proceeds are insufficient to repair, replace, reconstruct and rebuild the Fuel System and in the event SEATAC Fuel does not obtain funding from another source (e.g., self-assessment of Contracting Airlines under the Interline Agreement) to pay the difference between such costs and the amount of insurance proceeds, if any, available for such purpose (the “cost differential”). The Port agrees in the Resolution that if SEATAC Fuel fails to approve the issuance of Additional Bonds to pay the cost differential and does not propose a Financing Alternative accepted by the Port or if the Port cannot secure reasonable access to the capital markets for such Additional Bonds within a reasonable time, the Port will undertake to refinance all Outstanding Bonds with other bonds issued by the Port, the debt service on which will be paid only from rates, charges, fees or another cost recovery mechanism imposed by the Port upon commercial air carriers (the “Refinancing Alternative”). The Port agrees to undertake the Refinancing Alternative only if and to the extent the Port has the right and authority to impose rates, charges fees or another cost recovery mechanism upon the commercial air carriers for the cost differential as well as the cost of the facilities previously financed with the Outstanding Bonds. The Resolution provides that the Port in no event will be obligated to undertake such Refinancing Alternative, to defease the Outstanding Bonds or to fund any portion of the cost differential unless the Port then has the right and authority to impose such rates and charges. See Section 8(a) of the Resolution in Appendix C.

The Resolution also provides that if all or substantially all of the Fuel System is condemned by any authority including the Port, the Port will direct the application of the condemnation proceeds to the defeasance of the Bonds. If less than substantially all of the Fuel System is condemned or if the proceeds of any condemnation award received by the Trustee are insufficient to pay or defease all Outstanding Bonds, the Port is required to follow the procedures described above in connection with a Casualty Event. See Section 8(b) of the Resolution in Appendix C.
The Guaranty

In addition to its agreement in the Lease to make payments sufficient to pay the principal of and premium, if any, and interest on the Bonds, SEATAC Fuel pursuant to the Guaranty is guaranteeing to the Trustee the payment when due of the principal of and premium, if any, and interest on the Bonds. The Guaranty provides that SEATAC Fuel’s obligation is a continuing, absolute and unconditional guaranty that is to remain in full force and effect until all of Bonds have been paid in full.

The Guaranty, provides that if any payment or portion of any payment to the Trustee or to any Bondholder is later recovered from the Trustee or such Bondholder upon the bankruptcy, insolvency or reorganization of SEATAC Fuel, as a preference, fraudulent transfer or for any other reason, pursuant to the United States Bankruptcy Code or pursuant to any similar federal or state statute, the Guaranty will be reinstated automatically and the Guaranty will remain in full force and effect until all of the Bonds have been paid in full. See “SUMMARY OF THE GUARANTY” in Appendix F.

The Security Agreement

Under the Security Agreement, SEATAC Fuel assigns, grants and pledges to the Trustee a security interest in, all of its right, collateral, title and interest in and to (i) documents including the Interline Agreement, the LLC Agreement, the Fuel System Operating Agreement, the Non-Contracting User Agreements, the Fuel System Access Agreements and any similar agreements SEATAC Fuel may enter into from time to time and any amendments and supplements thereto (See the definition in the Security Agreement of the “Company Agreements”), all of its rights under the Company Agreements, all amounts payable to or receivable by it under the Company Agreements and all books and records and information relating to the Company Agreements and to the other Collateral; (ii) all of its accounts and accounts receivable; (iii) subject to the terms of the Lease, all insurance proceeds, refunds and premium rebates payable to it; and (iv) all proceeds of the foregoing.

PLAN OF REFINANCING

The 2013 Bonds are being issued to refund the Outstanding 2003 Bonds, other than the 2003 Bonds due on June 1, 2013, and to pay costs of issuance of the 2013 Bonds. The Port has determined to refund the 2003 Bonds identified below (the “Refunded Bonds”).

The following table identifies the Refunded Bonds by maturity date, interest rate, principal amount to be refunded, CUSIP number, and redemption terms.

<table>
<thead>
<tr>
<th>Refunded Bonds</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maturity Date</td>
<td>Principal Amount</td>
<td>Interest Rate</td>
<td>Redemption Date</td>
<td>Redemption Price</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------------</td>
<td>----------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>June 1, 2014</td>
<td>$ 2,975,000</td>
<td>5.50%</td>
<td>June 14, 2013</td>
<td>100</td>
</tr>
<tr>
<td>June 1, 2015</td>
<td>3,140,000</td>
<td>5.50</td>
<td>June 14, 2013</td>
<td>100</td>
</tr>
<tr>
<td>June 1, 2016</td>
<td>3,310,000</td>
<td>5.50</td>
<td>June 14, 2013</td>
<td>100</td>
</tr>
<tr>
<td>June 1, 2017</td>
<td>3,495,000</td>
<td>5.50</td>
<td>June 14, 2013</td>
<td>100</td>
</tr>
<tr>
<td>June 1, 2025</td>
<td>35,500,000</td>
<td>5.25</td>
<td>June 14, 2013</td>
<td>100</td>
</tr>
<tr>
<td>June 1, 2033</td>
<td>48,910,000</td>
<td>5.00</td>
<td>June 14, 2013</td>
<td>100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 97,330,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A portion of the net proceeds from the sale of the 2013 Bonds will be remitted to the Trustee which in turn will remit to the Registrar an amount sufficient for the payment of the redemption price (100%) of the Refunded Bonds and the interest on the Refunded Bonds on June 14, 2013.
SOURCES AND USES OF FUNDS

The sources and uses of funds to accomplish the plan of refinancing, including the uses of the proceeds of the sale of the 2013 Bonds, are as follows:

Source of Funds:

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Amount of 2013 Bonds</td>
<td>$ 88,660,000</td>
</tr>
<tr>
<td>Net Original Issue Premium</td>
<td>8,383,011</td>
</tr>
<tr>
<td>2003 Reserve Account</td>
<td>8,407,847</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$ 105,450,858</strong></td>
</tr>
</tbody>
</table>

Uses of Funds:

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Trustee</td>
<td>$ 97,511,272</td>
</tr>
<tr>
<td>Cost of Issuance (1)</td>
<td>986,203</td>
</tr>
<tr>
<td>Deposit to 2013 Reserve Account</td>
<td>6,953,383</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>$ 105,450,858</strong></td>
</tr>
</tbody>
</table>

(1) Includes underwriters’ discount, legal, trustee, financial advisor and other fees associated with the issuance of the 2013 Bonds.

DEBT SERVICE REQUIREMENTS

The following table sets forth the annual debt service requirements payable in each year ending December 31 for the 2013 Bonds, after giving effect to the refunding of the Refunded Bonds.

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>Principal</th>
<th>Interest</th>
<th>Total (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>—</td>
<td>$ 1,884,299</td>
<td>$ 1,884,299</td>
</tr>
<tr>
<td>2014</td>
<td>$ 2,960,000</td>
<td>3,993,383</td>
<td>6,953,383</td>
</tr>
<tr>
<td>2015</td>
<td>3,060,000</td>
<td>3,887,783</td>
<td>6,947,783</td>
</tr>
<tr>
<td>2016</td>
<td>3,180,000</td>
<td>3,762,983</td>
<td>6,942,983</td>
</tr>
<tr>
<td>2017</td>
<td>3,325,000</td>
<td>3,616,258</td>
<td>6,941,258</td>
</tr>
<tr>
<td>2018</td>
<td>3,490,000</td>
<td>3,445,883</td>
<td>6,935,883</td>
</tr>
<tr>
<td>2019</td>
<td>3,665,000</td>
<td>3,267,008</td>
<td>6,932,008</td>
</tr>
<tr>
<td>2020</td>
<td>3,845,000</td>
<td>3,079,258</td>
<td>6,924,258</td>
</tr>
<tr>
<td>2021</td>
<td>4,040,000</td>
<td>2,882,133</td>
<td>6,922,133</td>
</tr>
<tr>
<td>2022</td>
<td>4,240,000</td>
<td>2,675,133</td>
<td>6,915,133</td>
</tr>
<tr>
<td>2023</td>
<td>4,455,000</td>
<td>2,457,758</td>
<td>6,912,758</td>
</tr>
<tr>
<td>2024</td>
<td>4,675,000</td>
<td>2,229,508</td>
<td>6,904,508</td>
</tr>
<tr>
<td>2025</td>
<td>4,865,000</td>
<td>2,028,711</td>
<td>6,893,711</td>
</tr>
<tr>
<td>2026</td>
<td>5,045,000</td>
<td>1,853,980</td>
<td>6,898,980</td>
</tr>
<tr>
<td>2027</td>
<td>5,220,000</td>
<td>1,665,295</td>
<td>6,885,295</td>
</tr>
<tr>
<td>2028</td>
<td>5,420,000</td>
<td>1,463,085</td>
<td>6,883,085</td>
</tr>
<tr>
<td>2029</td>
<td>5,660,000</td>
<td>1,217,250</td>
<td>6,877,250</td>
</tr>
<tr>
<td>2030</td>
<td>5,940,000</td>
<td>927,250</td>
<td>6,867,250</td>
</tr>
<tr>
<td>2031</td>
<td>6,240,000</td>
<td>622,750</td>
<td>6,862,750</td>
</tr>
<tr>
<td>2032</td>
<td>6,545,000</td>
<td>303,125</td>
<td>6,848,125</td>
</tr>
<tr>
<td>2033</td>
<td>2,790,000</td>
<td>69,750</td>
<td>2,859,750</td>
</tr>
<tr>
<td><strong>TOTAL (1)</strong></td>
<td><strong>$ 88,660,000</strong></td>
<td><strong>$ 47,332,577</strong></td>
<td><strong>$ 135,992,577</strong></td>
</tr>
</tbody>
</table>

(1) Totals may not foot due to rounding.
THE FUEL SYSTEM

General

The Fuel System provides the Airport with a fuel storage and underground fuel delivery system that serves all of the Airport’s passenger aircraft gates and the North Truck Rack (used for fueling cargo aircraft). The components of the Fuel System include eight above-ground, bulk fuel storage facilities (the “Tank Farm”) with a maximum capacity of approximately 24.1 million gallons (standard operation does not use full capacity). SEATAC Fuel’s current practice is to maintain approximately 12 days of Fuel inventory in the Tank Farm. The Fuel used at the Airport is shipped to the Tank Farm through a pipeline owned by Olympic Pipe Line Company (“Olympic”) from three Washington refineries. The Olympic pipeline, which also supplies Fuel to the Portland International Airport, is the only means of supplying Fuel by pipeline to the Airport.

The Premises and the Right of Way

The Tank Farm is located on a site with the operations building (the “Land”) at the southeast corner of the airfield, immediately east of the southern end of taxiway A. Underground fuel lines deliver Fuel from the Tank Farm along a right-of-way granted by the Port to SEATAC Fuel (the “Right of Way”). The Right of Way, the Land, and the System are referred to collectively in this Official Statement as the “Premises.” The Right of Way extends north from the Tank Farm to the South Satellite passenger terminal (the “South Satellite”) and from the South Satellite south under the concrete ramp along the face of Concourse B, the Central Terminal and Concourse C in the main passenger terminal (the “Main Terminal”) and then north to the North Satellite passenger terminal (the “North Satellite”) and to the North Truck Rack. The Right of Way encircles both of the Satellite Terminals.

CHART 1

Demonstrative Approximation of the Fuel System

Source: Port of Seattle.
Fuel Consumption at the Airport

The following table lists, for 2003 through 2012, the total annual Fuel usage at the Airport.

**TABLE 1**
Seattle-Tacoma International Airport
Total Fuel Consumption (1)
2003-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Gallons</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>437,548,054</td>
<td>- -</td>
</tr>
<tr>
<td>2004</td>
<td>446,552,918</td>
<td>2.1%</td>
</tr>
<tr>
<td>2005</td>
<td>435,993,201</td>
<td>(2.4)</td>
</tr>
<tr>
<td>2006</td>
<td>441,414,181</td>
<td>1.2</td>
</tr>
<tr>
<td>2007</td>
<td>454,018,686</td>
<td>2.9</td>
</tr>
<tr>
<td>2008</td>
<td>455,493,807</td>
<td>0.3</td>
</tr>
<tr>
<td>2009</td>
<td>425,577,161</td>
<td>(6.6)</td>
</tr>
<tr>
<td>2010</td>
<td>418,119,119</td>
<td>(1.8)</td>
</tr>
<tr>
<td>2011</td>
<td>427,873,734</td>
<td>2.3</td>
</tr>
<tr>
<td>2012</td>
<td>427,107,910</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

2003-2012 (0.3)% (2)

(1) Excludes Fuel used by general aviation and Weyerhaeuser Co. aircraft.
(2) Compound annual growth rate.

*Sources:* SEATAC Fuel Facilities LLC from information provided by the Fuel System Operator.

The Lease

The Lease, which was entered into when the 2003 Bonds were issued, sets forth the rights and duties of the Port and SEATAC Fuel with regard to, among other things, the lease of and improvement to the Premises, the operation, maintenance, repair and extension of the Fuel System, the payment of Rent and the issuance of Additional Bonds.

Pursuant to the Lease, SEATAC Fuel is obligated (i) to pay to the Trustee for deposit to the Bond Fund established under the Resolution, Monthly Debt Service Deposits, plus any amount required to pay all principal of and premium, if any, and interest on the Bonds on the next payment date (whether at maturity or upon optional or mandatory redemption) (collectively, “Facilities Rent”); (ii) to pay to the Trustee for deposit to the Debt Service Reserve Account the amount required, if any, that when combined with the amount then on deposit in the Debt Service Reserve Account will be equal to the Required Debt Service Reserve Amount; and (iii) to pay to the Port monthly payments of Base Rent. SEATAC Fuel is also required to pay Additional Rent, including the fees and expenses of the Trustee and the Registrar, Rebate Amounts, certain costs incurred by the Port and utility charges, taxes and other impositions. See “Lease Term” and “SUMMARY OF THE LEASE—Rent” in Appendix F.

The Port agrees in the Lease that, to the extent the Port is permitted to do so under applicable state or federal laws, grant assurances and regulations and except as otherwise provided in the Lease, the Port will not authorize or permit the delivery of Fuel at the Airport except by way of the Fuel System operated by SEATAC Fuel at the Airport.

Lease of and Improvement to the Premises

Under the Lease, the Port leases the Premises to SEATAC Fuel and grants SEATAC Fuel a non-exclusive easement to operate the Fuel System on the Right of Way for the benefit of the Contracting Airlines and other Users of Fuel at the Airport. Any improvements, modification, repair, replacement, addition or extension to the Fuel System is to become part of the Fuel System and the Premises and thus subject to the provisions of the Lease. See “THE FUEL SYSTEM—The Premises and the Right of Way.”

Lease Term

The Lease provides for a term commencing on the date the 2003 Bonds were issued and expiring on July 31, 2033 or on the last date of any renewal period (unless terminated earlier as provided in the Lease) and provides that the
term of the Lease shall be extended until all Bonds and Reimbursement Obligations are paid in full. The Lease provides SEATAC Fuel an option to renew the Lease for two additional five-year terms upon the terms and conditions set forth in the Lease. See “SUMMARY OF THE LEASE–Term” in Appendix F.

**The Fuel System Operation**

In the Lease, the Port grants to SEATAC Fuel the right to occupy and use in compliance with the Lease and other applicable requirements, the Land and the Fuel System and to utilize the rights of access to the Right-of-Way exclusively for the receipt, storage and distribution of Fuel at the Airport for the benefit of the Users and for the installation, construction, maintenance, operation and repair of fueling facilities and equipment and activities reasonably necessary in connection therewith. See “SUMMARY OF THE LEASE–Fuel System Operation” in Appendix F.

The Lease requires the Fuel System to be operated by an independent operator at all times during the Term of the Lease. SEATAC Fuel also agrees to obtain and to comply with the conditions of all Required Permits, to keep all Required Permits current, valid and complete and to comply with and cause all licensees and operators to comply with all present and future laws, ordinances, orders, rules and regulations and requirements of all federal, state and municipal governments, departments and commissions, foreseen and unforeseen, ordinary as well as extraordinary, that may be applicable to the Fuel System or the Premises and to comply with, and to cause all of its employees, invitees, agents, contractors, subcontractors and affiliates and the Fuel System Operator to comply with all applicable Airport Rules. See “SUMMARY OF THE LEASE–Fuel System Operation” in Appendix F.

The Lease requires SEATAC Fuel, at its own cost and expense, to protect, maintain and repair the Premises, to keep the Premises in good and safe order and condition (except for reasonable wear and tear and damage caused by the Port), to make all necessary repairs and replacements and to keep the above-ground structures constructed on the Premises in a neat and clean manner.

SEATAC Fuel also agrees to operate the Fuel System in a manner that permits all Air Carriers and Into-Plane Agents to obtain access to Fuel in compliance with the terms of the Lease and that minimizes interference with the operation of the Airport and provides for other access terms. See “SUMMARY OF THE LEASE–Full and Fair Access” in Appendix F.

**Defaults and Remedies**

Lease Default Events. The Lease specifies a number of “Lease Default Events,” including, among others, SEATAC Fuel’s failure to pay Facilities Rent, Base Rent, Additional Rent or any other rent or charge on the due date; SEATAC Fuel’s failure to maintain insurance; SEATAC Fuel’s cessation or abandonment of operations at the Premises for a period of 48 hours or more (except as provided in the Lease) if the Port provides notice to SEATAC Fuel of such abandonment or cessation. See “SUMMARY OF THE LEASE–Default; Termination; Miscellaneous–Lease Default Events” in Appendix F.

Remedies. The Lease provides that upon the occurrence of a Lease Default Event and subject to the Port’s reletting obligations (described above under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Port’s Reletting Obligation Under the Resolution”), the Port may terminate the Lease subject to certain conditions and requirements in the Lease; may reenter and relet the Premises; bring an action for Rent, Additional Rent and/or damages and following any failure to pay Facilities Rent and an election by the Trustee to redeem all of the Bonds; may accelerate Facilities Rent to the extent necessary to redeem or defease all of the Bonds and pay all accrued interest and all costs associated with such redemption; and may exercise an other legal or equitable right or remedy it may have. See “SUMMARY OF THE LEASE–Port’s Remedies” in Appendix F.

The Lease also provides that in the event the Lease is not terminated upon the occurrence of a Lease Default Event, SEATAC Fuel or any trustee or other representative of SEATAC Fuel or any permitted assignee of SEATAC Fuel must provide to the Trustee and the Port adequate assurances of the source of Rent, Additional Rent and other consideration payable under the Lease and the ability to pay such Rent and other consideration, the continued use of the Premises to operate the Fuel System in strict accordance with the requirements of the Lease and such other matters as the Port may reasonably require. See “RISK FACTORS—Bankruptcy Risks” and “RISK FACTORS—Limitations on Enforceability” below and “SUMMARY OF THE LEASE–Default; Termination; Miscellaneous–Port’s Remedies” in Appendix F.
SEATAC FUEL FACILITIES LLC

General

SEATAC Fuel was organized on January 4, 2000 as a limited liability company under the laws of the State of Delaware to lease, finance, construct, develop, acquire and operate a fuel distribution and storage facility at the Airport for the mutual benefit of its Members. In the Lease, SEATAC Fuel covenants that it will not engage in any other business or activity other than (i) the financing, acquisition, construction, installation, lease, maintenance, operations and management of the Fuel System and any related facilities at the Airport; (ii) the receipt, storage and distribution of Fuel at the Airport for Airport-related uses; and (iii) activities reasonably necessary thereto, including without limitation off-Airport Fuel storage for Fuel used at the Airport, but excluding investments in Fuel or rights thereto for purposes of sale or resale. See “SUMMARY OF THE LEASE–Representations, Covenants and Warranties of Lessee” in Appendix F. The LLC Agreement provides that in fulfilling its functions, SEATAC Fuel is not to be operated to derive a financial profit from providing services to Members or non-Members.

SEATAC Fuel has no material assets other than cash collected and accounts receivable from Users of the Fuel System, the Lease and the Related Documents. SEATAC Fuel does not have any employees. Operation of the Fuel System and a substantial portion of the administration of SEATAC Fuel’s duties under the Lease and the Interline Agreement are performed for SEATAC Fuel by the Fuel System Operator pursuant to the Fuel System Operating Agreement. See “—Operation of the Fuel System.”

Membership

All Air Carriers are eligible to become Members of SEATAC Fuel, subject to compliance with the requirements of the LLC Agreement and to satisfaction of all requirements for admission as a party to the Interline Agreement. Air Carriers wishing to become Contracting Airlines are required to pay an entry fee of $50,000 and a capital contribution of $1,000. The amount of the entry fee may be changed or eliminated from time to time by SEATAC Fuel’s Fuel Committee. See “SUMMARY OF THE LLC AGREEMENT–Additional Members” and “SUMMARY OF THE INTERLINE AGREEMENT–Admission of Additional Contracting Airlines” in Appendix E. In 2012, the following twenty-two Air Carriers, accounted for more than 96 percent of the total Gallonage at the Airport. Air France withdrew as a Member effective March 31, 2012, All Nippon Airways became a Member as of July 1, 2012, and Emirates Airlines became a Member as of March 1, 2012. See “THE INTERLINE AGREEMENT – General.”
### TABLE 2

#### 2012 SEATAC Fuel Facilities LLC Gallonage

<table>
<thead>
<tr>
<th>SEATAC Fuel Members</th>
<th>Gallonage</th>
<th>Share of Member Gallonage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Airlines, Inc. (1)</td>
<td>138,567,612</td>
<td>33.7%</td>
</tr>
<tr>
<td>Delta Air Lines, Inc.</td>
<td>64,158,331</td>
<td>15.6</td>
</tr>
<tr>
<td>United Airlines, Inc.</td>
<td>44,508,623</td>
<td>10.8</td>
</tr>
<tr>
<td>Southwest Airlines Co.</td>
<td>25,335,813</td>
<td>6.2</td>
</tr>
<tr>
<td>Korean Air Lines Co.</td>
<td>17,692,822</td>
<td>4.3</td>
</tr>
<tr>
<td>American Airlines, Inc.</td>
<td>16,243,793</td>
<td>3.9</td>
</tr>
<tr>
<td>Federal Express</td>
<td>11,517,163</td>
<td>2.8</td>
</tr>
<tr>
<td>US Airways, Inc.</td>
<td>11,332,810</td>
<td>2.8</td>
</tr>
<tr>
<td>EVA Airways Corporation</td>
<td>10,382,655</td>
<td>2.5</td>
</tr>
<tr>
<td>British Airways PLC</td>
<td>10,236,640</td>
<td>2.5</td>
</tr>
<tr>
<td>Emirates Airlines(2)</td>
<td>10,184,873</td>
<td>2.5</td>
</tr>
<tr>
<td>Hawaiian Airlines Inc.</td>
<td>6,657,085</td>
<td>1.6</td>
</tr>
<tr>
<td>JetBlue Airways Corporation</td>
<td>6,490,597</td>
<td>1.6</td>
</tr>
<tr>
<td>Lufthansa German Airlines</td>
<td>6,370,114</td>
<td>1.5</td>
</tr>
<tr>
<td>Asiana Airlines</td>
<td>6,127,511</td>
<td>1.5</td>
</tr>
<tr>
<td>Hainan Airlines</td>
<td>5,593,770</td>
<td>1.4</td>
</tr>
<tr>
<td>China Airlines</td>
<td>5,137,509</td>
<td>1.2</td>
</tr>
<tr>
<td>SkyWest Inc.</td>
<td>4,206,506</td>
<td>1.0</td>
</tr>
<tr>
<td>Frontier Airlines Inc.</td>
<td>3,613,234</td>
<td>0.9</td>
</tr>
<tr>
<td>Cargolux Airlines International</td>
<td>3,413,144</td>
<td>0.8</td>
</tr>
<tr>
<td>All Nippon Airways(3)</td>
<td>2,990,522</td>
<td>0.7</td>
</tr>
<tr>
<td>Air France(4)</td>
<td>908,275</td>
<td>0.2</td>
</tr>
</tbody>
</table>

| Total Member Gallonage:              | 411,669,402 | 96.4%                     |
| Non member Gallonage                 | 15,438,508  | 3.6                       |
| Total Gallonage                      | 427,107,910 |                           |

(1) Includes Gallonage of Horizon Air Industries, Inc. ("Horizon"), an Associate Airline. Alaska Airlines, Inc. ("Alaska") and Horizon are wholly-owned subsidiaries of Alaska Air Group, Inc. See “—Corporate Governance” and “THE AIRPORT – Passenger Airline Diversity.”

(2) Emirates Airlines became a Member as of March 1, 2012.

(3) All Nippon Airways became a Member as of July 1, 2012.


#### Corporate Governance

SEATAC Fuel’s principal governing body is the Fuel Committee composed of one Fuel Committee representative appointed by each Member. The Fuel Committee is charged with managing the business of SEATAC Fuel and is led by a Chairperson and a Vice Chairperson. The Fuel Committee also may appoint an Executive Committee comprised of the Chairman and of up to six Fuel Committee representatives. The Chairperson of the Fuel Committee, currently the Fuel Committee representative for Alaska, is authorized to approve single expenditures of up to $50,000 without the approval of the Fuel Committee.

In general, actions of the Fuel Committee require the approval of Members, or Fuel Committee representatives who collectively represent Members, that constitute more than (a) 50 percent in number of the Members not then in default under the LLC Agreement or the Interline Agreement and (b) 50 percent of the total Gallonage for the twelve months prior to the month in which the vote is taken of the Members not in default under the LLC Agreement or the Interline Agreement (a “Majority-in-Interest”). As defined in the LLC Agreement and the Interline Agreement, “Gallonage” means the total number of U.S. gallons (“Gallons”) of Fuel delivered into the aircraft of a Member at the Airport during the relevant period, provided that the Gallonage of an Associate Airline of a Member is to be considered part of the Gallonage of that Member regardless of whether the Fuel System was used for such delivery.
An “Associate Airline” is an Air Carrier 100 percent of the capital stock or other equity interest of which is owned, directly or indirectly, by a Person that owns or controls a Contracting Airline under the Interline Agreement or Member under the LLC Agreement.

In some cases, actions of the Fuel Committee require the affirmative vote of a “Super Majority-In-Interest.” The approval of a Super Majority-In-Interest requires the vote of Members, or Fuel Committee representatives that represent Members, that constitute more than (a) 75 percent in number of the Members not then in default under the LLC Agreement or the Interline Agreement and (b) 75 percent of the total Gallonage (including Gallonage of Associate Airlines) for the twelve months prior to the month in which the vote is taken of the Members not in default under the LLC Agreement or the Interline Agreement. Actions that require a vote of a Super Majority-In-Interest include amending the LLC Agreement and the Interline Agreement, assigning the Interline Agreement and certain other actions under the Interline Agreement. Under the Lease, SEATAC Fuel has agreed that any action to commence proceedings under any federal or state bankruptcy, reorganization, insolvency, moratorium or similar statute will also require the approval of a Super Majority-In-Interest. See “SUMMARY OF THE INTERLINE AGREEMENT–Amendments” in Appendix E and “SUMMARY OF THE LEASE–Representations, Covenants and Warranties of the Lessee” in Appendix F.

The Interline Agreement

General

The primary source of funds to make payments under the Lease is payments to be made by the Contracting Airlines under the Interline Agreement. The Interline Agreement, which was entered into as of January 4, 2000 and amended and restated as of April 15, 2003, sets forth the rights and duties of SEATAC Fuel and the Contracting Airlines relating to the use, operation and improvement of the Fuel System and the allocation of costs and revenues of the Fuel System and SEATAC Fuel. Currently, twenty-one Air Carriers are Contracting Airlines under the Interline Agreement.

Use and Operation of the Fuel System

The Interline Agreement requires SEATAC Fuel to maintain and to operate the Fuel System to provide (i) the receipt, transmission and storage of Fuel delivered to the Airport; (ii) the delivery of Fuel into refueler vehicles for delivery to aircraft; (iii) the transmission and delivery of Fuel through the hydrant system; (iv) the receipt, storage and transfer of Fuel as approved by SEATAC Fuel to support User requirements and (v) other functions as approved by SEATAC Fuel from time to time.

The Contracting Airlines and SEATAC Fuel covenant in the Interline Agreement that the Fuel System shall be the sole and exclusive facility for the receipt, storage and distribution of Fuel in connection with the operation of aircraft by Air Carriers at the Airport and agree that SEATAC Fuel may establish standards, practices and fees for access to and for the operation and maintenance of the Fuel System. SEATAC Fuel is required to allow any Person who is not a Contracting Airline or an Associate Airline to use the Fuel System to store Fuel, provided that such Person enters into and abides by a Non-Contracting User Agreement. Into-Plane Agents (including Contracting Airlines that perform into-plane fueling services) are required to sign and to comply with the terms of a Fuel System Access Agreement and to obtain all necessary approvals and permits from the Port to perform into-plane fueling services for Users at the Airport. The Fuel System Access Agreements and the Non-Contracting User Agreements may be cancelled by SEATAC Fuel or by the other party upon 30 days’ notice.

Currently, Fuel is purchased by Contracting Airlines and Non-Contracting Users from various Suppliers and delivered to the Airport by Olympic through the Olympic pipeline system. SEATAC Fuel is not permitted to own Fuel in the Fuel System or rights thereto for purposes of sale or resale. Fuel provided to Users, including by Into-Plane Agents to Itinerant Users, must be owned by a Contracting Airline or by a Non-Contracting User. Except as provided in the Interline Agreement or as otherwise approved by the Fuel Committee, all Fuel delivered to the Fuel System is to be commingled by type, and each User is entitled to withdraw Fuel up to the amount that it or its Supplier has stored in the Fuel System at that time. Users must have on hand in the Fuel System or purchase from another User or Supplier sufficient Fuel to cover each of their withdrawals from the Fuel System, and SEATAC Fuel may establish minimum or maximum amounts of Fuel storage for each User.
Estimated Total Facilities Charges. Based on historical performance, SEATAC Fuel expects that debt service on the 2013 Bonds will remain the largest component of the Total Facilities Charges. Total operating expenses in 2012 were approximately $12.7 million or an average of 2.97 cents per gallon, based upon the 2012 actual volume of 427.1 million gallons of Fuel and without taking into account the impact of higher per-gallon charges payable by other Users or the 90/10 allocation among Contracting Airlines described below. Debt service on the 2003 Bonds in 2012 was an average of 1.87 cents per gallon.

Payments by Contracting Airlines. The Interline Agreement requires the Contracting Airlines to pay a Net Facilities Charge for each month. As defined in the Interline Agreement, “Net Facilities Charge” for any month will be the Total Facilities Charge for that month reduced by the sum of: (a) all costs and fees payable by Non-Contracting Users and Itinerant Users in any month for the use of the Fuel System, to the extent that such costs and fees are collected by the Company during that month; (b) proceeds from the sale or disposition of Fuel System Capital Assets and insurance or condemnation proceeds therefrom to the extent received by the Company during that month; (c) Withdrawal Payments to the extent collected by the Company during that month; and (d) delinquent bill interest funds to the extent collected by the Company during that month, other than in connection with aircraft fueling and related facilities necessary for the receipt, storage or delivery of Fuel that are used by fewer than all of the Contracting Airlines (collectively, “Special Facilities”).

“Total Facilities Charge” means the sum of all charges, fees, costs and expenses incurred in relation to the acquisition, development, financing, refinancing, maintenance, operation, improvement, renewal, replacement and management of the Fuel System (excluding the Gasoline Facility, if any), including the Total Operating Costs and the Monthly Rental Fee. See “SUMMARY OF THE INTERLINE AGREEMENT–Gasoline Facility” and “—Definitions” in Appendix E. The Total Facilities Charge does not include costs that are determined by SEATAC Fuel to be related solely to Special Facilities. Costs related solely to Special Facilities are to be charged to and paid only by the Contracting Airlines or other users of the Special Facilities. Currently, there are no Special Facilities.

“Total Operating Costs” includes all of the Fuel System Operator’s Operating Costs under the Fuel System Operating Agreement or otherwise determined by the Fuel Committee, and the “Monthly Rental Fee” includes the total of all payments required to be paid by the Contracting Airlines with respect to the Monthly Rental. As defined in the Interline Agreement, the “Monthly Rental” means the total of all amounts required to be paid by SEATAC Fuel (i) as rent to the Port under the Lease, (ii) to discharge any capital costs approved and designated as capital costs by the Fuel Committee (“Capital Costs”) for the Fuel System and (iii) any similar or related regular periodic charge incurred for the construction, acquisition or use of the Fuel System that is not part of the Total Operating Costs as defined in the Fuel System Operating Agreement.

Ninety percent of the Net Facilities Charge for each month is to be allocated and paid by each Contracting Airline pro rata based upon the proportion that each Contracting Airline’s Gallonage for that month bears to the total Gallonage for that month, and 10 percent of the Net Facilities Charge for each month is to be shared equally by all Contracting Airlines. See “SUMMARY OF THE INTERLINE AGREEMENT–Fees and Charges” in Appendix E. Non-recurring expenditures or obligations of SEATAC Fuel that are not part of the normal and regular ongoing expense of leasing and operating the Fuel System (“Extraordinary Costs”) may be allocated and payable as part of the Net Facilities Charge or may be allocated and payable on a different basis at the discretion of SEATAC Fuel with the approval of the Fuel Committee.

Estimated Net Facilities Charges for each month (a “Service Month”) are to be billed monthly in advance and are to be paid to SEATAC Fuel prior to the applicable Service Month. See “—Operation of the Fuel System–The Fuel System Operating Agreement–Services” below and “SUMMARY OF THE INTERLINE AGREEMENT–Invoicing” in Appendix E.

Payments Following a Contracting Airline Default. In the event of the failure by any Contracting Airline to pay its share of the Total Facilities Charge that is not satisfied by such Contracting Airline’s advance payment or by its Reserve Account as described below, each non-defaulting Contracting Airline must pay within 10 days after a demand or invoice from SEATAC Fuel or the Fuel System Operator, its pro rata share of the amount in default. See “SUMMARY OF THE INTERLINE AGREEMENT–Payments” in Appendix E. SEATAC Fuel reports that it has never had to invoke this provision.

Payments During Fuel System Shutdowns. The Interline Agreement provides that in the event no Fuel has been delivered through the Fuel System to any Contracting Airline for a period of 30 consecutive days, the Net Facilities
Charge is to be allocated among the Contracting Airlines on the basis of average Monthly Gallonage for the preceding 12 months ending immediately prior to the cessation of such deliveries (or, if shorter, for the period that the Contracting Airline has been a User of the Fuel System).

**Reserve Accounts.** To secure the payment by the Contracting Airlines of the amounts due each month under the Interline Agreement, each Contracting Airline is required to maintain a deposit with SEATAC Fuel in an amount equal to twice such Contracting Airline’s average monthly share, including the monthly share of any Associate Airline, of the Total Facilities Charge for the previous twelve months (the “Monthly Share”). The reserve funds will be commingled in SEATAC Fuel’s operating account and invested as determined by SEATAC Fuel. A Contracting Airline must replenish its reserve funds if and to the extent such Contracting Airline’s reserve funds are used by SEATAC Fuel to cover any default by that Contracting Airline of its payment obligations under the Interline Agreement. See “SUMMARY OF THE INTERLINE AGREEMENT–Reserve Accounts” in Appendix E. SEATAC Fuel reports that there have been no material delays in payments by Contracting Airlines that have impacted SEATAC Fuel’s ability to make payments and that reserve funds and advance payments have been sufficient to cover any delayed payments to date.

**Payments by Users other than Contracting Airlines.** The Interline Agreement permits SEATAC Fuel to charge different rates and fees to each category of User of the Fuel System. For Fuel transported through the Fuel System under the ownership of a Non-Contracting User (other than Fuel ultimately delivered to a Contracting Airline at the Airport), SEATAC Fuel is to charge a System Use Charge and, in the case of Fuel stored in the Fuel System for more than 30 days, a monthly Storage Fee. System Use Charges and Storage Fees (including those attributable to Fuel owned by Non-Contracting Users and delivered by Into-Plane Agents to Itinerant Users) are to be billed and collected by the Fuel System Operator from the Non-Contracting User that owns the Fuel. See “Operation of the Fuel System—The Fuel System Operating Agreement–Services” and “SUMMARY OF THE INTERLINE AGREEMENT–Fuel System Operator” in Appendix E.

The Lease provides that the System Use Charge for a Gallon of Fuel shall not, on a per-Gallon basis, be more than 150 percent of the highest charge, on a per-Gallon basis, payable by a Contracting Airline for the same period. See “SUMMARY OF THE LEASE–Representations, Covenants and Warranties of Lessee” in Appendix F.

**Withdrawal and Termination**

Contracting Airlines may withdraw from the Interline Agreement and terminate their memberships in SEATAC Fuel upon compliance with the conditions of the Interline Agreement and the LLC Agreement. The Interline Agreement requires, among other conditions, that a Withdrawing Contracting Airline pay to SEATAC Fuel a lump sum payment (the “Withdrawal Payment”) equal to the aggregate of the amounts billed to the Withdrawing Contracting Airline as its share of 10 percent of Net Facilities Charges during the 12 months preceding the month in which the Withdrawing Contracting Airline gave notice of withdrawal. The Withdrawing Contracting Airline remains liable for its share of all liabilities accruing up to and including the Withdrawal Date. The Interline Agreement provides that in the event all Contracting Airlines have withdrawn, each Person that had been a Contracting Airline during the 5-year period preceding such withdrawal will be liable for obligations of SEATAC Fuel incurred prior to withdrawal of all Contracting Airlines, to the extent that such person’s aggregate Gallonage during such 5-year period bears to the total of all of such persons’ aggregate Gallonage during such 5-year period. See “SUMMARY OF THE INTERLINE AGREEMENT–Withdrawal” in Appendix E.

The Interline Agreement provides that no Contracting Airline may withdraw during any period of time when the Fuel System is shut down or inoperative for any reason or if a default exists, or by reason of such withdrawal would exist, under the Lease, any trust indenture or any documents utilized in connection with financing any improvements to the Fuel System.

**Defaults and Remedies**

The Interline Agreement specifies a number of “Events of Default” under the Interline Agreement in respect of a Contracting Airline, including the failure of a Contracting Airline to pay any amount properly due as a Net Facilities Charge or otherwise under the Interline Agreement; the failure to pay any sum as it becomes properly due and payable under any other agreement related to the Fuel System; a failure by a Contracting Airline to perform any other covenant, agreement obligation, term or condition contained in the Interline Agreement; the determination that any statement or representation by a Contracting Airline was not true and certain events related to bankruptcy, reorganization and insolvency proceedings. See “SUMMARY OF THE INTERLINE AGREEMENT–Events of Default and Termination” in Appendix E for a list of Events of Default under the Interline Agreement. If an Event
of Default occurs, and in the case of certain non-payment defaults, if the Event of Default is not cured within 10 days after notice from SEATAC Fuel, the Contracting Airline in default is to be billed retroactively as a Non-Contracting User from the date of the Event of Default until one month after the Event of Default is cured. SEATAC Fuel may also terminate the membership of the Contracting Airline in default, terminate fueling service to the Contracting Airline through the Fuel System and pursue any and all other legal or equitable remedies available to SEATAC Fuel or the Fuel System Operator.

Amendments and Approvals

The Interline Agreement provides that it may be amended or terminated by a writing signed by SEATAC Fuel and by a Super Majority—In-Interest of Contracting Airlines. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Amendments, Consents Defaults and Remedies” and “SUMMARY OF THE LEASE—Representations, Covenants and Warranties of the Lessee—Interline Agreement and LLC Agreement” in Appendix F for a description of the circumstances under which the Interline Agreement may be amended without the consent of the Port and the Trustee.

Operation of the Fuel System

The Fuel System Operator

Swissport Fueling, Inc., the Fuel System Operator, is a subsidiary of Swissport International Ltd. (“Swissport International”). The Fuel System Operator provides fueling services at 17 U.S. airports, including the Airport, Boston Logan International Airport and Oakland International Airport. The Fuel System Operator has been operating the Fuel System since October 1, 2002. The Fuel System Operator is a privately-held company and does not publish financial statements or operating reports.

The Fuel System Operating Agreement


The Fuel System Operating Agreement requires the Fuel System Operator to provide all labor, materials, supplies, equipment and tools to maintain and operate the Fuel System and to perform the management and administrative services as required under the Fuel System Operating Agreement, the Interline Agreement and the Lease, on a cost-reimbursable basis. By its terms, the Fuel System Operating Agreement is subject to all of the terms and conditions of the Lease, the LLC Agreement, the Interline Agreement and the Connection Agreement (collectively, the “Superior Agreements”).

Services. Services to be provided by the Fuel System Operator include maintaining, repairing, replacing, inspecting and modifying the Fuel System, including all present and future improvements and additions and keeping all of the Fuel System in good, safe and efficient operating condition and repair and in compliance with the obligations of SEATAC Fuel under the Superior Agreements, any Subsequent Agreement, all applicable Laws and all directives and applicable rules reasonably established by SEATAC Fuel. The Fuel System Operator is also required to maintain on a current basis complete and accurate books and records, to make reports to SEATAC Fuel of dispensals of Fuel from the Fuel System, expenses of the Fuel System and revenue generated therefrom and allocation of revenue and expenses and to provide SEATAC Fuel, each Contracting Airline and each Non-Contracting User with a report of the total amount of all Fuel dispensed from the Fuel System in gross Gallons by the third business day of each calendar month.

The Fuel System Operator is required to invoice and collect charges from Contracting Airlines and Non-Contracting Users and other Persons in accordance with the Interline Agreement and the Fuel System Lease and to process accounts and notes payable, including Monthly Rental, leases, construction progress payments, taxes, management fees, rental payments, debt service payments, professional fees, customs broker fees and other miscellaneous payments. Other duties of the Fuel System Operator include coordinating insurance requirements as required by SEATAC Fuel and assuring that required insurance of Users is current and in compliance with the respective agreements; maintaining a separate bank account in the name of SEATAC Fuel to pay certain expenses of SEATAC Fuel; administering and enforcing the various agreements entered into from time to time by SEATAC Fuel and/or the Fuel System Operator with third parties; assuring that performance and operation is in accordance with such agreements; and prior to October 31st of each calendar year submitting to SEATAC Fuel for its approval the Fuel
System Operator’s proposed budget and staffing plan of the Fuel System. See SUMMARY OF THE MAINTENANCE, OPERATION AND MANAGEMENT SERVICES AGREEMENT – Services” in Appendix F.

Fees and Charges. The Fuel System Operating Agreement requires SEATAC Fuel to pay to the Fuel System Operator total operating costs, consisting of a Management Fee, Reimbursable Direct Costs and Reimbursable Indirect Costs and such other costs as SEATAC Fuel may approve in writing from time to time. See SUMMARY OF THE MAINTENANCE, OPERATION AND MANAGEMENT SERVICES AGREEMENT–Fees and Charges” in Appendix F.

Standards of Operation. The Fuel System is operated in compliance with ATA Specification 103, which is the standard for jet fuel quality control, including storage and distribution, at airports. The Fuel System Operating Agreement requires that the Fuel System Operator perform its services and operate the Fuel System 24 hours per day, 7 days per week. The Fuel System Operator covenants that it will furnish services to SEATAC Fuel and other Users in accordance with all applicable Laws, that it will not favor any Contracting Airline over any other Contracting Airline, that it will operate the Fuel System in an efficient, prudent and economical manner, that it will in good faith act to keep the Total Facilities Charge to a minimum consistent with the level and type of service desired by SEATAC Fuel, and that it will comply with all reasonable directions, rules and procedures prescribed by the Port pursuant to the Fuel System Lease and all applicable Laws.

The Fuel System Operator is required to invoice each Contracting Airline in accordance with the LLC Agreement and the Interline Agreement for such Contracting Airline’s share of the Total Facilities Charge for each month and all other amounts due from each Contracting Airline, including all out-of-pocket expenses (including reasonable attorneys’ fees) incurred by Fuel System Operator in collecting or attempting to collect delinquent accounts from such Contracting Airline and provides that any failure by the Fuel System Operator to render an invoice will not affect the Contracting Airline’s obligations to pay such amounts. In addition, the Fuel System Operator is required to invoice each Non-Contracting User as provided in the Non-Contracting User Agreements or otherwise in accordance with the direction of SEATAC Fuel.

Fuel System Capital Assets. The Fuel System Operating Agreement requires the Fuel System Operator to acquire facilities and equipment (“Fuel System Capital Assets”) upon the written direction from SEATAC Fuel. Such Fuel System Capital Assets are to remain the property of the Fuel System Operator so long as the Fuel System Operating Agreement is in force and effect. The Fuel System Operator may purchase, lease or finance such Fuel System Capital Assets. Any purchase, lease, financing, sale or disposal of Fuel System Capital Assets involving aggregate payments of up to $50,000 must be approved in advance by the Chairman of the Fuel Committee, and any purchase, lease, financing, sale or disposal of Fuel System Capital Assets involving aggregate payments in excess of $50,000 must be approved by the Fuel Committee. Pursuant to the Fuel System Operating Agreement, the Fuel System Operator grants to SEATAC Fuel a security interest in each and every Fuel System Capital Asset. Upon the expiration or termination of the Fuel System Operating Agreement, SEATAC Fuel is required to purchase from the Fuel System Operator all of the Fuel System Operator’s interest in Fuel System Capital Assets at a purchase price in cash equal to the Fuel System Operator’s then unamortized investment in the Fuel System Capital Assets and free and clear of any and all liens. To date, SEATAC Fuel has not directed the Fuel System Operator to acquire any Fuel System Capital Assets.

Indemnification. The Fuel System Operator covenants to indemnify, defend and hold harmless SEATAC Fuel, each Contracting Airline, any trustee or bond insurer (in connection with any financing), and the Port, together with all of their respective officers, directors, members, employees, agents, successors and assigns (the “Company Indemnities”) from and against all claims, liabilities, damages, losses, judgments, expenses (including reasonable attorneys’ fees and expenses), penalties and fines by reason of any breach of the Fuel System Operating Agreement by the Fuel System Operator or by reason of any loss of, or damage to property, or injury to or death of any person to the extent arising out of any negligent acts or omissions or willful misconduct of the Fuel System Operator, its officers, directors, employees, contractors, agents and invitees, or any of them, in connection with the performance of the Fuel System Operating Agreement. The Fuel System Operator also covenants to indemnify the Company Indemnities against any and all fines, penalties, and settlements from actions against the Indemnitees for violations of FAA or other applicable federal, state, municipal, local or other governmental regulations or statutes caused by Fuel System Operator’s act or omission, and reasonable attorneys’ fees and court costs.

Insurance. The Fuel System Operating Agreement requires that the Fuel System Operator ensure, unless otherwise specified by SEATAC Fuel, that the Fuel System and all improvements, Special Facilities and Fuel System Capital Assets are insured by and through the Fuel System Operator and its insurers at all times during the term of the Fuel System Operating Agreement in accordance with all of the requirements of the Lease and any financing agreements.
At the written request of SEATAC Fuel, the Fuel System Operator may be required under the Fuel System Operating Agreement to obtain other forms of insurance coverage against any and all hazards in addition to those specified in the Fuel System Operating Agreement or in limits higher than those set forth in the Fuel System Operating Agreement. The cost of any such additional insurance is to be included in the Total Operating Cost.

**Casualty Events.** In the event of the damage, destruction or loss of any portion of the Fuel System, the Fuel System Operator is required under the Fuel System Operating Agreement to repair or replace such portion with due diligence, unless otherwise directed by SEATAC Fuel, to the extent of insurance proceeds made available to the Fuel System Operator. The Fuel System Operator is not obligated to expend more than the amount available to it for such repair or replacement from proceeds of insurance plus the amount available from SEATAC Fuel. In the event the damage, destruction or loss of any Fuel System Capital Asset or any portion of the Fuel System is caused by the negligence or willful misconduct of the Fuel System Operator, its officers, directors, employees or agents, the Fuel System Operator is required to bear full financial responsibility for any uninsured losses or applicable policy deductibles.

**Excusable Delay.** The Fuel System Operating Agreement excuses the Fuel System Operator from liability for any impairment or interruption of service (other than the obligation to ensure that payments of rent under the Lease and in connection with any financing agreement are timely made) due to causes beyond its reasonable control and without the Fuel System Operator’s fault or negligence. Such causes include severe weather, fire, earthquake, explosions, epidemics, quarantine restrictions, flood, windstorm, power shortages, accidents, war (whether declared or undeclared), warlike operations, insurrections, acts of public enemies, civil commotions, riots, rebellions, embargoes, transportation delays, materials controls, third party strikes and work stoppages, court orders, regulations, rulings or acts of any governmental agency now existing or hereafter in effect (not arising from a breach of the Fuel System Operator’s obligations under the Fuel System Operating Agreement) and acts of God. Nevertheless, in the event of any impairment or interruption of service resulting from such cause or causes, the Fuel System Operator is required to use its best efforts to eliminate such impairment or interruption as soon as possible and in the interim to provide such services as may practicably be performed by the Fuel System Operator.

**Termination.** SEATAC Fuel may terminate the Fuel System Operating Agreement (a) upon the Fuel System Operator’s default, (b) upon the occurrence of certain events relating to the bankruptcy or insolvency of the Fuel System Operator, or (c) for convenience, upon 120 days’ notice. The Fuel System Operator may terminate the Fuel System Operating Agreement upon SEATAC Fuel’s default, subject to the terms of the Fuel System Lease. The Fuel System Operating Agreement automatically terminates upon, and simultaneously with, the termination of the Fuel System Lease.

**THE AIRPORT**

**General**

The Airport is owned and operated by the Port. The Airport is located approximately 12 miles south of downtown Seattle. Currently, the Airport has facilities for commercial passengers, air cargo, general aviation and maintenance on a site of approximately 2,800 acres. Airport facilities include the Main Terminal, the South and North Satellites, accessed by passengers via an underground train, a parking garage, and a consolidated rental car facility. The Airport has three runways that are 11,900 feet, 9,425 feet and 8,500 feet in length.

The Airport is relatively isolated from other comparable airport facilities. Comparable airports in the region that currently provide commercial passenger and cargo service include: Portland International Airport in Oregon, approximately 160 miles to the south of the Airport, and Vancouver International Airport in British Columbia, approximately 155 miles to the north of the Airport. In addition, the Spokane International Airport in eastern Washington, approximately 270 miles to the east of the Airport, provides domestic and international passenger service. There are several smaller regional airports in the Seattle region that offer cargo services, commercial passenger service and general aviation services. Some of these regional airports may be able to add or expand commercial passenger service in the future. For example, Alaska has provided a schedule to the Federal Aviation Administration to add Paine Field in Everett, Washington, approximately 37 miles from the Airport, as an authorized airport for the carrier's operations. The schedule proposed up to 28 flights a week, which would not materially impact the Airport’s operations.
In 2012, the Airport was the 15th busiest airport nationwide in terms of the number of total passengers according to preliminary statistics published by the Airports Council International-North America. The Airport served approximately 33.2 million total passengers (embarking and disembarking) in 2012.

**Passenger Air Traffic**

**Passenger Enplanements.** The Airport served approximately 16.6 million enplaned (embarked) passengers in 2012. Approximately 1.6 million (9.7 percent) of enplaned passengers were on non-stop flights to international destinations in 2012.

The following table illustrates the changes in domestic and international enplanements at the Airport from 2003 through 2012.

**TABLE 3**

Seattle-Tacoma International Airport
Historical Enplaned Passengers
2003 – 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Percentage Increase/ (Decrease)</th>
<th>International</th>
<th>Percentage Increase/ (Decrease)</th>
<th>Total Enplaned Passengers</th>
<th>Percentage Increase/ (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>12,250,155</td>
<td>- -</td>
<td>1,105,512</td>
<td>- -</td>
<td>13,355,667</td>
<td>- -</td>
</tr>
<tr>
<td>2004</td>
<td>13,153,619</td>
<td>7.4%</td>
<td>1,210,623</td>
<td>9.5%</td>
<td>14,364,242</td>
<td>7.6%</td>
</tr>
<tr>
<td>2005</td>
<td>13,407,973</td>
<td>1.9</td>
<td>1,224,164</td>
<td>1.1</td>
<td>14,632,137</td>
<td>1.9</td>
</tr>
<tr>
<td>2006</td>
<td>13,764,088</td>
<td>2.7</td>
<td>1,226,559</td>
<td>0.2</td>
<td>14,990,647</td>
<td>2.5</td>
</tr>
<tr>
<td>2007</td>
<td>14,313,379</td>
<td>4.0</td>
<td>1,347,856</td>
<td>9.9</td>
<td>15,661,235</td>
<td>4.5</td>
</tr>
<tr>
<td>2008</td>
<td>14,647,483</td>
<td>2.3</td>
<td>1,437,456</td>
<td>6.6</td>
<td>16,084,939</td>
<td>2.7</td>
</tr>
<tr>
<td>2009</td>
<td>14,296,186</td>
<td>(2.4)</td>
<td>1,314,012</td>
<td>(8.6)</td>
<td>15,610,198</td>
<td>(3.0)</td>
</tr>
<tr>
<td>2010</td>
<td>14,363,581</td>
<td>0.5</td>
<td>1,409,767</td>
<td>7.3</td>
<td>15,773,348</td>
<td>1.0</td>
</tr>
<tr>
<td>2011</td>
<td>14,913,831</td>
<td>3.8</td>
<td>1,483,657</td>
<td>5.2</td>
<td>16,397,488</td>
<td>4.0</td>
</tr>
<tr>
<td>2012</td>
<td>14,982,946</td>
<td>0.5</td>
<td>1,614,378</td>
<td>8.8</td>
<td>16,597,324</td>
<td>1.2</td>
</tr>
</tbody>
</table>

2003-2012 2.4% (1)

(1) Compound annual growth rate.

*Source:* Port of Seattle.

**O&D Passenger Traffic.** Consultants often refer to the Airport as an “origin and destination” airport because it primarily serves passengers beginning or ending their trips at the Airport, as opposed to passengers connecting through Seattle to other cities. The Airport’s predominately O&D nature means that activity levels at the Airport are closely linked to the underlying economic strength of the geographic area served by the Airport. See Appendix B – DEMOGRAPHIC AND ECONOMIC INFORMATION.
In 2011 (the last year for which O&D data is available), the estimated percentage of O&D passenger traffic at the Airport was 72.7 percent, based upon 2011 O&D data from the U.S. Department of Transportation’s database, adjusted by the Port to include foreign carriers. Between 2002 and 2011, the Airport’s estimated percentage of O&D passenger traffic has ranged between 72.7 percent (2011) and 76.6 percent (2005), as shown in Table 4.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Airport O&amp;D Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>75.8</td>
</tr>
<tr>
<td>2003</td>
<td>74.8</td>
</tr>
<tr>
<td>2004</td>
<td>74.4</td>
</tr>
<tr>
<td>2005</td>
<td>76.6</td>
</tr>
<tr>
<td>2006</td>
<td>76.2</td>
</tr>
<tr>
<td>2007</td>
<td>75.5</td>
</tr>
<tr>
<td>2008</td>
<td>74.6</td>
</tr>
<tr>
<td>2009</td>
<td>73.5</td>
</tr>
<tr>
<td>2010</td>
<td>73.8</td>
</tr>
<tr>
<td>2011</td>
<td>72.7</td>
</tr>
</tbody>
</table>

Source: O&D data from the U.S. Department of Transportation’s database, adjusted by the Port to include foreign carriers.
Domestic O&D traffic at the Airport primarily has been to and from medium- and long-haul markets (cities at least 500 miles from Seattle). As shown in the following table, the Airport’s top 27 domestic O&D markets in 2011 together represented more than 71% of enplaned passengers, and all but three were medium- or long-haul markets.

**TABLE 5**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Market of Origin or Destination (1)</th>
<th>Approximate Air miles from Seattle</th>
<th>Share of market, based on enplaned passengers (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Los Angeles, CA</td>
<td>954</td>
<td>11.5%</td>
</tr>
<tr>
<td>2</td>
<td>San Francisco, CA</td>
<td>679</td>
<td>9.7</td>
</tr>
<tr>
<td>3</td>
<td>Las Vegas, NV</td>
<td>867</td>
<td>4.2</td>
</tr>
<tr>
<td>4</td>
<td>New York, NY</td>
<td>2,402</td>
<td>4.0</td>
</tr>
<tr>
<td>5</td>
<td>Phoenix, AZ</td>
<td>1,107</td>
<td>3.7</td>
</tr>
<tr>
<td>6</td>
<td>Denver, CO</td>
<td>1,024</td>
<td>3.2</td>
</tr>
<tr>
<td>7</td>
<td>San Diego, CA</td>
<td>1,050</td>
<td>3.1</td>
</tr>
<tr>
<td>8</td>
<td>Chicago, IL</td>
<td>1,721</td>
<td>3.0</td>
</tr>
<tr>
<td>9</td>
<td>Dallas, TX</td>
<td>1,660</td>
<td>2.2</td>
</tr>
<tr>
<td>10</td>
<td>Washington, DC</td>
<td>2,306</td>
<td>2.1</td>
</tr>
<tr>
<td>11</td>
<td>Spokane, WA</td>
<td>224</td>
<td>2.0</td>
</tr>
<tr>
<td>12</td>
<td>Sacramento, CA</td>
<td>618</td>
<td>1.9</td>
</tr>
<tr>
<td>13</td>
<td>Salt Lake City, UT</td>
<td>689</td>
<td>1.8</td>
</tr>
<tr>
<td>14</td>
<td>Atlanta, GA</td>
<td>2,182</td>
<td>1.8</td>
</tr>
<tr>
<td>15</td>
<td>Honolulu, HI</td>
<td>2,677</td>
<td>1.8</td>
</tr>
<tr>
<td>16</td>
<td>Minneapolis/St. Paul, MN</td>
<td>1,399</td>
<td>1.8</td>
</tr>
<tr>
<td>17</td>
<td>Boston, MA</td>
<td>2,496</td>
<td>1.8</td>
</tr>
<tr>
<td>18</td>
<td>Houston, TX</td>
<td>1,874</td>
<td>1.5</td>
</tr>
<tr>
<td>19</td>
<td>Anchorage, AK</td>
<td>1,448</td>
<td>1.4</td>
</tr>
<tr>
<td>20</td>
<td>Orlando, FL</td>
<td>2,554</td>
<td>1.4</td>
</tr>
<tr>
<td>21</td>
<td>Kahului, HI</td>
<td>2,640</td>
<td>1.3</td>
</tr>
<tr>
<td>22</td>
<td>Boise, ID</td>
<td>399</td>
<td>1.3</td>
</tr>
<tr>
<td>23</td>
<td>South Florida</td>
<td>2,724</td>
<td>1.3</td>
</tr>
<tr>
<td>24</td>
<td>Baltimore, MD</td>
<td>2,335</td>
<td>1.1</td>
</tr>
<tr>
<td>25</td>
<td>Philadelphia, PA</td>
<td>2,378</td>
<td>1.0</td>
</tr>
<tr>
<td>26</td>
<td>Portland, OR</td>
<td>129</td>
<td>1.0</td>
</tr>
<tr>
<td>27</td>
<td>Detroit, MI</td>
<td>1,927</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Subtotal    71.5
All other cities 28.0
Total 100.0%

Note: Totals may not add due to rounding.
(1) Each market includes the major airports within the market.
(2) Compiled by the Port from U.S. Department of Transportation Statistics, T-100 Domestic Market Schedule T2.
Source: Port of Seattle.

**Passenger Airline Diversity.** Passenger enplanements at the Airport are spread over a relatively diverse air carrier base, with Alaska accounting for the largest share of enplaned passengers (36.5 percent) at the Airport in 2012. Alaska and its affiliate, Horizon operate a regional hub that serves passengers connecting to and from regional destinations and together accounted for 50.6 percent of enplaned passengers at the Airport in 2012. Alaska and Horizon are separately certificated airlines both owned by the Alaska Air Group. Four other airlines combined accounted for an additional 35.0 percent of enplanements during this same period.
The following table illustrates the market shares in 2012 of the passenger airlines with a one percent or greater share of enplaned passengers at the Airport. The far right column in this table shows, for comparison purposes the respective shares, by airline, in 2002.

### TABLE 6

**Seattle-Tacoma International Airport**

**Airlines Ranked by Enplaned Passenger Traffic**

<table>
<thead>
<tr>
<th>Airline</th>
<th>2012 Enplanements</th>
<th>2012 Share</th>
<th>2002 Enplanements</th>
<th>2002 Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Airlines (1)</td>
<td>36.5%</td>
<td></td>
<td>30.9%</td>
<td></td>
</tr>
<tr>
<td>Horizon Airlines</td>
<td>14.1</td>
<td>12.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Alaska Air Group subtotal</strong></td>
<td></td>
<td>50.6%</td>
<td>43.7%</td>
<td></td>
</tr>
<tr>
<td>Delta Air Lines (2)</td>
<td>11.5%</td>
<td>6.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Airlines (3)</td>
<td>10.7</td>
<td>16.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwest Airlines</td>
<td>8.5</td>
<td>8.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Airlines (4)</td>
<td>4.3</td>
<td>6.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Airways (6)</td>
<td>3.0</td>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virgin America</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frontier Airlines</td>
<td>1.6</td>
<td>0.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JetBlue Airways</td>
<td>1.6</td>
<td>0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hawaiian Airlines</td>
<td>1.1</td>
<td>1.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northwest Airlines (5)</td>
<td>-</td>
<td>8.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>America West Airlines (6)</td>
<td>-</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others (7)</td>
<td>5.1</td>
<td>4.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Airport Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals may not add due to rounding.

(1) Includes flights operated by SkyWest.

(2) Includes Delta connections (operated by SkyWest, ExpressJet and Mesaba Airlines).

(3) Includes United Express (operated by SkyWest) and Continental Airlines. United and Continental Airlines merged in October 2010.

(4) AMR, parent company of American Airlines, declared bankruptcy on November 29, 2011. In February 2013, AMR Corporation and US Airways Group Inc. announced that they plan to merge.

(5) Subsequently merged with Delta Air Lines.

(6) America West Airlines subsequently merged with US Airways.

(7) Includes all airlines with less than one percent market share each in 2012.

Source: Port of Seattle.
Air Cargo Traffic

In addition to passenger traffic, the Airport also provides cargo services including cargo carried by passenger airlines and all-cargo carriers. The following table sets forth total cargo tonnage (including mail) for 2003-2012.

**TABLE 7**
Seattle-Tacoma International Airport
Total Cargo
2003 – 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (metric tons)</th>
<th>Percentage increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>351,418</td>
<td>- -</td>
</tr>
<tr>
<td>2004</td>
<td>347,517</td>
<td>(1.1)%</td>
</tr>
<tr>
<td>2005</td>
<td>338,591</td>
<td>(2.6)</td>
</tr>
<tr>
<td>2006</td>
<td>341,952</td>
<td>1.0</td>
</tr>
<tr>
<td>2007</td>
<td>319,013</td>
<td>(6.7)</td>
</tr>
<tr>
<td>2008</td>
<td>290,205</td>
<td>(9.0)</td>
</tr>
<tr>
<td>2009</td>
<td>269,337</td>
<td>(7.2)</td>
</tr>
<tr>
<td>2010</td>
<td>283,425</td>
<td>5.2</td>
</tr>
<tr>
<td>2011</td>
<td>279,625</td>
<td>(1.3)</td>
</tr>
<tr>
<td>2012</td>
<td>283,500</td>
<td>1.4</td>
</tr>
</tbody>
</table>

**2003-2012** 
(2.4)% (1)

(1) Compound annual growth rate.
Source: Port of Seattle.

Landed Weight

Air traffic at the Airport can also be measured in terms of landed weight. The following table lists landed weights for passenger and all-cargo aircraft at the Airport for 2003 through 2012.

**TABLE 8**
Seattle-Tacoma International Airport
Historical Total Landed Weight
2003 – 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Landed Weight (Thousands of 1,000-lb units)</th>
<th>Percentage Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>20,790,251</td>
<td>- -</td>
</tr>
<tr>
<td>2004</td>
<td>20,890,515</td>
<td>0.5%</td>
</tr>
<tr>
<td>2005</td>
<td>20,185,883</td>
<td>(3.4)</td>
</tr>
<tr>
<td>2006</td>
<td>20,359,315</td>
<td>0.9</td>
</tr>
<tr>
<td>2007</td>
<td>21,011,874</td>
<td>3.2</td>
</tr>
<tr>
<td>2008</td>
<td>21,518,561</td>
<td>2.4</td>
</tr>
<tr>
<td>2009</td>
<td>20,387,826</td>
<td>(5.3)</td>
</tr>
<tr>
<td>2010</td>
<td>19,786,228</td>
<td>(3.0)</td>
</tr>
<tr>
<td>2011</td>
<td>20,122,523</td>
<td>1.7</td>
</tr>
<tr>
<td>2012</td>
<td>19,897,462</td>
<td>(1.1)</td>
</tr>
</tbody>
</table>

**2003-2012** 
(0.5)% (1)

(1) Compound annual growth rate.
Source: Port of Seattle.
RISK FACTORS

The factors discussed below, among others, should be considered in evaluating the ability of SEATAC Fuel to provide for payments on the Bonds, for the operation and maintenance of the Fuel System and for the other obligations provided for in the Resolution, the Lease, the Guaranty, the Interline Agreement, the Security Agreement and the Fuel System Operating Agreement. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the 2013 Bonds and does not necessarily reflect the relative importance of the various risks. Potential purchasers of the 2013 Bonds are advised to consider the following factors, among others, and to review the other information in this Official Statement in evaluating the 2013 Bonds. Any one or more of the risks discussed, and others, could lead to substantial decreases in the market value and/or in the liquidity of the 2013 Bonds. There can be no assurance that other risk factors will not become material in the future.

Limited Obligation of the Port

The 2013 Bonds are limited obligations of the Port and are payable only from the Trust Estate. Except as provided in the Resolution, the Port is not obligated under any circumstances to make any payments to the Trustee from sources other than the Trust Estate and is not guaranteeing the payment of the principal of and premium, if any, and interest on the 2013 Bonds. Under the Lease and the Resolution, the Port is not required to operate or maintain the Fuel System or to repair or replace any portion of the Fuel System.

Demand for Fuel at the Airport

The ability of SEATAC Fuel to generate revenues sufficient to pay Facilities Rent is based on Air Carriers’ willingness to purchase Fuel at the Airport. Demand for Fuel is dependent on several factors including:

- Demand for air travel
  - The aviation industry is sensitive to a variety of factors, including (i) the cost and availability of labor, fuel, aircraft and insurance, (ii) general economic conditions, (iii) international trade, (iv) currency values, (v) competitive considerations, including the effects of airline ticket pricing and increased taxes and fees, (vi) traffic and airport capacity constraints and the national aviation system capacity constraints, (vii) uncertainties of federal funding, governmental regulation, including security regulations and taxes imposed on airlines and passengers, and maintenance and environmental requirements, (viii) the cost and convenience of alternative modes of transportation, (ix) disruption caused by airline accidents, natural disasters, criminal incidents and acts of war or terrorism, and (x) uncertainties generally in the airline industry. The aviation industry is vulnerable to strikes and other union activities. Air Carriers may cease service at the Airport and withdraw from the Interline Agreement causing Net Facilities Charges to be allocated among the remaining Air Carriers.

- Cost of fueling at the Airport
  - The cost of fueling at the Airport includes the Net Facilities Charges paid by each Air Carrier. Ninety percent of the Net Facilities Charge is based on gallonage, and changes in Fuel demand at the Airport will change the per Gallon fee paid by Air Carriers. Given that refueling costs vary by airport, airline decisions regarding refueling at a given airport can affect Fuel demand at that airport (although not for the nation as a whole). An aircraft landing at a given airport may or may not need to refuel for its next flight (depending on route length, load, weather and other conditions). Where conditions allow, airlines may take on more fuel than required to avoid higher refueling costs at certain airports. This practice is known as “tankering,” which can influence fuel consumption and thus the cost per gallon. SEATAC Fuel considers tankering to have a modest effect.

Operational Risks

SEATAC Fuel was organized in January 2000 for the sole purpose of developing, financing and operating the Fuel System and has limited assets and no employees. All of SEATAC Fuel’s operating duties are delegated to the Fuel System Operator pursuant to the Fuel System Operating Agreement.

Efficient operation of the Fuel System depends in part upon the skill and safety with which the Fuel System is used and upon the efficiency with which charges and costs are budgeted, billed and collected by the Fuel System Operator. Operations, and thus SEATAC Fuel’s ability to continue to pay Rent, depends in part upon the Fuel System Operator’s ability to store and distribute Fuel using the Fuel System.
The Fuel System Operator depends upon the Fuel Committee and the Chairman of the Fuel Committee for certain actions and approvals, and no assurance can be given that the Fuel Committee, which includes representatives of competing Air Carriers, or the Chairman will be able to respond quickly and decisively to all requests, particularly to requests that could result in higher payments by the Contracting Airlines. SEATAC Fuel and the Fuel System Operator also depends upon the Port for certain approvals and to operate the Airport efficiently. The Port’s, SEATAC Fuel’s, the Fuel System Operator’s and the 2013 Bondowners’ interests and priorities differ.

Federal and Other Regulatory Risks

The Port has covenanted in the Resolution, the Port and SEATAC Fuel have agreed in the Lease and SEATAC Fuel and the Contracting Airlines have agreed in the Interline Agreement, that the Fuel System will be the sole facility for the receipt, storage and distribution of Fuel at the Airport. Federal law, however, contains restrictions on grants of exclusive rights to conduct an aeronautical activity at an airport that receives or has received federal grants or other property, and the Port has provided long-term assurances to the FAA that the Port will not give to anyone the exclusive right to use Airport facilities.

Although the Fuel System must be available to all users of the Airport and although the LLC Agreement and the Interline Agreement permit all Air Carriers to become Contracting Airlines and members of SEATAC Fuel, whether a court or the FAA would agree that such arrangements do not violate the federal prohibition against exclusive rights has not been established. Should the FAA or a court determine that the exclusivity provisions in the Lease and the Resolution violate federal law and the Port’s covenants to the FAA, the FAA would have, among other remedies, the authority to withhold future grant funds and, after certain procedural hearings and safeguards, to terminate the Port’s authority to impose and use passenger facility charges (“PFCs”) at the Airport. Although such remedies might not affect the Contracting Airlines’ obligation to make payments under the Interline Agreement or the availability of such funds to make payments on the Bonds, if the Port were required to permit other entities to operate competing Fuel storage and distribution systems at the Airport, the result would likely have a material adverse effect on the ability of SEATAC Fuel to collect fees and charges sufficient to pay Facilities Rent in an amount required to pay the principal of and premium, if any, and interest on the Bonds, including the 2013 Bonds.

The Port is also regulated by the federal Environmental Protection Agency and by the Washington Department of Ecology in connection with various safety and environmental matters, including among other things handling of aircraft fuels and lubricants, protecting wetlands and other natural habitats and disposing of stormwater and construction wastewater runoff. SEATAC Fuel has agreed in the Lease to comply with all Airport Rules and with all Laws of all federal, state and municipal governments, departments, commissions, boards and officers, foreseen and unforeseen (other than with respect to Pre-Existing Contamination). To date, no federal or state agency has asserted jurisdiction over rates set by SEATAC Fuel or over operation by SEATAC Fuel of the Fuel System, but no assurance can be given that in the future SEATAC Fuel will not be required to comply with additional laws and regulations, to obtain additional approvals, including approvals of its Total Facilities Charges or other charges to Users, or to acquire and comply with additional permits.

Events of Force Majeure; Limited Insurance Coverage and Obligation to Rebuild

Operation of the Fuel System and of the Airport is at risk from events of force majeure, such as earthquakes, damaging storms, winds and floods, tsunamis, fires and explosions, strikes and lockouts, sabotage, wars, riots, spills of hazardous substances, the effects of volcanic eruptions and terrorist attacks, among other events. Operations at the Airport and/or of the Fuel System may also be stopped or delayed from non-casualty events. Although the Lease provides that the Contracting Airlines’ obligations under the Interline Agreement will not abate following any of these events, including damage to the Fuel System or the Airport, closure of the Airport or unavailability of the Fuel System will likely cause substantial financial difficulties for the Contracting Airlines and SEATAC Fuel. Neither SEATAC Fuel nor the Fuel System Operator plans to maintain operating reserves to cover such an event. SEATAC Fuel has limited cash reserves and other assets, and it is possible that extra funds will not be immediately available to SEATAC Fuel in the event of such an emergency. See “SEATAC FUEL FACILITIES LLC—General.” No assurance can be given that SEATAC Fuel would have adequate funds to pay Facilities Rent when due, particularly if insurance proceeds are not available when needed.

Although SEATAC Fuel and the Fuel System Operator are required to provide insurance, including business interruption and contingent business interruption coverage, and although the Port insures the Airport generally against loss from a number of casualty events, the insurance policies required under the Lease and the Fuel System Operating Agreement do not cover damage and delay from all events that could interrupt operation of the Fuel System and/or the Airport, and may not be sufficient or be paid in sufficient time in all events to pay all of SEATAC
Fuel’s expenses, including debt service on the 2013 Bonds. Even though insurance coverage is required, there is no assurance that proceeds of insurance carried by SEATAC Fuel, the Fuel System Operator, or the Port would be sufficient, if available, to rebuild and reopen the Airport or the Fuel System or that the Airport or the Fuel System could be rebuilt and reopened in a timely manner following an event of force majeure.

As described above, should insurance proceeds (or proceeds of a condemnation award in the event the Airport or the Fuel System is condemned) and the proceeds of any Additional Bonds prove to be insufficient or unavailable to pay the costs of rebuilding the Fuel System (or the Airport), the Port has made certain agreements in the Resolution which may rebuild the Fuel System or provide for the payment of the Bonds. However, the Port’s obligation is limited, and there can be no assurance that the Port will be able to do so. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Port Covenants Following a Casualty Event or Condemnation.”

**Seismic Conditions.** The Airport is in an area of seismic activity, with frequent small earthquakes and occasionally moderate and larger earthquakes. Many Airport properties could become subject to liquefaction (the transformation of soil from a solid state to a liquid state) following a major earthquake or a landslide caused by an earthquake and to ongoing shaking and tsunamis that could follow a major earthquake. For example, on February 28, 2001, an earthquake with a magnitude 6.8 according to the U.S. Geologic Service National Earthquake Information Center damaged some Airport facilities. There is no assurance a major earthquake would not result in disruption to the Airport, including the delivery of Fuel, or require substantial new capital spending to replace or improve facilities.

**Limitations on Enforceability**

Upon a Lease Default Event under the Lease, the remedies available to the Port and the Trustee may be dependent upon judicial actions that may be subject to substantial discretion and delay. Some of these remedies may in fact turn out not to be enforceable at all. The rights of the owners of the 2013 Bonds and the enforceability of the Port’s obligations under the Resolution, the Lease and the other documents to which the Port is a party, and the enforceability of SEATAC Fuel’s and others’ obligations under the Lease, the Guaranty, the Security Agreement, the Interline Agreement, the Fuel System Operating Agreement, the Non-Contracting User Agreements and the Fuel System Access Agreements will be subject to the exercise of judicial discretion under a variety of circumstances. In Washington, courts have exercised particularly wide discretion in interpreting and enforcing agreements contained in real property leases. In interpreting leases with clear and unambiguous provisions, Washington courts may admit and consider extrinsic evidence, such as conversations between the parties, in determining whether to enforce a provision contained in a lease and may incorporate into a lease additional or supplementary terms. In addition, Washington courts have permitted the parties to a lease to modify the terms of their lease by their conduct and have refused to enforce provisions permitting the acceleration of rent payments.

Under the Guaranty, SEATAC Fuel is guaranteeing directly the payment when due of the principal of, premium, if any, and interest on the Bonds, including the 2013 Bonds. Although by its terms the Guaranty is an independent obligation and not a guaranty of payments due under the Lease, upon a default under the Lease and a suit by the Trustee to enforce the Guaranty, a court could conclude that the Guaranty is in fact a guarantee of rent under the Lease. That would subject the Guaranty and therefore also the Security Agreement, to the same limitations that restrict the exercise of remedies under the Lease. As a practical matter, therefore, the Guaranty and the Security Agreement may not offer any additional protection. See “—Bankruptcy Risks.”

**Bankruptcy Risks**

The enforceability of the rights and remedies of the 2013 Bondholders, the obligations of SEATAC Fuel, the obligations of the Contracting Airlines, the Non-Contracting Users, the Fuel System Operator and the Port and the liens and pledges created by the Resolution and the Security Agreement are subject to the United States Bankruptcy Code (the “Bankruptcy Code”) and/or to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, to equitable principles that may limit the enforcement under Washington law of certain remedies and to exercise by the United States of America of powers delegated to it by the United States Constitution. Some of the risks associated with a bankruptcy are described below and include the risks of delay in payment or of nonpayment, the risk that the Port or the Trustee may be unable for an extended time, or at all, to evict a bankrupt SEATAC Fuel, to substitute a new tenant and to exercise its other remedies under the Lease, the Security Agreement and the Guaranty and the risk that SEATAC Fuel or the Trustee may not be able to enforce SEATAC Fuel’s remedies against a bankrupt operator or User of the Fuel System. Certain of these risks are risks that are incurred whenever one enters into a contract with an entity that could become a debtor under the Bankruptcy Code, while others are risks that result from the treatment under the Bankruptcy Code of unexpired leases. Potential purchasers of the 2013 Bonds should consult their own attorneys.
and advisors in assessing the risk and the likelihood of recovery in the event SEATAC Fuel, the Port, the Fuel System Operator, a Contracting Airline, a Non-Contracting User or any other party becomes a debtor in a bankruptcy case prior to the time the 2013 Bonds are paid in full.

In addition, payments made by a bankrupt entity within 90 days (up to 366 days if the entity is found to be an insider) of a filing of a bankruptcy case could be deemed to be “avoidable preferences” under the Bankruptcy Code and thus could be subject to recapture in bankruptcy, including from the 2013 Bondholders. If an entity is in bankruptcy, parties (including the 2013 Bondholders) may be prohibited from taking action to collect from or to enforce obligations of such entity without permission of the bankruptcy court, and the Trustee may be prevented from making payments to the 2013 Bondholders from funds in its possession. These restrictions may prevent the “intercept” mechanisms that are set forth in the transaction documents from being used. These restrictions may result in delays or reductions in payments on the 2013 Bonds.

There may be other possible effects of a bankruptcy of the Port, the Lessee, a Contracting Airline, a Non-contracting User, or the Fuel System Operator beyond those described here that could result in delays or reductions in payments on the 2013 Bonds, or result in losses to the 2013 Bondholders. Regardless of any specific adverse determinations in any such bankruptcy proceeding, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2013 Bonds.

**SEATAC Fuel Bankruptcy Risks; the Lease.** As with other contracts, should SEATAC Fuel become the subject of federal bankruptcy proceedings, operation of the automatic stay provisions of the Bankruptcy Code under certain circumstances may require the Port (and, therefore, the Trustee) to obtain bankruptcy court approval prior to taking any action to enforce the Lease, including declaring the Lease to be in default, recovering Rent due but unpaid, terminating the Lease, accelerating the due dates of the Rent payments, evicting SEATAC Fuel and taking possession of the Fuel System, or realizing against any collateral provided by SEATAC Fuel as security for payment of Rent or enforcing any of the other remedies provided for in the Lease.

In other respects, the treatment of the Lease under the Bankruptcy Code would be dependent upon whether the Lease is construed to be a financing lease or a true lease, and if construed to be a true lease, whether it is construed as a lease of personal property or as a lease of non-residential real property. If the Lease is treated as a financing lease or as an unrecorded mortgage rather than as a true lease, SEATAC Fuel would not be able to assume or reject the Lease; rather the Trustee would be treated as a creditor. A bankruptcy of SEATAC Fuel could result in long delays and possibly in large reductions in the amount payable to the 2013 Bondholders.

Under the Bankruptcy Code, if the Lease is a true lease (whether of non-residential real property or of personal property), the bankruptcy trustee (including SEATAC Fuel as a debtor-in-posssession) would have the right to assume or to reject the Lease. If the Lease is an unexpired lease of non-residential real property, the bankruptcy trustee (including SEATAC Fuel as a debtor-in-posssession) would be required to assume or reject the lease within 60 days after the commencement of the bankruptcy case, unless this 60-day period is extended by the bankruptcy court. Because the 60-day period is often extended by bankruptcy courts, it is impossible to predict when the bankruptcy trustee would be required to assume or reject the Lease. Delays in and possible reductions in the amount of Rent payable during this 60-day (or longer) period may occur. If the Lease or any part thereof is an unexpired lease of personal property, there is no time period under the Bankruptcy Code within which the bankruptcy trustee (including SEATAC Fuel as debtor-in-possession) would be required to assume or reject the Lease.

In the event the Lease is determined to be a lease of non-residential real property, if the bankruptcy trustee rejects the Lease, the Port may commence proceedings under applicable state law to evict SEATAC Fuel and to retake possession of the Premises. Additionally, the Port would have an unsecured, nonpriority claim for damages resulting from SEATAC Fuel’s rejection of the Lease. Rejection of an unexpired lease of non-residential real property is treated as breach of the lease, and damages for rejection of such lease are limited under the Bankruptcy Code to the amount of rent payable under the lease (without acceleration) for the greater of (i) one year of the remaining lease term or (ii) 15 percent of the remaining term of the lease (not to exceed three years), plus any unpaid rent due under such lease, without acceleration, prior to the commencement of the bankruptcy case.

Should the bankruptcy trustee determine to assume the Lease, whether a lease of personal property or of real property, the bankruptcy trustee must cure all outstanding lease payment defaults or provide “adequate assurance” that such defaults would be cured promptly. “Adequate assurance” is not defined in the Bankruptcy Code and is subject to the discretion of the court. Thus, the assurance provided by the bankrupt lessee may be less than the assurance of payment landlords (or bondholders) would require outside of bankruptcy. Upon assumption of the
lease, the bankruptcy trustee may assign the lease to a third party if the assignee provides adequate assurance of future performance by such assignee, thus relieving the bankrupt lessee of any liability under the lease, notwithstanding any limitation on assignment contained in the Lease. The type of assurance of future performance provided by an assignee may be less than the type of assurances of payment that landlords would normally require outside of bankruptcy and less than the Port or the Trustee on behalf of the 2013 Bondholders would require.

**SEATAC Fuel Bankruptcy Risks; the Guaranty.** Pursuant to the terms of the Guaranty, SEATAC Fuel has unconditionally guaranteed to the Trustee, for the benefit of the owners of the Bonds, the full and prompt payment when due of the principal of, premium, if any, and interest on the Bonds and the full and prompt payment when due of any Reimbursement Obligations. The obligations covered by the Guaranty are intended to be independent of SEATAC Fuel’s obligations set forth in the Lease (and thereby not subject to Bankruptcy Code limitations on claims for damages with respect to non-residential real property leases) and to be enforceable without regard to the validity or enforceability of the Lease or of any obligation of SEATAC Fuel contained in the Lease. In the event a bankruptcy case were filed with respect to SEATAC Fuel, the Trustee is directed by the Resolution to file a claim pursuant to the Guaranty, independent of any claim under the Lease, for the payment of all amounts required for the payment when due of the principal of and premium, if any, and interest on the Bonds and for the payment of any Reimbursement Obligations. A bankruptcy court could determine, however, that the Trustee’s claim under the Guaranty should be limited to an amount that is less than or equal to the amount that would be claimed under the Lease for termination damages. The Trustee’s claim, if allowed by the bankruptcy court, would rank as that of a general unsecured creditor of SEATAC Fuel. No assurance can be given that the Trustee’s claims in connection with the Guaranty will not be so restricted. In such an event, the Guaranty would provide no additional security for payments due on the Bonds or on the Reimbursement Obligations.

**Contracting Airline and SEATAC Fuel Bankruptcy Risk—the Interline Agreement.** In the event of a bankruptcy of a party to the Interline Agreement, the obligations of such party would be subject to approval by the bankruptcy court of an election by or on behalf of such party to assume or reject the Interline Agreement. An election to reject or assume a contract such as the Interline Agreement may be made at any time during a bankruptcy case. Although non-defaulting parties to a contract may ask the bankruptcy court to compel a debtor to elect whether to assume or reject a contract such as the Interline Agreement prior to the end of the bankruptcy case, it is not likely that a bankruptcy court would compel such an election so long as the bankrupt party either is not receiving any benefit from the contract or continues to pay its allocable share of reasonable costs for post-bankruptcy services under the contract. Although the Interline Agreement permits SEATAC Fuel to terminate a Contracting Airline’s rights under the Interline Agreement following an event of default such as bankruptcy, termination merely because of a bankruptcy would not be enforceable, and the Contracting Airline would be permitted to enjoy the benefits of the Interline Agreement without formally assuming the Interline Agreement and regardless of any pre-bankruptcy defaults, so long as it pays its allocable share of reasonable costs for post-bankruptcy services. If the Contracting Airline cures its pre-bankruptcy defaults, it would be entitled to assume the Interline Agreement and then to assign its rights under the Interline Agreement notwithstanding any limitation on assignment contained in the Interline Agreement.

**Fuel System Operator Bankruptcy Risks.** Under the Fuel System Operating Agreement, the Fuel System Operator is responsible for all day-to-day operation of the Fuel System, including billing and collecting the payments, reserves and other amounts due from the Contracting Airlines and other Users of the Fuel System. The Fuel System Operator is not a single-purpose entity but is a subsidiary of a large international corporation with business all over the world, and there can be no assurance that the Fuel System Operator will not in the future commence a case in bankruptcy or have an involuntary case commenced against it. The Fuel System Operating Agreement is subject to rejection by the Fuel System Operator during a bankruptcy proceeding, and under the Bankruptcy Code there is no deadline for the time by which the Fuel System Operating Agreement must be assumed or rejected. Although the Fuel System Operating Agreement permits SEATAC Fuel to terminate the Fuel System Operating Agreement following an event of default such as bankruptcy, termination merely because of a bankruptcy would not be enforceable. If the Fuel System Operating Agreement is properly assumed, the Fuel System Operator may assign its rights under the Fuel System Operating Agreement notwithstanding any limitation on assignment contained therein.

Although the accounts to which amounts collected by the Fuel System Operator are to be deposited will be in the name of SEATAC Fuel, not the Fuel System Operator, and although all of SEATAC Fuel’s rights to such accounts are being assigned to the Trustee under the Security Agreement as security for SEATAC Fuel’s obligations under the Guaranty, no assurance can be given that such arrangements would be enforced if the Fuel System Operator were to become a debtor in bankruptcy or that the amounts collected by the Fuel System Operator on behalf of
SEATAC Fuel would not become subject to a claim by creditors of the Fuel System Operator. The occurrence of any of these events, as well as the occurrence of other possible effects of a bankruptcy of the Fuel System Operator, or of any of its direct or indirect parent companies, could result in substantial delays in payment and in reductions or in failure to make any payments to the 2013 Bondowners.

**Port Bankruptcy Risks.** Under current Washington law, political subdivisions or public agencies, such as the Port, may be able to file for bankruptcy under chapter 9 of the Bankruptcy Code. In 1935, the Washington State Legislature authorized taxing districts in the state of Washington to file a petition under Section 80 of chapter IX of the then applicable Bankruptcy Act of 1898. The 1935 authorizing statute has not been amended notwithstanding the fact that the Bankruptcy Act of 1898 has been superseded. The 1935 authorizing statute likely allows municipalities in Washington to seek relief under chapter 9 of the now applicable Bankruptcy Code. In the event of a chapter 9 bankruptcy filing by the Port, the 2013 Bondholders may not have an enforceable lien on Rent payments and other assets of the Trust Estate received by the Port or the Trustee after the commencement of the bankruptcy case unless either (a) the pledge of such Rent and other assets of the Trust Estate constitutes a “statutory lien” within the meaning of the Bankruptcy Code or (b) such Rent payments and other assets of the Trust Estate constitute “special revenues” within the meaning of the Bankruptcy Code. Legal proceedings necessary to resolve whether the Rent payments and other assets of the Trust Estate are special revenues or subject to statutory lien in favor of the 2013 Bondholders could be time consuming. Substantial delays or reductions in payments to 2013 Bondholders may result. Even if a court determines that Rent and other assets of the Trust Estate are special revenues, the court may permit the Port to expend pledged assets of the Trust Estate to pay operation and maintenance costs at the Port prior to making payments to revenue bondholders notwithstanding any provision of the Resolution to the contrary.

**Continuing Compliance with Tax Covenants; Changes of Law**

The Resolution and the Port’s tax certificate will contain various covenants and agreements on the part of the Port that are intended to establish and maintain the tax-exempt status of interest on the 2013 Bonds. A failure by the Port to comply with such covenants and agreements, including any remediation obligations, could, directly or indirectly, adversely affect the tax-exempt status of interests on the 2013 Bonds. Any loss of tax-exemption could cause all of the interest received by the Owners of the 2013 Bonds to be taxable. All or a portion of interest on the 2013 Bonds also could become subject to federal and/or state income tax as a result of changes of law. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2013 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest.

**LITIGATION**

**No Litigation Concerning the Bonds**

As of the date of this Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or to the knowledge of the Port threatened, against the Port or, to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the 2013 Bonds, the Lease or the Resolution or any agreement or instrument to which the Port is a party and that is used or contemplated for use in the transactions described by this Official Statement.

**SEATAC Fuel Litigation**

There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or to the knowledge of SEATAC Fuel threatened, against SEATAC Fuel or, to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the 2013 Bonds, the Lease, the Guaranty, the Interline Agreement, the LLC Agreement, the Non-Contracting User Agreement, the Fuel System Access Agreements, the Fuel System Operating Agreement, the Security Agreement or the Resolution or any agreement or instrument to which SEATAC Fuel is a party and that is used or contemplated for use in the transactions described by this Official Statement.
UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the “Purchase Agreement”) between the Port and Barclays Capital Inc. on behalf of itself and Merrill Lynch, Pierce, Fenner & Smith Incorporated; J.P. Morgan Securities LLC; Morgan Stanley & Co. LLC; Backstrom McCarley Berry & Co., LLC; and Drexel Hamilton, LLC (collectively, the “Underwriters”), and as contemplated by a Letter of Representation from SEATAC Fuel to the Port and the Underwriters, the Underwriters have agreed to purchase the 2013 Bonds at a purchase price of $96,537,506.34 (the principal amount of the 2013 Bonds, plus net original issue premium of $8,383,010.85 and less an underwriting discount of $505,504.51). The Purchase Agreement provides that the obligation of the Underwriters is subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the 2013 Bonds if any of the 2013 Bonds are purchased.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Port for Contracting Airlines, or for SEATAC Fuel, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Port and/or one or more Contracting Airlines.

The initial public offering prices or yields set forth on the inside cover page may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2013 Bonds to certain dealers, unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside cover page of this Official Statement.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the 2013 Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of UBS Financial Services Inc. (“UBSFS”) and Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings, including the 2013 Bonds, at the original issue prices. Pursuant to each Dealer Agreement, each of UBSFS and CS&Co. will purchase 2013 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an Underwriter of the 2013 Bonds, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2013 Bonds.

CONTINUING DISCLOSURE

SEATAC Fuel and the Port are each entering into a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertakings”) for the benefit of the beneficial owners of the 2013 Bonds. In the Port’s Continuing Disclosure Undertaking, the Port covenants to provide certain operating data relating to the Airport, and in SEATAC Fuel’s Continuing Disclosure Undertaking SEATAC Fuel covenants to provide certain financial information and operating data relating to the Fuel System and to SEATAC Fuel (the “Annual Disclosure Reports”), in each case by not later than six months following the end of the Port’s and SEATAC Fuel’s fiscal year (which currently would be June 30, 2014 for the reports for the 2013 fiscal year ending December 31, 2013), and the Port and SEATAC Fuel each covenants to provide notices of the occurrence of certain enumerated events. The Annual Disclosure Reports are to be filed with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Disclosure Reports and in notices of enumerated events is listed in the Continuing Disclosure Undertakings, the proposed forms of which are attached at the end of Appendix C. These covenants are being made
by the Port and by SEATAC Fuel to assist the Underwriters in complying with Securities and Exchange
Commission Rule 15c2-12(b)(5) (the “Rule”). The Port has always filed the Operating and Financial Information
portion of its Annual Disclosure Reports when required but in 2006, 2007, and 2009, inadvertently did not file its
audited financial statements at the same time. That failure was corrected in 2011, and the Port has otherwise
complied in all material respects with its previous continuing disclosure undertakings with regard to the Rule to
provide annual reports and notices of material events. SEATAC Fuel has complied in all material respects with its
undertaking in 2003 with regard to the Rule.

TAX MATTERS

In the opinion of Bond Counsel, interest on the 2013 Bonds is excludable from gross income for federal income tax
purposes, except for interest on any 2013 Bond for any period during which such 2013 Bond is held by a
“substantial user” of the facilities financed or refinanced by the 2013 Bonds, or by a “related person” to such
“substantial user,” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the
“Code”). Interest on the 2013 Bonds is an item of tax preference for purposes of the federal alternative minimum
tax imposed on individuals and corporations.

Federal income tax law contains a number of requirements that apply to the 2013 Bonds, including investment
restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the use of proceeds
of the 2013 Bonds and the facilities financed or refinanced with proceeds of the 2013 Bonds and certain other
matters. The Port and SEATAC Fuel have covenanted to comply with all applicable requirements.

Bond Counsel’s opinion is subject to the condition that the Port and SEATAC Fuel comply with the above-
referred covenants and, in addition, will rely on representations by the Port, SEATAC Fuel and their advisors
with respect to matters solely within the knowledge of the Port, SEATAC Fuel and their advisors, respectively,
which Bond Counsel has not independently verified. If the Port or SEATAC Fuel fails to comply with such
covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the
2013 Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance
of the 2013 Bonds, regardless of the date on which the event causing taxability occurs.

Except as expressly stated above, Bond Counsel expresses no opinion regarding any other federal or state income
tax consequences of acquiring, carrying, owning or disposing of the 2013 Bonds. Owners of the 2013 Bonds should
consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2013 Bonds,
which may include tax consequences associated with original issue discount, original issue premium, purchase at a
market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding
requirements.

Prospective purchasers of the 2013 Bonds should be aware that ownership of the 2013 Bonds may result in collateral
federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property
and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain
S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life
insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or
carry or have paid or incurred certain expenses allocable to the 2013 Bonds. Bond Counsel expresses no opinion
regarding any collateral tax consequences. Prospective purchasers of the 2013 Bonds should consult their tax
advisors regarding collateral federal income tax consequences.

Payments of interest on tax-exempt obligations such as the 2013 Bonds, are in many cases required to be reported to
the Internal Revenue Service (the “IRS”). Additionally, backup withholding may apply to any such payments made
to any owner who is not an “exempt recipient” and who fails to provide certain identifying information. Individuals
generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted
into law, will not cause the interest on the 2013 Bonds to be subject, directly or indirectly, to federal income
taxation, or otherwise prevent owners of the 2013 Bonds from realizing the full current benefit of the tax status of
the interest on the 2013 Bonds. Prospective purchasers of the 2013 Bonds should consult their own tax advisors
regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

Bond Counsel’s opinion is not a guarantee of result and is not binding on the IRS; rather, the opinion represents
Bond Counsel’s legal judgment based on its review of existing law and in reliance on the representations made to
Bond Counsel and compliance with covenants of the Port and SEATAC Fuel. The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the 2013 Bonds. Owners of the 2013 Bonds are advised that, if the IRS does audit the 2013 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the Port as the taxpayer, and the owners of the 2013 Bonds may have limited rights to participate in the audit. The commencement of an audit could adversely affect the market value and liquidity of the 2013 Bonds until the audit is concluded, regardless of the ultimate outcome.

Not Qualified Tax-Exempt Obligations

The 2013 Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Financial Services LLC, a division of The McGraw-Hill Companies, Inc. (“S&P”) have assigned the 2013 Bonds ratings of “A2” and “A-,” respectively. Any explanation of the significance of such ratings may be obtained only from the rating agency furnishing the same. There is no assurance that any rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency furnishing such rating, circumstances warrant. Any downward change in or withdrawal of such ratings may have an adverse effect on the price at which the 2013 Bonds may be resold.

FINANCIAL STATEMENTS

The audited financial statements of SEATAC Fuel for 2012 and 2011 are included in this Official Statement as Appendix H. The financial statements referred to in the preceding sentence have been audited by Watkins Meegan LLC, certified public accountants, whose report with respect thereto also appears in Appendix H.

FINANCIAL ADVISOR

The Port has retained Seattle-Northwest Securities Corporation, Seattle, Washington, as its financial advisor (the “Financial Advisor”) in connection with the authorization and issuance of the 2013 Bonds. The Financial Advisor has not acted in any advisory capacity to SEATAC Fuel in connection with the issuance of the 2013 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make any independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Seattle-Northwest Securities Corporation is a registered broker-dealer that provides financial advisory and underwriting services to state and local governments.

OTHER LEGAL MATTERS

Issuance of the 2013 Bonds is subject to receipt of the legal opinion of K&L Gates LLP, Seattle Washington, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Port by Craig Watson, Esq., General Counsel of the Port, and by K&L Gates, LLP, Disclosure Counsel to the Port. Certain legal matters will be passed upon for SEATAC Fuel by Sherman & Howard L.L.C., Denver, Colorado, and by Perkins Coie LLP, Seattle, Washington. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP.

MISCELLANEOUS

The summaries and descriptions of provisions of the Lease, the Resolution, the Interline Agreement, the Fuel System Operating Agreement, the Guaranty and the Security Agreement and all references to other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials summarized or described in this Official Statement. Copies of the Lease, the Interline Agreement, the Security Agreement and the Guaranty may be obtained from the Trustee.
The use of this Official Statement has been duly authorized by the Port and approved by SEATAC Fuel.

PORT OF SEATTLE

By /s/ Daniel R. Thomas
Designated Port Representative

Approved by:

SEATAC FUEL FACILITIES LLC

By /s/ Jay Long
Chairman, Fuel Committee
APPENDIX A

DEFINITIONS
DEFINITIONS

This Appendix A summarizes certain definitions used in the Lease and in the Fuel System Operating Agreement. Other definitions are listed in Appendix C, Appendix E and Appendix F.

“Additional Bonds” means Refunding Bonds and/or Improvement Bonds.

“Additional Contracting Airline” means an Air Carrier that becomes a Member and a party to the Interline Agreement, in accordance with the terms thereof, after the date of the Interline Agreement.

“Additional Facility” has the meaning set forth in the Interline Agreement.

“Additional Rent” has the meaning described under “SUMMARY OF THE LEASE – Rent—Additional Rent” in Appendix F.

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

“Airport” means the Seattle-Tacoma International Airport, King County, Washington.

“Airport Rules” means the Sea-Tac International Airport Schedule of Rules and Regulations No. 4 and any other rules and regulations pertaining to the Airport, and/or to the building or other realty of which the Premises are a part, promulgated from time to time by the Port in a nondiscriminatory manner for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public.

“Airport Rules of Tenant Construction” means the Port of Seattle Regulations for Airport Construction and any other rules and regulations pertaining to tenant construction at the Airport, promulgated from time to time by the Port in a nondiscriminatory manner.

“Associate Airline” means any Air Carrier 100 percent of the capital stock or other equity interest of which is owned, directly or indirectly, by a Person which owns or controls a Contracting Airline and such Contracting Airline has certified to the Lessee in writing that such Air Carrier is so owned.

“Base Rent” means the Rent described under “SUMMARY OF THE LEASE – Rent—Base Rent” in Appendix F.

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

“Bond Insurer” means, with respect to the 2003 Bonds MBIA Insurance Corporation, and any future issuer of a municipal bond insurance policy with respect to any Additional Bonds.

“Bonds” means the special facility revenue bonds or notes issued from time to time in Series pursuant to and under authority of the Resolution or any Supplement Resolution, consisting of the 2013 Bonds, and any Additional Bonds approved or deemed approved by the Lessee pursuant to the procedures described under “SUMMARY OF THE LEASE – Additional Bonds” in Appendix F.
“Business Day” means any day other than a Saturday, a Sunday or a day that is a Port holiday or that is a day on which banks in Seattle, Washington, New York, New York or in the city in which the Trustee has its main corporate trust office, are authorized or required to close.

“Capitalized Interest Account” means the account of that name in the Project Fund established under the Resolution into which a portion of the proceeds of the 2013 Bonds shall be deposited equal to the interest projected to be due with respect to the 2013 Bonds from their date of issuance through the Projected Project Completion Date plus six months. Any portion of the proceeds of Additional Bonds which represent capitalized interest shall also be deposited to the Capitalized Interest Account in the Project Fund as set forth in the Resolution or Supplemental Resolution.

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

“Change Order” means a written direction from the Port to a contractor to effect the modification set forth in such direction related to the Fuel Hydrant Project.

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

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

“Completion” means (i) completion of the Operations Center, the Tank Farm Renovations and/or the remainder of the Fuel Hydrant Project substantially in accordance with the Port’s construction documents and as further evidenced by a certificate issued by the design engineer and general contractor, or (ii) completion of any other extension of and connection to the Fuel System, and/or completion of any addition or improvement to or modification of the Fuel System, in each case as permitted by the Lease in accordance with criteria and testing procedures mutually agreed upon by the Port and the Lessee.

“Completion Bonds” means Bonds issued by the Port in a maximum dollar amount equal to 15% of the aggregate initial principal amount of the 2003 Bonds, pursuant to a Supplemental Resolution, adopted by the Port Commission in accordance with the terms of the Resolution, to pay Costs of the Fuel Hydrant Project.

“Construction Specifications” means the final construction documents for the Fuel Hydrant Project developed for the Port and the construction contracts issued by the Port for the construction of the Fuel Hydrant Project.

“Continuing Disclosure Agreement” means any agreement of that name executed by the Lessee and/or the Port with respect to Bonds of a Series.

“Contracting Airline(s)” means an Air Carrier that is a party to the Interline Agreement and is a Member, including any Additional Contracting Airline.

“Costs of the Fuel Hydrant Project” means all costs, as determined by the Port consistent with the terms of the Lease, that are paid or incurred in connection with the acquisition, design and construction of the Fuel Hydrant Project, including, but not limited to, the placing of the same in operation at the level for which it was designed, including, but without limiting the generality of the foregoing, paying all or a portion of the interest on 2013 Bonds and Completion Bonds or any portion thereof issued to finance the costs of such improvements during the period of construction of such improvements, and for a period of time thereafter; paying amounts required to meet any reserve
requirement for the fund or account established or maintained for such 2013 Bonds and Completion Bonds from the proceeds thereof; paying or reimbursing the Port or any fund thereof or any other person (including, without limitation, the Lessee) for expenses, including planning, permitting and design expenses, incident and properly allocable to the acquisition and construction of said improvements or to acquiring and preparing the site thereof and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of said additions and improvements, the financing of the same (including without limitation costs of issuance, costs of bond insurance, costs of any surety or other fees paid in connection with the financing) and the placing of the same in operation.

“Debt Service” means the annual aggregate of all interest, premium, and principal paid on all outstanding Bonds.

“Debt Service Account” means the special fund established by the Resolution for the purpose of paying the principal of, interest on and redemption price, if any, of Bonds.

“Debt Service Reserve Account” means one or more Debt Service Reserve Account(s) established under the Resolution, which secures the Bonds.

“Debt Service Reserve Account Surety Bond” means one or more of the surety bond(s), if any, issued (in the case of the 2013 Bonds, with the consent of MBIA Insurance Corporation) pursuant to the Financial Guaranty Agreement on the date of issuance of one or more series of the Bonds for the purpose of satisfying the Required Debt Service Reserve Amount; provided that the Surety Bond meets the requirements for “Qualified Insurance”, if any, under the Resolution. There may be more than one Surety Bond.

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

“Environmental Law or Regulation” means any environmentally related local, state or federal law, regulation, ordinance or order (including without limitation any final order of any court of competent jurisdiction), now or hereafter in effect.

“Facilities Rent” means Rent payable as described under “SUMMARY OF THE Lease – Rent-Facilities Rent” in Appendix F and, whether or not the Lease has been terminated, any Net Reletting Proceeds credited against Facilities Rent as described under “SUMMARY OF THE LEASE – Default; Termination; Miscellaneous – Port’s Reletting Obligation” in Appendix F.

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

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

“Fuel Committee” means the committee established to manage the Lessee pursuant to the LLC Agreement.

“Fuel Hydrant Project” means the Fuel delivery system described in the Construction Specifications. The Fuel Hydrant Project will include the Operations Center, of approximately 5000 square feet, situated to the south of the Tank Farm Land, a new pump station having capacity of approximately 12,000 Gallons per minute, located to the south of the Tank Farm Land, distribution pipelines, hydrant pits, and valve vaults to provide a hydrant distribution system for the North and South Satellite Terminals, the North Truck Rack and all concourses at the Airport, and the Tank Farm Renovations.

“Fuel System” means any system for the receipt, storage, transmission and delivery of Fuel at the Airport located on the Premises and all improvements, fixtures and personal property constructed and/or situated thereon and shall include the completed portions of the Fuel Hydrant Project which become a part of the Premises in accordance with the terms and conditions of the Lease.

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


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

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

“Gallon” means a U.S. gallon.

“Gallonage” means the total number of Gallons of Fuel delivered into the aircraft of a Contracting Airline at the Airport during the relevant period, provided however, any Associate Airline shall be billed at the same rate as such Contracting Airline and its Gallonage shall be considered part of the Gallonage of such Contracting Airline. The Gallonage of each Contracting Airline shall be the total of all Fuel delivered into the aircraft of such Contracting Airline, and into the aircraft of any Associate Airline, at the Airport regardless of whether the Fuel System was used for any part of such delivery.

“Guaranty” means the Guaranty Agreement with respect to all Bonds, dated as of the dated date of the 2013 Bonds from the Lessee to the Trustee.
“Hazardous Substances” means any substance or material defined or designated as a hazardous or dangerous waste, toxic substance, or other pollutant or contaminant, by any Environmental Law or Regulation.

“Improvement Bonds” means Bonds issued by the Port, in addition to the 2013 Bonds, any Completion Bonds and any Refunding Bonds, pursuant to a Supplemental Resolution, adopted by the Port Commission in accordance with the terms of the Resolution the proceeds of which are used for the purpose of undertaking additional improvements, modifications, repairs, replacements, additions to and/or major maintenance of the Fuel System.

“Interline Agreement” means the Fuel System Interline Agreement, entered into effective as of January 4, 2000, as amended and restated as of April 15, 2003 and as attached as Appendix B to the Lease, among the Lessee and the Contracting Airlines and any amendments permitted thereby and by the Lease.

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

“Itinerant User” means any Person who takes delivery of Fuel from the Fuel System and who is neither a Contracting Airline nor a Non-Contracting User; provided, however, any Associate Airline shall be billed at the same rate as such Contracting Airline and the Gallonage of such Associate Airline shall be considered part of the Gallonage of such Contracting Airline.

“Land” means the Tank Farm Land and the Operations Center Land.

“Latent Environmental Costs” means costs incurred by any party during construction of the Fuel Hydrant Project, other modifications to the Fuel System, Tenant Improvements, operation or maintenance of the Fuel System, remediation during or after the Term of the Lease, or otherwise related to the Premises, which costs are due to the presence of Pre-existing Contamination or which are the result of acts or omissions of persons not under the control of Lessee. Such costs are to be paid by Responsible Parties, not the Lessee or the Port. Latent Environmental Costs shall include but not limited to the following: environmental professional costs (staff and/or consultant) associated with planning, field activities, data evaluation and material management, contractor communications and coordination, and reporting; sample collection and analysis; special handling; disposal of materials at appropriate facilities; and other excess contractor costs attributable to Pre-existing Contamination or acts or omissions of persons not under the control of Lessee.

“Law” includes, but is not limited to, local, state, federal, or regional statutes, regulations, ordinances, rules, orders, permits and/or other laws of whatever nature, as they now exist or may hereinafter be adopted or amended.

“Lease” means the Lease, dated as of May 14, 2003, between the Port and the Lessee, as the same may be amended in accordance with its terms and the Resolution.

“Lease Commencement Date” means May 14, 2003.

“Lease Default Event” means any of the events described identified as Lease Defaults” under the Lease. See “SUMMARY OF THE LEASE —Default; Termination; Miscellaneous –Lease Default Events” in Appendix F.
“**Lease Expiration Date**” means July 31, 2033 or the last date of the term of any renewal option period exercised pursuant to the Lease, whichever is later; provided, however, that the Lease Expiration Date shall be extended until all Bonds and Reimbursement Obligations are paid in full. See “SUMMARY OF THE LEASE – Term” in Appendix F.

“**Lessee**” means SEATAC Fuel Facilities LLC, and any sublessee of the foregoing from time to time under the Lease.

“**Lessee Equipment**” means personal property owned by the Lessee or the Fuel System Operator and used in connection with the Fuel System. The term Lessee Equipment shall not include any Tenant Improvement.

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

“**Member**” means each member of the Lessee pursuant to the LLC Agreement.

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

“**MTCA Method A**” means that cleanup standard established in WAC 173-340-704 pursuant to the Model Toxics Control Act (MTCA) for use in routine cleanup actions or cleanups that involve relatively few hazardous substances.

“**MTCA Method C**” means that cleanup standard established in WAC 173-340-706 pursuant to the Model Toxics Control Act (MTCA) for use at qualified sites for qualified media.

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

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

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

“**North Truck Rack**” means the land described on Part III of Exhibit A together with the improvements thereon consisting of a small control building and four truck loading spots with Brooks electronic presets, pressure reducing valves, an inline strainer, Smith turbine meters, digital control valves, loading hoses and connections for meter proving.
“Operations Center” means the facility to be situated on the Operations Center Land of approximately 5,000 square feet to be constructed as part of the Fuel Hydrant Project.

“Operations Center Land” means the land described on Part II of Exhibit A to the Lease.

“Operating Manual” means the Operating Standards Manual for the operation and maintenance of the Fuel System, which shall be prepared and amended as provided in the Lease.


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

“Person” or “person” means any natural person, firm, partnership, corporation, governmental body or other legal entity.

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

“Premises” means the real property consisting of the Land, Tank Farm Improvements, the North Truck Rack, the South Truck Rack, the Twelve-Inch Pipeline System and the Right-of-Way, and, upon Completion of the Fuel Hydrant Project, those components of the Fuel System so Completed, together with any additions, improvements, modifications or extensions, and less any deletions, to the Premises pursuant to the Lease. See “SUMMARY OF THE LEASE – Lease of and Acceptance of the Premises” in Appendix F.

“Pre-existing Contamination” means all Hazardous Substances located on, under or adjacent to the Operations Center Land and the Right of Way (except for the Right of Way in which the Twelve Inch Pipeline System is located), as of the date such property becomes a part of the Premises as provided in the Lease, and including without limitation Hazardous Substances specifically identified in the Pre-existing Contamination Assessments Report prepared pursuant to the Lease. Pre-existing Contamination does not include any Hazardous Substances located at, on or migrating from the Tank Farm Land, Tank Farm Improvements, North Truck Rack and South Truck Rack as of the Lease Commencement Date.

“Project Completion Date” means the date of Completion of the Fuel Hydrant Project.

“Projected Project Completion Date” means the date on which the Project Completion Date for the Fuel Hydrant Project is expected to be achieved, June 30, 2005, as such date may be adjusted from time to time.

“Project Fund” means the Port fund of that name, established pursuant to the Resolution or Supplemental Resolution, into which, inter alia, the proceeds of the 2013 Bonds (less proceeds, if any, deposited in the 2003 Debt Service Reserve Account) will be deposited, or the proceeds of Additional Bonds (less proceeds, if any, deposited to any Debt Service Reserve Account) will be deposited.
“Project Representative” means the authorized representative of the Port or of the Lessee as applicable, appointed pursuant to the Lease.

“Rebate Amount” means the amount, if any, to be rebated to the United States with respect to the Bonds.

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

“Reimbursement Agreement” means the Reimbursement and Indemnity Agreement dated May 14, 2003, between MBIA Insurance Corporation and the Lessee and any similar agreement for the benefit of any Bond Insurer with respect to Additional Bonds.

“Reimbursement Obligations” shall have the meaning ascribed to that term in the applicable Reimbursement Agreement.

“Reletting Costs” shall include all costs and expenses incurred by the Port in connection with any reletting to a Replacement Lessee or retaining any Replacement Operator or commencing operation of the Fuel System pursuant to Section 7(j) of the Resolution with its own employees, including attorneys’ fees, brokerage fees and an allocable portion of administrative costs incurred by the Port in connection therewith, but Reletting Costs shall not include costs of extraordinary repair, replacement and maintenance.

“Reletting Event,” as used in the Lease, has the meaning described under “SUMMARY OF THE LEASE –Default; Termination; Miscellaneous – Port’s Reletting Obligation” in Appendix F. See also the Resolution in Appendix C.

“Rent” means the Rent payable under the Lease as described under “SUMMARY OF THE LEASE –Rent” in Appendix F.

“Replacement Lessee or Replacement Operator” has the meaning described under “SUMMARY OF THE LEASE –Default; Termination; Miscellaneous – Port’s Reletting Obligation” in Appendix F. See also the Resolution in Appendix C.

“Required Debt Service Reserve Amount” means the least of:

(i) the maximum amount of regularly scheduled principal and interest payable in any year on Bonds,

(ii) 10% of the initial principal amount of each Series of Outstanding Bonds, and

(iii) 125% of the average annual scheduled principal and interest payable on Bonds.

“Required Permits” means those permits described under “SUMMARY OF THE LEASE – Fuel System Operation – Required Permits” in Appendix F.
“Resolution” means the resolution or resolutions of the Commission authorizing the issuance of the 2013 Bonds and any amendments thereto permitted thereby. See Appendix C for a copy of the Resolution.

“Responsible Party” means any entity, other than Lessee or the Fuel System Operator, who, as a result of its operations at the Airport or otherwise (e.g. successor in interest through merger or contractual assumption of liability), is at least in part financially responsible for Latent Environmental Costs. To the extent practicable, the Port will identify known Responsible Parties and the known geographic extent of their liability prior to the Lease Commencement Date, by sending each Responsible Party an environmental invoice containing its estimated financial responsibility for Latent Environmental Costs arising from construction of the Fuel Hydrant Project or otherwise; provided that such identification shall be for informational and planning purposes only and shall not constitute a final accounting of responsibility. Subsequent investigations in the future may uncover additional Responsible Parties and/or additional geographically-linked liabilities.

“Right-of-Way” means the underground portion of the Airport property in which the piping, vault and related portions of the Fuel System are constructed, the dimensions of which are defined by the extent of actual construction of such piping, vault and related portions of the Fuel System. The locations of the Right of Way depicted in Exhibit A to the Lease may be amended from time to time pursuant to the Lease.

“Risk-based Corrective Action” means those actions required to complete a risk-based corrective action for petroleum-contaminated sites, as provided for in WAC 173-340-700(8).

“Sea-Tac Lateral” means the pipeline, equipment, and connections owned by Olympic Pipe Line Company used to supply fuel to the Fuel System, including, without limitation, the equipment which connects to the Tank Farm Improvements.

“Series” means any separate series of Bonds issued pursuant to the Resolution or pursuant to a Supplemental Resolution.


“Six-Inch Delivery Lines” means the four (4) six-inch (6”) lines owned by Olympic Pipe Line Company that connect (i) the Tank Farm to the South Truck Rack; and (ii) the Tank Farm to the United Fuel Farm and to the Twelve-Inch Pipeline System, all of which are located underground on Airport property.

“South Truck Rack” means the land described on Part IV of Exhibit A to the Lease, together with the improvements thereon consisting of a small control building and four truck loading spots with Brooks electronic presets, pressure reducing valves, an inline strainer, Smith positive displacement meters, digital control valves, loading hoses and connections for meter proving.

“Special Facilities” means any facilities described in the Interline Agreement that the Lessee determines are necessary for the receipt, storage, or delivery of Fuel but are used by fewer than all of the Contracting Airlines. See “SUMMARY OF THE INTERLINE AGREEMENT – Special Facilities” in Appendix E.

“State” means the State of Washington.

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

“Supplier” means any Person who or which has an agreement with a User for the sale and supply of Fuel at the Airport.

“Surety” means the security deposit delivered to the Port pursuant to the Lease.

“Tank Farm Land” means the existing real property at the Airport identified on Part I of Exhibit A to the Lease.

“Tank Farm Improvements” means the Twelve-Inch Pipeline System and the above-ground storage tanks, pumps, filters, manifolds, coalescer/separat or vessels, pipes, and pipelines, located on the Tank Farm Land, as described in Part I of Exhibit A to the Lease, but expressly excluding the Sea-Tac Lateral and the Six-Inch Delivery Lines.

“Tank Farm Renovations” means the improvements to the Tank Farm Improvements agreed upon by the Lessee and the Port to be completed prior to or in connection with the Completion of the Fuel Hydrant Project.

“Tenant Improvement” means any trade fixture installed on the Premises by the Lessee or any other party other than the Port, including the Fuel System Operator.

“Termination Cleanup Costs” means the estimated cost to the Lessee of implementing the cleanup plan contained in the approved final Termination Assessment Report, which cost shall be based on the assumption that the cleanup action would begin on the Expiration Date (or the date of any earlier termination of the Lease) and be concluded within three years.

“Term of the Lease” means the period from the Lease Commencement Date to the Lease Expiration Date unless sooner terminated pursuant to the Lease. See “SUMMARY OF THE LEASE – Term” and “—Defaults; Termination; Miscellaneous” in Appendix F.

“Truck Queuing Area” means that portion of the North Truck Rack that consists of part of the fuel truck approach drive lanes, extending from the concrete edge of the fuel dispensing area between the fueling mechanisms and extending 80 feet in a north-easterly direction to the North Rack entrance roadway. This area is specifically identified on Exhibit A, Part III of the Lease.

“Trustee” means the banking corporation or association, if any, appointed as Trustee by the Port pursuant to the Resolution or any Supplemental Resolution and shall include any corporate successor thereto.

“Twelve-Inch Pipeline System” shall mean that portion of the Tank Farm Improvements connected to the North Truck Rack consisting of twelve inch (12”) lines and a metering skid as further described in Part V of Exhibit A to the Lease.
“Underwriter” means the underwriter or underwriters selected by the Port with respect to the issuance of any Bonds, and its or their permitted assigns (not including any Bondowner).

“User” means any Contracting Airline, Non-Contracting User or Itinerant User.
ECONOMIC AND DEMOGRAPHIC INFORMATION

The Airport is located in King County, Washington, the largest county in the State of Washington (the “State”) in population, number of cities and employment, and the fourteenth most populated county in the United States. Of the State’s population, nearly 29% reside in King County, and of the County’s population, 32% live in the City of Seattle (“Seattle”). Seattle is the largest city in the Pacific Northwest, the County seat, and the center of the County’s economic activity. Bellevue is the State’s fifth largest city and the second largest in the County, and is the center of the County’s eastside business and residential area.

Population

Historical and current population figures for the State of Washington, the County, the two largest cities in the County, and the unincorporated areas of the County are given below.

POPULATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Washington</th>
<th>King County</th>
<th>Seattle</th>
<th>Bellevue</th>
<th>Unincorporated King County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>6,817,770</td>
<td>1,957,000</td>
<td>616,500</td>
<td>124,600</td>
<td>225,720</td>
</tr>
<tr>
<td>2011</td>
<td>6,767,900</td>
<td>1,942,600</td>
<td>612,100</td>
<td>123,400</td>
<td>285,265</td>
</tr>
<tr>
<td>2010</td>
<td>6,724,540</td>
<td>1,931,249</td>
<td>608,660</td>
<td>122,363</td>
<td>325,000</td>
</tr>
<tr>
<td>2009</td>
<td>6,668,200</td>
<td>1,909,300</td>
<td>602,000</td>
<td>120,600</td>
<td>343,180</td>
</tr>
<tr>
<td>2008</td>
<td>6,587,600</td>
<td>1,884,200</td>
<td>592,800</td>
<td>119,200</td>
<td>341,150</td>
</tr>
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<td>2007</td>
<td>6,488,800</td>
<td>1,861,300</td>
<td>586,200</td>
<td>118,100</td>
<td>368,255</td>
</tr>
<tr>
<td>2006</td>
<td>6,375,600</td>
<td>1,835,300</td>
<td>578,700</td>
<td>117,000</td>
<td>367,070</td>
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<td>2005</td>
<td>6,256,400</td>
<td>1,808,300</td>
<td>573,000</td>
<td>115,500</td>
<td>364,498</td>
</tr>
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<td>2004</td>
<td>6,167,800</td>
<td>1,788,300</td>
<td>572,600</td>
<td>116,500</td>
<td>356,795</td>
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<tr>
<td>2003</td>
<td>6,098,300</td>
<td>1,779,300</td>
<td>571,900</td>
<td>116,400</td>
<td>351,843</td>
</tr>
<tr>
<td>2002</td>
<td>6,041,700</td>
<td>1,774,312</td>
<td>570,802</td>
<td>117,000</td>
<td>351,136</td>
</tr>
<tr>
<td>2001</td>
<td>5,974,900</td>
<td>1,758,312</td>
<td>568,102</td>
<td>111,500</td>
<td>353,040</td>
</tr>
<tr>
<td>2000</td>
<td>5,894,121</td>
<td>1,737,046</td>
<td>563,374</td>
<td>109,827</td>
<td>349,234</td>
</tr>
</tbody>
</table>

(1) Estimate as of April, 2012.

Per Capita Income

The following table presents per capita personal income for the Seattle-Bellevue-Everett Metropolitan Division Area (the “MD”), the County, the State, and the United States.

PER CAPITA INCOME

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Seattle MD</td>
<td>$ 53,931</td>
<td>$ 51,370</td>
<td>$ 50,644</td>
<td>$ 54,621</td>
<td>$ 53,327</td>
<td></td>
</tr>
<tr>
<td>King County</td>
<td>$ 57,837</td>
<td>$ 54,927</td>
<td>$ 53,933</td>
<td>$ 58,628</td>
<td>$ 57,735</td>
<td></td>
</tr>
<tr>
<td>State of Washington</td>
<td>45,413</td>
<td>43,878</td>
<td>42,024</td>
<td>41,504</td>
<td>44,106</td>
<td>42,192</td>
</tr>
<tr>
<td>United States</td>
<td>42,693</td>
<td>41,560</td>
<td>39,791</td>
<td>38,637</td>
<td>40,947</td>
<td>39,506</td>
</tr>
</tbody>
</table>

(1) 2011 is most recent data available.
Construction

The table below lists the value of housing construction for which building permits have been issued by entities within King County. The value of public construction is not included in this table.

**KING COUNTY RESIDENTIAL BUILDING PERMIT VALUES**

<table>
<thead>
<tr>
<th>Year</th>
<th>New Single Family Units</th>
<th>New Multi Family Units</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Value</td>
<td>Number</td>
</tr>
<tr>
<td>2012</td>
<td>3,738</td>
<td>$1,093,905,511</td>
<td>7,604</td>
</tr>
<tr>
<td>2011</td>
<td>2,607</td>
<td>734,032,262</td>
<td>3,273</td>
</tr>
<tr>
<td>2010</td>
<td>2,537</td>
<td>692,929,762</td>
<td>3,371</td>
</tr>
<tr>
<td>2009</td>
<td>1,975</td>
<td>529,224,279</td>
<td>1,156</td>
</tr>
<tr>
<td>2008</td>
<td>3,026</td>
<td>865,838,017</td>
<td>7,414</td>
</tr>
<tr>
<td>2007</td>
<td>5,198</td>
<td>1,504,067,269</td>
<td>10,207</td>
</tr>
<tr>
<td>2006</td>
<td>5,767</td>
<td>1,620,644,028</td>
<td>8,300</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of the Census.

Retail Activity

The following table presents taxable retail sales in Seattle and King County.

**THE CITY OF SEATTLE AND KING COUNTY TAXABLE RETAIL SALES**

<table>
<thead>
<tr>
<th>Year</th>
<th>King County</th>
<th>Seattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$43,038,779,843</td>
<td>$17,162,539,898</td>
</tr>
<tr>
<td>2011</td>
<td>40,846,119,028</td>
<td>15,751,585,856</td>
</tr>
<tr>
<td>2010</td>
<td>39,275,353,140</td>
<td>14,783,168,932</td>
</tr>
<tr>
<td>2009</td>
<td>39,149,685,710</td>
<td>15,101,407,742</td>
</tr>
<tr>
<td>2008</td>
<td>45,711,920,389</td>
<td>17,096,581,492</td>
</tr>
<tr>
<td>2007</td>
<td>47,766,338,768</td>
<td>17,030,512,254</td>
</tr>
</tbody>
</table>

Source: Washington State Department of Revenue.

Industry and Employment

The following table presents State-wide employment data for certain major employers in the Puget Sound area.

<table>
<thead>
<tr>
<th>Employer</th>
<th>Full-Time Employees In State (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Boeing Company</td>
<td>82,000</td>
</tr>
<tr>
<td>Joint Base Lewis-McChord</td>
<td>56,000</td>
</tr>
<tr>
<td>Navy Region Northwest</td>
<td>46,736</td>
</tr>
<tr>
<td>Microsoft Corp.</td>
<td>40,686</td>
</tr>
<tr>
<td>University of Washington</td>
<td>26,978</td>
</tr>
<tr>
<td>Wal-Mart Stores, Inc.</td>
<td>18,011</td>
</tr>
<tr>
<td>Fred Meyer Stores</td>
<td>14,300</td>
</tr>
<tr>
<td>King County Government</td>
<td>13,448</td>
</tr>
<tr>
<td>Providence Health &amp; Services</td>
<td>12,225</td>
</tr>
<tr>
<td>U.S. Postal Service</td>
<td>11,998</td>
</tr>
<tr>
<td>Starbucks Corp.</td>
<td>10,166</td>
</tr>
<tr>
<td>Swedish</td>
<td>9,825</td>
</tr>
<tr>
<td>City of Seattle</td>
<td>9,631</td>
</tr>
<tr>
<td>MultiCare Health System</td>
<td>9,103</td>
</tr>
<tr>
<td>Franciscan Health System</td>
<td>8,518</td>
</tr>
<tr>
<td>Costco Wholesale Corp.</td>
<td>8,267</td>
</tr>
<tr>
<td>Group Health Cooperative</td>
<td>8,225</td>
</tr>
</tbody>
</table>

(1) As of August 2012. Does not include part-time or seasonal employment figures.
KING COUNTY RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT
AND NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(NOT SEASONALLY ADJUSTED)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Labor Force</td>
<td>1,118,930</td>
<td>1,114,300</td>
<td>1,110,000</td>
<td>1,117,710</td>
<td>1,092,740</td>
</tr>
<tr>
<td>Total Employment</td>
<td>1,042,540</td>
<td>1,023,300</td>
<td>1,009,510</td>
<td>1,021,770</td>
<td>1,044,360</td>
</tr>
<tr>
<td>Total Unemployment</td>
<td>76,390</td>
<td>91,000</td>
<td>101,490</td>
<td>95,940</td>
<td>48,380</td>
</tr>
<tr>
<td>Percent of Labor Force</td>
<td>6.8</td>
<td>8.2</td>
<td>9.1</td>
<td>8.6</td>
<td>4.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL NONFARM</td>
<td>1,180,600</td>
<td>1,153,700</td>
<td>1,134,900</td>
<td>1,153,500</td>
<td>1,219,200</td>
</tr>
<tr>
<td>Total Private</td>
<td>1,015,300</td>
<td>988,800</td>
<td>967,900</td>
<td>986,300</td>
<td>1,052,800</td>
</tr>
<tr>
<td>Goods Producing</td>
<td>154,300</td>
<td>148,900</td>
<td>148,200</td>
<td>160,400</td>
<td>186,500</td>
</tr>
<tr>
<td>Natural Resources and Mining</td>
<td>400</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>600</td>
</tr>
<tr>
<td>Construction</td>
<td>50,400</td>
<td>48,300</td>
<td>49,700</td>
<td>57,100</td>
<td>73,900</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>103,400</td>
<td>100,200</td>
<td>98,000</td>
<td>102,800</td>
<td>112,000</td>
</tr>
<tr>
<td>Services Providing</td>
<td>1,026,400</td>
<td>1,004,800</td>
<td>986,700</td>
<td>993,100</td>
<td>1,032,700</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>216,900</td>
<td>211,200</td>
<td>206,300</td>
<td>209,200</td>
<td>224,700</td>
</tr>
<tr>
<td>Information</td>
<td>80,900</td>
<td>80,200</td>
<td>79,400</td>
<td>80,200</td>
<td>79,800</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>68,300</td>
<td>68,700</td>
<td>69,200</td>
<td>72,800</td>
<td>79,100</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>194,600</td>
<td>184,600</td>
<td>176,700</td>
<td>176,800</td>
<td>194,200</td>
</tr>
<tr>
<td>Educational and Health Services</td>
<td>148,600</td>
<td>141,800</td>
<td>138,100</td>
<td>137,700</td>
<td>133,300</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>112,400</td>
<td>111,100</td>
<td>108,800</td>
<td>108,100</td>
<td>113,400</td>
</tr>
<tr>
<td>Other Services</td>
<td>43,400</td>
<td>42,400</td>
<td>41,200</td>
<td>41,200</td>
<td>41,900</td>
</tr>
<tr>
<td>Government</td>
<td>167,100</td>
<td>164,900</td>
<td>167,000</td>
<td>167,200</td>
<td>166,400</td>
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<td>Workers in Labor/Management</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Workers in Labor/Management Disputes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
</tr>
</tbody>
</table>

(1) Columns may not add to totals due to rounding.
APPENDIX C

COPIES OF THE RESOLUTION AND OF
THE CONTINUING DISCLOSURE UNDERTAKINGS
PORT OF SEATTLE
RESOLUTION NO. 3680

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<td>Remedies</td>
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<td>Registered Owners’ Direction of Proceedings</td>
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<td>Limitation on Registered Owners’ Right to Sue</td>
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<td>Termination of Proceedings</td>
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* This table of contents and the cover page are not a part of this resolution as adopted but is provided for convenience of reference only.
AMENDED AND RESTATED FUEL FACILITIES RESOLUTION NO. 3680

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

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

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

WHEREAS, the Port issued its Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003 in the principal amount of $121,140,600 and currently outstanding in the principal amount of $100,175,000 (the “2003 Bonds”) pursuant to Resolution 3504, as amended (the “2003 Bond Resolution”), for the purpose of paying or refinancing the costs of a fuel hydrant project (herein defined as a portion of the “Fuel System”); and

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

WHEREAS, the 2003 Bonds maturing on June 1, 2033 are subject to redemption at the option of the Port on and after June 1, 2008 in whole or in part on any date at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest; and
WHEREAS, the Port has determined that the 2003 Bonds may be refunded at lower rates, thereby realizing substantial savings in annual debt service; and

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

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

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

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

Section 1. Definitions and Rules of Construction.

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

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

Additional Bonds means Refunding Bonds and/or Improvement Bonds.

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

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

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

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

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

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

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

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

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

Bond or Bonds means the bond(s), note(s) or other evidence(s) of indebtedness issued from time to time in Series pursuant to and under authority of this resolution and any
Supplemental Resolution, including without limitation, the 2013 Bonds and any Additional Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Designated Port Representative means the Chief Executive Officer of the Port or the Chief Financial and Administrative Officer of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.
**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and its successors as depository for the 2013 Bonds pursuant to Section 35 of this resolution.

**Escrow Agent** means the Trustee.

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

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

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

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

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

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

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

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

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

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

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

**Fuel System Operator** means a qualified and duly licensed independent contractor selected by the Lessee to operate and maintain certain elements of the Fuel System as specified and agreed from time to time and who is delegated authority to act on behalf of the Lessee in exercising certain specified rights and obligations under the Fuel System Operating Agreement and other related agreements, including without limitation the Lease, the Fuel System Access Agreements, and Non-Contracting User Agreements.
Fully Paid. A Bond shall be deemed Fully Paid if the Bond is paid in full, canceled and not reissued or if a trust for the payment of such Bond has been established in accordance with Section 30 of this resolution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Revenue means:

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

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

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

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

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

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

Owners means the Registered Owners of the Bonds.

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

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

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

Pledged Lease Revenue includes:

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

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

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

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

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

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

Qualified Insurance means any non-cancelable municipal bond insurance policy or surety bond having a term at least equal to the term of the Series of Bonds whose portion of the Required Debt Service Reserve Amount is to be satisfied by such bond insurance policy or surety
bond, issued by any insurance company licensed to conduct an insurance business in any state of
the United States (or by a service corporation acting on behalf of one or more such insurance
companies) (i) which insurance company, as of the time of issuance of such policy or surety
bond, is rated in one of the two highest Rating Categories by one or more of the Rating Agencies
for unsecured debt or insurance underwriting or claims-paying ability or (ii) by issuing its
policies causes obligations insured thereby to be rated in one of the two highest Rating
Categories by one or more of the Rating Agencies.

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

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

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

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

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

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

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

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

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

Relenting Costs shall include all costs and expenses incurred by the Port in connection
with any retletting to a Replacement Lessee or retaining any Replacement Operator or
commencing operation of the Fuel System with its own employees, including attorneys' fees, brokerage fees and an allocable portion of administrative costs incurred by the Port in connection therewith, but Releasing Costs shall not include costs of extraordinary repair, replacement and maintenance.

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

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

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

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

(a) the maximum amount of regularly scheduled principal and interest payable in any year on Bonds,

(b) 10% of the initial principal amount of each Series of Outstanding Bonds, and

(c) 125% of the average annual scheduled principal and interest payable on Bonds.

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

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

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

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

*State* means the State of Washington.

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

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

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

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

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

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

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

*User* means any Contracting Airline, Non-Contracting User or Iliner User.
(b) Rules of Construction. For all purposes of this resolution, except as otherwise expressly provided or unless the context otherwise requires:

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

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

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

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

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

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

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

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

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

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

(11) All references herein to “counsel fees,” “attorney fees” or the like include, without limitation, fees and disbursements of in-house or outside counsel, whether or not suit is instituted, and include fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceeding.
Section 2. Authorization and Lien of and Security for Bonds. Special facility revenue bonds of the Port, unlimited in amount, to be known as the “Port of Seattle Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC),” are hereby authorized to be issued in Series, and each such Series may be issued from time to time pursuant to this resolution and (except in the case of the 2013 Bonds, which are issued pursuant to Sections 31 through 42 of this resolution) a Supplemental Resolution in such amounts and upon such terms and conditions as the Commission may from time to time deem necessary or advisable, for the purpose of paying the costs of improvements, repairs, replacements, major maintenance, or additions to or extensions or modifications of the Fuel System or refunding Bonds issued to pay such costs and related costs, including but not limited to costs of issuance, capitalized interest and the funding of reserves.

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

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

From and after the time of issuance and delivery of the Bonds of each Series and so long thereafter as any of the same remain Outstanding, the Port hereby irrevocably obligates and binds itself to set aside and pay into the special funds created for the payment of each Series of Bonds out of Pledged Lease Revenue on or prior to the date on which the principal of, premium, if any, and interest on the Bonds shall become due, the amount necessary, together with Other Revenue, to pay such principal, interest, and premium, if any, coming due on the Bonds of such Series.
Said amounts so pledged are hereby declared to be a prior lien and charge upon the Pledged Lease Revenue superior to all other charges of any kind or nature whatsoever and except for charges equal in rank that may be made thereon to pay and secure the payment of the principal of, premium, if any, and interest on Bonds issued in accordance with the provisions of Sections 3, 9 and/or 10 of this resolution.

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

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

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

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

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

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

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

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

(f) the currency or currencies in which the Bonds of such Series are payable;
(g) the denominations of, and the manner of dating, numbering, and, if necessary, authenticating, the Bonds of such Series;
(h) the paying agent(s), tender agent(s), remarketing agent(s), and the Registrar(s), if any, for the Bonds of such Series and the duties and obligations thereof;
(i) the place or places of payment of the principal, redemption price, if any, or purchase price, if any, of and interest on, the Bonds of such Series;
(j) the form or forms of the Bonds of such Series;
(k) the terms and conditions, if any, for the redemption of the Bonds of such Series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms; provided, that the Supplemental Resolution may authorize the Chief Executive Officer of the Port to fix the terms and conditions for the redemption of the Bonds of such Series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms under such terms and conditions approved by resolution of the Commission;
(l) the terms and conditions, if any, for the purchase of the Bonds of such Series upon any optional or mandatory tender for purchase prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms; provided, that the Supplemental Resolution may authorize the Chief Executive Officer of the Port to fix the terms and conditions for the tender of the Bonds of such Series prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms under such terms and conditions approved by resolution of the Commission;

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

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

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

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

Section 4. Project Fund.

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

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

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

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

(b) Deposits. Insurance or condemnation proceeds, if any, transferred to the Project Fund pursuant to Section 8(a)(4) or 8(b), shall be deposited to the Project Fund. At the Port's option, interest earnings on investments of money in the Debt Service Reserve Account may at the direction of the Port be transferred pursuant to Section 6(c)(2) and deposited to the Project Account. Interest earnings and the proceeds of investments of money in an account in the Project Fund shall be deposited in and retained in such account within the Project Fund.

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

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

Section 5. Fuel Hydrant Revenue Fund. The Trustee is hereby authorized to continue the accounts within the Fuel Hydrant Revenue Fund, or to establish one or more
additional accounts upon the written direction of the Designated Port Representative delivered to
the Trustee.

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

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

(b) Deposits. All Pledged Lease Revenue and Other Revenue shall be delivered to
the Trustee and deposited upon receipt into the Fuel Hydrant Revenue Fund. The amount of the
Monthly Debt Service Deposit to be delivered by the Lessee to the Trustee each month shall
equal the amount shown on Schedule I to the most recent Closing Memorandum; provided, that
in the case of the Monthly Debt Service Deposit immediately preceding a Payment Date, the
Trustee shall calculate the adjustment, if any, to be made to the amount of the Monthly Debt
Service Deposit to take into account amounts on deposit in the Debt Service Account or any
capitalized interest account hereafter created, and shall send notice of any adjustment to the
Lessee prior to the date such Monthly Debt Service Deposit is to be delivered to the Trustee. If
the Lessee receives notice of an adjustment before the date that a Monthly Debt Service Deposit
is due to the Trustee, the Lessee shall adjust the amount of the Monthly Debt Service Deposit
accordingly. If, on the 11th day of the month preceding any Payment Date, the amount of the
Monthly Debt Service Deposits received by the Trustee from the Lessee is less than the amount
of principal of and interest and premium, if any, coming due on the Bonds on such Payment
Date, the Trustee shall immediately provide written notice of such deficiency to the Lessee,
demand immediate payment of the amount of the deficiency, and provide notice that the Trustee
will enforce the Guaranty in the event that the deficiency is not paid on the 25th day of the month
preceding the Payment Date.

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

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

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

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

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

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

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

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

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

(1) Debt Service Account; and

(2) Debt Service Reserve Account;

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

(b) **Debt Service Account.**

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

(A) on the 25th day of each month, transfers from the Fuel Hydrant Revenue Fund or a capitalized interest account, if any, pursuant to Section 6(c)(1);

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

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

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

(2) **Disbursements.** Disbursements shall be made from the Debt Service Account on each Payment Date, to the extent of funds on deposit therein and available therefor,
(3) \textit{Investment}. Moneys on deposit in the Debt Service Account shall be invested by the Trustee, as directed by the Port in writing, in permitted investments for Port funds. The Trustee shall maintain records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in subaccounts within the Debt Service Account, and such income and interest shall become part of the respective subaccount within the Debt Service Account and may be expended as provided in subsection (2) hereof.

Copies of such records shall be made available to the Port, the Lessee and the Registered Owners in reasonable quantity from time to time upon written request of the Port, the Lessee, or a Registered Owner, as the case may be.

(c) \textit{Debt Service Reserve Account}.

(1) \textit{Deposit}. There shall be deposited into the Debt Service Reserve Account, the following:

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

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

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

The money in the Debt Service Reserve Account shall be maintained by deposits of cash and/or permitted investments stated to mature not later than five years after the date such investment is made, or a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. To the extent that the Port obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Debt Service Reserve Account, an equal portion of, first, the money and then, the securities on deposit in the Debt Service Reserve Account shall be transferred, as directed in writing by the Port, to pay costs of repairs, replacements, major maintenance, additions or improvement to or extensions or modifications of the Fuel System, or to the Debt Service Account to defease or redeem Bonds. The Trustee shall value the investments in the Debt Service Reserve Account semiannually each March 31 and September 30. In computing the amount on hand in the Debt Service Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other obligations purchased as an investment of moneys therein shall be valued at market. As used herein, the term “cash” shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, and certified or cashier’s checks.

In making the payments and credits to the Debt Service Reserve Account required by this Section 6(c), to the extent that the Port has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this Section to be on deposit in the Debt Service Reserve Account, the amount then available for drawings, as applicable, under any such Qualified Insurance or Qualified Letter of Credit shall be credited against the amount required to be on deposit in such Debt Service Reserve Account. In the event of termination or expiration of a Qualified Letter of Credit and unless a replacement Qualified Letter of Credit shall be delivered, the Trustee shall provide notice to the Port and Lessee and shall draw upon such Qualified Letter of Credit and deposit the proceeds thereof in the Debt Service Reserve Account. If the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent or no longer in existence, the deficiency resulting from such insolvency or failure of existence shall be
satisfied on the first day of the next calendar month after the insolvency or incapacity of the issuer, but no later than the date of cancellation or termination of the Qualified Insurance or Qualified Letter of Credit, with cash paid out of available amounts in the Fuel Hydrant Revenue Fund after making necessary provisions for the payments required to be made under Section 5(c)(1) through (3) or with other Qualified Insurance or another Qualified Letter of Credit. The Trustee shall maintain records regarding drawings made under Qualified Insurance or Qualified Letters of Credit.

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

(2) **Withdrawals.** Interest earnings, if any, on investments made of money in the Debt Service Reserve Account, to the extent that such earnings result in a balance in the Debt Service Reserve Account in excess of the Required Debt Service Reserve Amount, (1) may, at the Port’s option, be transferred on each valuation date for such investments to the Project Fund; otherwise (2) shall be transferred on each valuation date for such investments to the Debt Service Account. If a deficiency in the Debt Service Account shall occur immediately prior to a Payment Date, such deficiency shall be made up from the Debt Service Reserve Account by the withdrawal of cash and securities therefrom for that purpose, in such amounts as will provide cash in the Debt Service Account sufficient to make up any such deficiency with respect to the Bonds, and if a deficiency still exists immediately prior to a Payment Date and after the withdrawal of cash, the Trustee shall then draw from any Qualified Letter of Credit or Qualified Insurance for the Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as such Qualified Letter of Credit or such Qualified Insurance shall provide. The Trustee shall provide notice to the Lessee of any deficiency in the Debt Service Reserve Account, for payment (in the case of a deficiency resulting from a withdrawal from the Debt Service Reserve Account) on the first day of the next calendar month or for payment (in the case of a deficiency resulting from a valuation of investments in the Debt Service Reserve Account) on or prior to May 10 for a March 31 valuation and on or before November 10 for a September 30 valuation, in each case pursuant to Section 4.1(c) of the Lease and deposit to the Fuel Hydrant Revenue Fund. Any deficiency in the Debt Service Reserve Account shall be made up from (A) the next available money in the Fuel Hydrant Revenue Fund transferred to the Debt Service Reserve Account, or (B) Qualified Insurance or a Qualified Letter of Credit. Reimbursement for amounts drawn under any Qualified Insurance or Qualified Letter of Credit plus interest thereon shall be made within a 12-months period to the issuer of such Qualified Letter of Credit or Qualified Insurance by the Trustee, but only from funds on deposit with the Trustee and available therefor.

(d) **Use of Excess Money in the Debt Service Reserve Account and Debt Service Account.** Whenever there is sufficient cash in the Debt Service Reserve Account and the Debt Service Account to pay or, with a verification report prepared by a firm of certified public accountants or other consultant, to provide for the payment of the principal of, interest on and premium, if any, on all Outstanding Bonds, the cash in the Debt Service Reserve Account may be used to pay such principal, interest and premium, if any. The Designated Port Representative may also direct the Trustee to transfer rebuttable arbitrage attributable to permitted investments in the Debt Service Reserve Account to pay arbitrage rebate or to make written demand of the Lessee for payment of all or a portion of such rebate under Section 4.2(a) of the Lease.
Money in the Debt Service Account not needed to pay the (1) interest or (2) principal and interest next coming due on any Outstanding Bonds may be used to purchase or optionally redeem and retire Bonds. Money in the Debt Service Account shall be used solely to pay principal of, interest on and premium, if any, on Bonds when due, whether at maturity or redemption or purchase in advance of maturity of such Bonds or otherwise. The Monthly Debt Service Deposit shall be adjusted as set forth in Section 5(b), so as to ensure compliance with requirements of the Code and to avoid excessive accumulations in the Debt Service Account.

Section 7. Operating Covenants-General.

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

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

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

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

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

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

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

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

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

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

If Registered Owners of not less than a majority in aggregate principal amount of Outstanding Bonds shall have consented to and approved the execution and delivery thereof as herein provided, no Registered Owner shall have any right to object to the execution and delivery of such modification, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain any party thereto from executing and delivering the same or from taking any action pursuant to the provisions thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 8. Casualty Events/Condemnation

(a) Casualty Event.

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

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

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

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

In the event that insurance proceeds are insufficient to undertake Option (1) and the Lessee does not obtain funding from another source (e.g., self-assessment) to pay the difference between the cost of completing, restoring, replacing or rebuilding the damaged or destroyed portion of the Land or the Fuel System and the amount of insurance proceeds, if any, available for such purpose (the “cost differential”), either the Lessee or the Port may initiate the process for the issuance of Additional Bonds, as described in Sections 11.1(c) and 12.1 of the Lease. If pursuant to the procedures set forth in Sections 11.1(c) and 12.1 of the Lease (x) the Lessee fails to approve Additional Bonds to pay the cost differential and does not propose a Financing Alternative accepted by the Port; or (y) the Port cannot secure reasonable access to the capital markets for such Additional Bonds within a reasonable time; then the Port shall undertake Option (2) to pay the cost differential, but only if and to the extent that the Port then has the right and authority to impose rates, charges, fees, or another cost recovery mechanism upon the Air Carriers for the cost differential as well as the cost of the facilities previously funded by the outstanding Bonds. Notwithstanding anything to the contrary herein implied or stated, the Port shall in no event be obligated to undertake Option (2) or to undertake Option (3) or to fund any portion of the cost differential unless the Port then has the right and authority to impose rates, charges, fees, or another cost recovery mechanism upon the Air Carriers for the cost differential as well as the cost of the facilities previously funded by the outstanding Bonds.

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

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

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

C. within a reasonable period after a determination of a cost differential, the Port shall decide whether or not to rebuild; and
D. the Port shall communicate the decisions (the existence and amount of any cost differential and whether or not to rebuild) in each case promptly to the Trustee by written notice.

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

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

(b) Condemnation. If all or substantially all of the Fuel System is condemned by any authority including the Port, the Port shall direct the application of the condemnation proceeds to the defeasance of the Bonds. If less than substantially all of the Fuel System is condemned or if the proceeds of any condemnation award received by the Trustee are insufficient to pay or defease all Outstanding Bonds, the procedures to be followed shall be consistent with those procedures outlined in subsection (a) above.

Section 9. Improvement Bonds; Financing Alternative.

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

(1) there is not then existing and continuing a Default under this resolution;

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

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

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

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

**Section 10. Refunding Bonds.**

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

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

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

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

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

(b) **Other Refunding Bonds.** The Port, by means of a Supplemental Resolution may issue Refunding Bonds secured by the Trust Estate on a parity with all Outstanding Bonds, subject to the terms and conditions of this Section 10(b), (1) without complying with the preconditions set forth in Section 10(a)(1) and (3) if the annual debt service on such Refunding Bonds in any year is not more than the annual debt service in any year on the Bonds to be refunded were such refunding not to occur; or (2) without complying with the preconditions set forth in Section 10(a)(1) and (3) if the Refunding Bonds are issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity, any Bonds for the payment of which sufficient Pledged Lease Revenue and Other Revenue are not available. Prior to the issuance of Refunding Bonds under this Section 10(b) there shall be delivered a Favorable Opinion of Bond Counsel and an opinion or opinions of counsel to the Port or the Lessee, as applicable, stating that such Refunding Bonds are authorized as Bonds under the Lease (or alternatively, a certificate of the Port and the Lessee that all procedures required under...
Section 11. Adoption of Supplemental or Amendatory Resolutions and Purposes Thereof Without Consent. The Port may adopt at any time and from time to time and without the consent or concurrence of the owner of any Bond, a resolution or resolutions amendatory or supplemental to this resolution or to any Supplemental Resolution for any one or more of the following purposes:

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

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

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

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

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

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

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

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

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

Notwithstanding anything in this Section 11 to the contrary, without the specific consent of the Registered Owner of each Bond, no such resolution amending or supplementing the provisions hereof or of any Supplemental Resolution shall (1) permit the creation of a lien or charge on the Trust Estate superior or prior to the payment of the Bonds; (2) reduce the percentage of Bonds the Registered Owners of which are required to consent to any such resolution amending or supplementing the provisions hereof; or (3) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby. No resolution amending or supplementing the provisions hereof or of any Supplemental Resolution shall change the date of payment of the principal of, premium, if any, or interest on any Bond, or reduce the principal amount, or change the rate or extend the time of payment of interest thereof, or reduce any
premium payable upon the redemption or prepayment thereof, or advance the date upon which any Bond may first be called for redemption prior to its fixed maturity date (except as provided in the Supplemental Resolution authorizing the issuance of such Bond) without the specific consent of the owner of that Bond; and no such amendment shall change or modify any of the rights, duties, responsibilities or immunities of the Registrar or the Trustee without its prior written consent thereto.

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

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

(b) Amendments With Consent of Issuers of Credit Facilities. A resolution authorizing the issuance of Additional Bonds may include a covenant with respect to a Credit Facility Issuer that limits the ability of the Port to amend this resolution and any Supplemental Resolution without the prior written consent of that Credit Facility Issuer. A Supplemental Resolution authorizing the issuance of Additional Bonds to the extent not inconsistent with the terms of this resolution shall not be considered as an amendment to this resolution.

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

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

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

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

(c) Except as otherwise provided in this Section 14, the Port shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the Port contained in this resolution, and such default shall have continued for a period of 30 days.
following written notice of such default given to the Port by the Trustee or, if the Port is
diligently pursuing the cure of such default, 60 days following written notice of such default
given to the Port by the Trustee;

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

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

(f) Insolvency of the Port;

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

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

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

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

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

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

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

(b) bring suit upon the Bonds;

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

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

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

(f) enforce all of the Trustee’s rights and exercise all remedies available under the
Related Documents.
If a bankruptcy case is commenced by or against the Lessee or the Fuel System Operator, the Trustee shall have the right to make appearances and to file motions in such bankruptcy proceedings as deemed necessary to protect the Trustee’s claim and rights under upon the Trust Estate.

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

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

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

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

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

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

(c) To the Debt Service Reserve Account if all Bonds have not been Fully Paid;

(d) to the Lessee (if all Bonds are Fully Paid); and

(e) To the Port.

Section 17. Trustee to Represent Registered Owners. The Trustee is hereby irrevocably appointed (and the successive respective Registered Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as Trustee and true and lawful attorney-in-fact of the Registered Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Registered Owners under the provisions of the Bonds, this resolution, the Related Documents, collateral thereunder and applicable provisions of any law. Upon the occurrence and continuance of a Default or other occasion giving rise to a right in the Trustee to represent the Registered
Owners, the Trustee may, and upon the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and in all cases upon being indemnified against anticipated expenses and liabilities to its satisfaction therefor (which indemnity is a condition precedent to its duties hereunder), shall, proceed to protect or enforce its rights or the rights of such Registered Owners by the remedies hereunder as it shall deem most effectual to protect and enforce any such right; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Trust Estate and other assets pledged under this resolution, pending such proceedings. All rights of action under this resolution, the Related Documents or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Registered Owners of such Bonds, subject to the provisions of this resolution.

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

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

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Registered Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Registered Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this resolution or the rights of any other Registered Owners, or to enforce any right under this resolution, any Related Document or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Registered Owners of the Outstanding Bonds.
Section 20. Termination of Proceedings. In case any proceedings taken by
the Trustee or any one or more Registered Owners on account of any Default shall have been
discontinued or abandoned for any reason or shall have been determined adversely or if any
Default is cured, then in every such case the Port, the Trustee and the Registered Owners, subject
to any determination in such proceedings, shall be restored to their former positions and rights
hereunder, severally and respectively, and all rights, remedies, powers and duties of the Port, the
Trustee and the Registered Owners shall continue as though no such proceedings had been taken.

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

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

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

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

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

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

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

(e) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Registered Owner (on behalf of himself and all other Registered Owners), may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this resolution shall signify its acceptance of such appointment by executing and delivering to the Port and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the request of the Port or the request of the successor Trustee, such predecessor Trustee shall, at the expense of the Port execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the rights, title and interest of such predecessor Trustee in and to the Trust Estate held by it under this resolution, and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth, subject to this Section 23. Upon request of the successor Trustee, the Port shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such money, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the Trusts hereunder to the Registered Owners at the addresses shown on the Bond Register. The successor Trustee shall effect this notice by giving a form of notice to the Registrar with a request to mail such notice to the Registered Owners.

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

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

(h) The Trustee may appoint a co-trustee or separate trustee hereunder, but only as necessary or desirable to enable the provisions of this resolution to be carried out without
violating the laws of any jurisdiction (including, in particular, the law of the State) denying or restricting the right of banking corporations or associations to transact business as required of the Trustee hereunder.

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

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

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

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

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

Section 24: Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or to which it may sell all or substantially all of its corporate trust business or any company resulting from any merger, conversion, consolidation or sale to which it shall be a party shall be the successor to such Trustee and Trustee's administration hereof without the necessity of executing or filing of any paper or any further act, anything herein to the contrary notwithstanding.
Section 25. Liability of Trustee.

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

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

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this resolution.

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

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

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

Section 26. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, Requisition, consent, order, certificate, direction, report, opinion, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, but the Trustee shall examine the evidence furnished to it in order to determine whether or not such evidence conforms to the requirements of this resolution; provided, that notwithstanding anything to the contrary contained herein, the Trustee may conclusively rely and shall be fully protected in relying upon any requisitions, without
independent verification or investigation of any representations or warranties contained therein or of any underlying facts and circumstances, so long as such requisitions are in the form required under this resolution. At the expense of the Port, the Trustee may consult with counsel, engineers or accountants who may but not need be counsel, engineers or accountants employed by the Port, with regard to legal questions concerning interpretation of this resolution or otherwise, and the opinion or advice of such counsel, engineers or accountants shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

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

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

Section 28. Compensation. The Trustee shall be entitled to receive compensation from the Port for the services of the Trustee and rendered under or pursuant to this resolution, which compensation shall be determined in accordance with the written fee schedule of the Trustee furnished to the Port by the Trustee in its written proposal to the Port, as the same may be amended from time to time by agreement of the parties, or as of the date of appointment of any successor Trustee (or which compensation, in the absence of any such written fee schedule, shall be reasonable compensation), and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this resolution in accordance with the fee agreement between the Port and the Trustee (or which fees, expenses, and charges, in the absence of any such fee agreement, shall be reasonable).

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

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

If to the Port: Port of Seattle
2711 Alaskan Way
Pier 69
P.O. Box 1209
Seattle, WA 98111
Attention: Director of Finance and Budget
Any request, consent, or other instrument or writing of the Registered Owner of any Bond shall bind every future Registered Owner of the same Bond and the Registered Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Port in accordance therewith or reliance thereon.

Section 36. Defeasance.

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

(b) Escrow Securities must not be subject to redemption prior to their respective maturities at the option of the issuer of such securities.
(c) If any Bond is to be redeemed prior to its respective maturity, either:

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

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

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

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

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

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

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

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

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

(a) refund the 2003 Bonds; and

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

Section 32. 2013 Bond Details. The 2013 Bonds shall be designated as “Port of Seattle, Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013,” shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated as of their Closing Date, shall be in the denomination of $5,000 each or any integral multiple of $5,000, and shall be issued in the aggregate principal amount determined by the Chief Executive Officer, pursuant to the authority granted in Section 40; provided that the
aggregate principal amount shall not exceed $100,000,000. The 2013 Bonds shall bear interest on unpaid principal at the rates set forth in the 2013 Bond Purchase Contract and approved by the Chief Executive Officer pursuant to Section 40. Interest on the 2013 Bonds shall be payable from their Closing Date until the 2013 Bonds have been paid or their payment duly provided for, payable semianually on the first days of each June and December beginning on December 1, 2013 (each a “Payment Date”). The 2013 Bonds shall mature on June 1 of the years and in the principal amounts set forth in the 2013 Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 40.

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

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

Section 33. Redemption and Purchase.

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

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

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

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

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

(f) Selection of Bonds for Redemption. If the 2013 Bonds then are held in book-entry only form, the selection of 2013 Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated...
form, the selection of 2013 Bonds to be redeemed shall be made as provided in this subsection (f). If the Port redeems at any one time fewer than all 2013 Bonds pursuant to an extraordinary optional redemption under Section 33(c), the 2013 Bonds to be redeemed shall be selected on a pro rata basis, based on Outstanding principal amounts, among each series and maturity. In all other cases, if the Port redeems at any one time fewer than all of the 2013 Bonds having the same maturity date, the particular 2013 Bonds or portions of 2013 Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of $5,000. In the case of a 2013 Bond of a denomination greater than $5,000, the Port and Registrar shall treat each 2013 Bond as representing such number of separate 2013 Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal amount of such 2013 Bond by $5,000. In the event that only a portion of the principal sum of a 2013 Bond is redeemed, upon surrender of such 2013 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, or, at the option of the Registered Owner, a 2013 Bond of like maturity and interest rate in any of the denominations herein authorized. The provisions of this subsection (f) and their application to 2013 Bonds other than the 2013 Bonds may be modified in a Supplemental Resolution adopted in connection with the issuance of such Bonds.

(g) Notice of Redemption.

(1) Official Notice. Unless waived by any owner of 2013 Bonds to be redeemed official notice of any such redemption (which notice, in the case of an optional redemption, shall state that redemption is conditioned upon the receipt by the Registrar of sufficient funds for redemption) shall be given by the Registrar on behalf of the Port by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the 2013 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar.

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

(A) the date fixed for redemption,

(B) the redemption price,

(C) if fewer than all Outstanding 2013 Bonds are to be redeemed, the identification by maturity and Series (and, in the case of partial redemption, the respective principal amounts) of the 2013 Bonds to be redeemed,

(D) that on the date fixed for redemption, provided that in the case of optional redemption the full amount of the redemption price is on deposit therefor, the redemption price will become due and payable upon each such 2013 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(E) the place where such 2013 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

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

Failure to give notice as to redemption of any 2013 Bond or any defect in such notice shall not invalidate redemption of any other 2013 Bond.
Notwithstanding the foregoing, if the 2013 Bonds are then held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then effect at DTC but not less than 20 days prior to the date of redemption.

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

(3) **Additional Notice.** In addition to the foregoing notice, further notice shall be given by the Registrar on behalf of the Port as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all 2013 Bonds being redeemed; (B) the date of issue of the 2013 Bonds; (C) the rate of interest borne by each 2013 Bond being redeemed; (D) the maturity date of each 2013 Bond being redeemed; and (E) any other descriptive information needed to identify accurately the 2013 Bonds being redeemed. Each further notice of redemption shall be sent at least 25 days before the date fixed for redemption to each party entitled to receive notice pursuant to Section 41.

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

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

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

In the event that the 2013 Bonds are no longer in fully immobilized form, interest on the 2013 Bonds shall be paid by check or draft mailed (or by wire transfer, without transfer fee, to a
Registered Owner of such 2013 Bonds in aggregate principal amount of $1,000,000 or more who so requests in writing) to the Registered Owners of the 2013 Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal and premium, if any, of the 2013 Bonds shall be payable upon presentation and surrender of such 2013 Bonds by the Registered Owners at the principal office of the Registrar.

Section 35. Registration.

(a) Registrar/Bond Register. The Port hereby appoints the fiscal agency of the State of Washington as the Registrar for the 2013 Bonds. The Port shall cause a Bond Register to be maintained by the Registrar. So long as any 2013 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of 2013 Bonds at its principal corporate trust office and shall make such records available to the Trustee. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar and a successor Registrar appointed by the Treasurer. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and qualified and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver 2013 Bonds transferred or exchanged in accordance with the provisions of such 2013 Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the 2013 Bonds.

(b) Registered Ownership. The Port, the Trustee and the Registrar shall deem and treat the Registered Owner of each 2013 Bond as the absolute owner thereof for all purposes (except as provided in Section 42 of this resolution), and none of the Port, the Registrar or the Trustee shall be affected by any notice to the contrary. Payment of any such 2013 Bond shall be made only as described in Section 34 hereof, but such 2013 Bond may be transferred as herein provided. All such payments made as described in Section 34 shall be valid and shall satisfy and discharge the liability of the Port upon such 2013 Bond to the extent of the amount or amounts so paid.

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

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

None of the Port, the Trustee or the Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the 2013 Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of, premium, if any, or interest on 2013 Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the Port to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any 2013 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered
Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the Beneficial Owners or the owners of any other beneficial interest in such 2013 Bonds.

(d) Use of Depository.

(1) The 2013 Bonds shall be registered initially in the name of “Cede & Co.”, (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC, with one 2013 Bond maturing on the maturity date of the 2013 Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized 2013 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Port Representative pursuant to subsection (2) below or such substitute depository’s successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Port Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Port Representative may thereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

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

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Port Representative determines that it is in the best interest of the Beneficial Owners of the 2013 Bonds that such owners be able to obtain such bonds in the form of 2013 Bond certificates, the ownership of such 2013 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Designated Port Representative shall deliver a written request to the Registrar, together with a supply of definitive 2013 Bonds, to issue 2013 Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding 2013 Bonds together with a written request on behalf of the Designated Port Representative to the Registrar, new 2013 Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any 2013 Bond may be registered and 2013 Bonds may be exchanged, but no transfer of any such 2013 Bond shall be valid unless such 2013 Bond is surrendered to the Registrar with the assignment form appearing on such 2013 Bond duly executed by the Registered Owner or such Registered Owner’s duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered 2013 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new 2013 Bond (or 2013 Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized
denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered 2013 Bond, in exchange for such surrendered and canceled 2013 Bond. Any 2013 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of 2013 Bonds of the same date, maturity and interest rate, in any authorized denomination or denominations. Except as provided in a Supplemental Resolution, the Registrar shall not be obligated to register the transfer of or to exchange any 2013 Bond during the 15 days preceding the date any such Bond is to be redeemed.

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

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

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

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

Section 37. Lost, Stolen, Mutilated or Destroyed 2013 Bonds. In case any 2013 Bond or 2013 Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new 2013 Bond or 2013 Bonds of like interest rate, maturity, date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the Port in connection therewith and upon his/her surrendering the mutilated 2013 Bond or filing with the Port evidence satisfactory to the Port that such 2013 Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the Port and the Trustee with indemnity satisfactory to both.
Section 38. Form of 2013 Bonds and Registration Certificate. The 2013 Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

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

Maturity Date: CUSIP No. _____

Interest Rate: _____

Registered Owner: Code & Co.

Principal Amount: _____

The PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Special Facility Revenue Bond Account" (the "Debt Service Account") created by Amended and Restated Resolution No. 3680 of the Port Commission (the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Debt Service Account from June 1, 2013, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each June and December beginning on December 1, 2013. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the Port to The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington (collectively the "Registrar"). Capitalized terms used in this bond that are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of a series of bonds of the Port in the aggregate principal amount of $_____ of like date, tenor and interest, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to refinance special facility bonds issued to finance a fuel storage and distribution system at the Seattle-Tacoma International Airport.

The bonds of this issue shall be subject to extraordinary optional redemption as set forth in the Bond Resolution and to optional redemption in advance of their scheduled maturity on and after June 1, 2013 in whole or in part on any date at the following prices, expressed as a percentage of the principal amount, plus accrued interest to the date of redemption.

<table>
<thead>
<tr>
<th>Redemption Dates (all dates are inclusive)</th>
<th>Redemption Prices %</th>
</tr>
</thead>
</table>

Unless redeemed pursuant to the foregoing optional redemption provisions or purchased and delivered to the Trustee for cancellation, the bonds of maturing on June 1, 2013 shall be redeemed by the Port on June 1 of the following years in the following principal amounts at a price of par, plus accrued interest to the date of redemption:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount $</th>
</tr>
</thead>
</table>

* Maturity

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

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

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

The Port does hereby bind itself to set aside from Pledged Lease Revenue in the manner described in the Bond Resolution the various amounts required by the Bond Resolution to be paid into and maintained in said accounts, all within the times provided by said Bond Resolution.

Said amounts so pledged are hereby declared to be a prior lien and charge upon the Pledged Lease Revenue superior to all other charges of any kind or nature whatsoever except for charges equal in rank that may be made thereon to pay and secure the payment of the principal of,
premium, if any, and interest on any bonds issued by the Port having a parity of lien on such Trust Estate. The Port has reserved the right to issue parity lien revenue bonds in the future.

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

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

IN WITNESS WHEREOF, the Port of Seattle has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission, and the corporate seal of the Port to be impressed or a facsimile thereof imprinted hereon as of the ___ day of __________, 2013.

[SEAL]

PORT OF SEATTLE

By ___________________ /s/ ___________________
President, Port Commission

ATTEST:

_____________________________/s/_____________________________
Secretary, Port Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: ____________________

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013 of the Port of Seattle dated __________, 2013.

WASHINGTON STATE FISCAL AGENCY, Registrar

By ___________________________/s/__________________________
Authorized Signer

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

Section 39. Execution. The 2013 Bonds shall be executed on behalf of the Port with the manual or facsimile signature of the President of its Commission, shall be attested by the manual or facsimile signature of the Secretary thereof and shall have the seal of the Port impressed, imprinted or otherwise reproduced thereon.

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

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

Section 40. Sale of 2013 Bonds. The 2013 Bonds shall be sold at negotiated sale to the 2013 Underwriters pursuant to the terms of the 2013 Bond Purchase Contract. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the
2013 Bonds and execute the 2013 Bond Purchase Contract, with such terms as are approved by the Chief Executive Officer pursuant to this section and consistent with this resolution. The 2013 Underwriters have advised the Commission that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Chief Executive Officer for a limited time the authority to approve the final interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity, redemption provisions and other terms and conditions of the 2013 Bonds. The Chief Executive Officer is hereby authorized to approve the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption provisions for the 2013 Bonds in the manner provided hereafter so long as the aggregate principal amount of the 2013 Bonds does not exceed $100,000,000 and so long as so long as the Savings Target is met with respect to the 2013 Bonds.

In determining the final interest rates, maturity dates, aggregate principal amounts, principal maturities, redemption provisions of the 2013 Bonds, the Chief Executive Officer, in consultation with Port staff and the Port’s financial advisor, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the 2013 Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the 2013 Bonds. Subject to the terms and conditions set forth in this Section 40, the Designated Port Representative is hereby authorized to execute the final form of the 2013 Bond Purchase Contract, upon the Chief Executive Officer’s approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the execution of the 2013 Bond Purchase Contract, the Chief Executive Officer shall provide a report to the Commission, describing the final terms of the 2013 Bonds approved pursuant to the authority delegated in this section. The authority granted to the Chief Executive Officer and the Designated Port Representative by this Section 40 shall expire six months after the date of approval of this resolution. If a 2013 Bond Purchase Contract for the 2013 Bonds has not been executed before November 7, 2013, the authorization for the issuance of the 2013 Bonds shall be rescinded, and the 2013 Bonds shall be issued nor be sold approved unless such 2013 Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of such 2013 Bonds may be in the form of a new resolution repealing this resolution in whole or in part or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 40.

Upon the adoption of this resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the 2013 Bonds to the 2013 Underwriters thereof and further to execute the 2013 Bond Purchase Contract and all closing certificates and documents required to effect the closing and delivery of the 2013 Bonds in accordance with the terms of the 2013 Bond Purchase Contract.

The Designated Port Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the Port, the Official Statement (and any Preliminary Official Statement) (both as defined in the 2013 Bond Purchase Contract) relating to the issuance and sale of the 2013 Bonds and the distribution of the Official Statement pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.
Section 41. Undertaking to Provide Ongoing Disclosure. The Designated Port Representative is authorized to, in his or her discretion, execute and deliver a Continuing Disclosure Agreement to assist the 2013 Underwriters in complying with the Rule.

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

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

(b) Application of 2013 Bond Proceeds. The Net Proceeds of the 2013 Bonds (exclusive of any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be held by the Port and used at the direction of the Designated Port Representative to pay the costs of or reimbursing the Port for the costs of redeeming the Refunded Bonds or may be placed into the escrow account pursuant to the terms of the Escrow Agreement to effect a defeasance of the Refunded Bonds. Net Proceeds of the Bonds deposited with an Escrow Agent may be kept in cash or utilized to purchase the Government Obligations specified by the Designated Port Representative which meet the requirements of Resolution No. 3504, as amended (the "2003 Bond Resolution") (which obligations so purchased, are herein called "Acquired Obligations") and to maintain such necessary beginning cash balance to defease the Refunded Bonds and to discharge the other obligations of the Port relating thereto under the 2003 Bond Resolution, by providing for the payment of the interest on the 2003 Bonds to June 1, 2013 (the "Call Date") and the redemption price (the principal amount) on the date fixed for redemption of the 2003 Bonds. When the final transfer has been made for the payment of such redemption price and interest on the Refunded Bonds, any balance then remaining with the Escrow Agent shall be transferred to the account designated by the Port and used for the purposes specified by the Designated Port Representative.

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

   (1) the interest on the 2003 Bonds on the Call Date; and
   (2) the price of redemption of the 2003 Bonds on the Call Date.

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

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

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

   The Designated Port Representative may cause to be disseminated a conditional notice of redemption prior to the closing and delivery of the 2003 Bonds. The Escrow Agent or the Registrar, as the case may be, shall be authorized and directed to provide for the giving of irrevocable notice of the redemption of the 2003 Bonds in accordance with the terms of 2003 Bond Resolution and as described in the Escrow Agreement, if any. The Treasurer is authorized and directed to provide whatever assistance is necessary to accomplish such
redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the Port.

The Port or the Escrow Agent on behalf of the Port shall be authorized and directed to pay to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in subsection (c). All such sums shall be paid from the moneys and the Acquired Obligations pursuant to the previous section of this resolution, and the income therefrom and proceeds thereof.

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

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

Section 44: Amended and Restated Resolution. This resolution amends and restates Sections 1 through 30 of Resolution 3564, as amended. This resolution shall be effective from and after the date of its adoption and approval; provided, however, this resolution shall be of no further force and effect and shall be deemed repealed if the Bond Purchase Contract for the 2013 Bonds has not been approved by November 7, 2013 and the 2013 Bonds have not been issued as provided herein and therein by December 7, 2013. The amendments approved in this resolution shall not apply to the 2003 Bonds.

ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held this 14th day of ______________, 2013, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF SEATTLE

[Signatures]

[Signatures]

[Signatures]

[Signatures]
CERTIFICATE

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

1. That the attached resolution numbered 3680 (herein called the "Resolution") is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the 14th day of May, 2013, and duly recorded in my office.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of May, 2013.

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

WHEREAS, the Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Bonds when due as shown on Exhibit C; and

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

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

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the Port and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

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

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

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

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

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

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

Section 1.2. Other Definitions.

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

Section 1.3. Interpretations.

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

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Refunding Account.

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

Article 3. Creation and Operation of Refunding Account

Section 3.1. Refunding Account.

The Escrow Agent is authorized and directed to create on its books a special trust account and irrevocable escrow to be known as the Refunding Account (the “Refunding Account”) for the purpose of refunding the Refunded Bonds. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Refunding Account certain amounts described in Exhibit D. Such deposits, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Refunding Account, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Refunding Account shall be transferred to the Port, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.
Section 3.2. Payment of Principal and Interest.

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

Section 3.3. Sufficiency of Refunding Account.

The Port represents that, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from the Refunding Account will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2., the Port shall timely deposit in the Refunding Account, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Refunding Account or the Port’s failure to make additional deposits.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Refunding Account, the Escrowed Securities and all other assets of the Refunding Account, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Refunding Account to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Account only as set forth herein. The Escrowed Securities and other assets of the Refunding Account shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account shall at all times be maintained on the books of the Escrow Agent. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Port, and the Escrow Agent shall have no right to title with respect thereto except as Escrow Agent under the terms of this Agreement.

Article 4. Limitation on Investments

Section 4.1. Investments.

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

Section 4.2. Substitution of Securities.

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

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Refunding Account. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

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

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of Resolutions No. 3504, as amended, of the Port Commission of the Port and in substantially the forms attached as and as described in Appendix A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance or resolution authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.
Article 7. Records and Reports

Section 7.1. Records.

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

Section 7.2. Reports.

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

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

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

Section 8.2. Limitation on Liability.

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

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

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

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

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

Section 8.3. Successor Escrow Agents.

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

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

Article 9. Miscellaneous

Section 9.1. Notice.

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

Section 9.2. Termination of Responsibilities.

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

Section 9.3. Binding Agreement.

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

Section 9.4. Severability.

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

Section 9.5. Washington Law Governs.

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

Section 9.6. Time of the Essence.

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

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

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

Section 9.8. Amendments.

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

PORT OF SEATTLE

______________________________
Chief Financial and Administrative Officer

______________________________
Authorized Signer

EXHIBIT A
Addresses of the Port and the Escrow Agent

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

Escrow Agent:

---

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

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

<table>
<thead>
<tr>
<th>Maturity Year (June 1)</th>
<th>Principal Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

<table>
<thead>
<tr>
<th>Date</th>
<th>Interest</th>
<th>Principal/Redemption Price</th>
<th>Total</th>
</tr>
</thead>
</table>
## EXHIBIT D
Escrow Deposit

I. Cash $____

II. Other Obligations

<table>
<thead>
<tr>
<th>Description</th>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Total Cost</th>
</tr>
</thead>
</table>

## EXHIBIT E
Refunding Account Cash Flow

<table>
<thead>
<tr>
<th>Date</th>
<th>Escrow Requirement</th>
<th>Net Escrow Receipts</th>
<th>Excess Receipts</th>
<th>Cash Balance</th>
</tr>
</thead>
</table>

A-D-1  P:\2001\CMA\2001 5/10

A-E-1  P:\2001\CMA\2001 5/10
APPENDIX A

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

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

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

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, Texas 75201

or-

Wells Fargo Bank, National
Association
14th Floor - M/S 237
999 Third Avenue
Seattle, WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 1, 2013.

The following Bonds are being redeemed:

<table>
<thead>
<tr>
<th>Maturity Years (June 1)</th>
<th>Principal Amounts</th>
<th>Interest Rates</th>
<th>CUSIP Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

By Order of Port of Seattle

The Bank of New York Mellon, as Paying Agent

Dated: ________________________.

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

Notice of Defeasance

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

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

The Defeased Bonds are described as follows:

Port of Seattle
Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003
(Dated May 14, 2003)

<table>
<thead>
<tr>
<th>Maturity Years (June 1)</th>
<th>Principal Amounts</th>
<th>Interest Rates</th>
<th>Redemption Date (at 100%)</th>
<th>CUSIP Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>%</td>
<td>6/01/2013</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Information for Individual Registered Owner

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

Dated: ____________, 2013.

__________, as Escrow Agent

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

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the Port of Seattle (the “Port”) in connection with the issuance of its $88,660,000 Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013 (the “Bonds”). SEATAC Fuel Facilities LLC (“SEATAC Fuel”) is executing and delivering a separate Continuing Disclosure Undertaking. The Port covenants and agrees as follows:

For purposes of the Port’s undertaking pursuant to the Rule (the “undertaking”), “beneficial owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond, including persons holding Bonds through nominees or depositories or other intermediaries.

(a) Financial Statements/Operating Data.

(1) Annual Disclosure Report. The Port covenants and agrees that not later than six months after the end of each fiscal year (the “Submission Date”), commencing June 30, 2014 for the fiscal year ending December 31, 2013, the Port shall provide or cause to be provided to the Municipal Securities Rulemaking Board (the “MSRB”), an annual report (the “Annual Disclosure Report”) that is consistent with the requirements of part (2) of this subsection (a). The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (2) of this subsection (a); provided that any audited annual financial statements may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such audited financial statements are not available by the Submission Date. If the Port’s fiscal year changes, the Port shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection (b), and if for any fiscal year the Port does not furnish an Annual Disclosure Report to the MSRB, by the Submission Date, the Port shall send to MSRB notice of its failure to furnish such report pursuant to subsection (c).

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

(A) Annual operating data with respect to the Port, including historical operating data of the type provided in the final Official Statement for the Bonds dated May 22, 2013 at:

“TABLE 3 – Seattle Tacoma International Airport Historical Enplaned Passengers 2003 – 2012,”
“TABLE 6 – Seattle Tacoma International Airport Airlines Ranked by Enplaned Passenger Traffic,”
“TABLE 7 – Seattle-Tacoma International Airport Total Cargo,” and
“TABLE 8 – Seattle-Tacoma International Airport Historical Total Landed Weight 2003 – 2012.”

(B) The amount of any Additional Bonds issued under the Resolution.

Any or all of the listed items may be included by specific reference to other documents, including official statements of debt issues of the Port, or of any related entity, that have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB or filed with the Securities and Exchange Commission. The Port shall identify clearly each document so included by reference.

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

1. Principal and interest payment delinquencies;
2. Non payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to the rights of Bond owners, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Port;
13. The consummation of a merger, consolidation, or acquisition involving the Port or the sale of all or substantially all of the assets of the Port, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Solely for purposes of information, but without intending to modify the Port’s undertaking, with respect to the notice regarding credit enhancement or property securing the repayment of the Bonds, the Port advises that there is no credit enhancement or property securing the repayment of the Bonds.

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

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

(e) Termination/Modification. The Port’s obligations to provide annual financial and operating information and notices of material events shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above) or payment in full of all of the Bonds. The undertaking, or any provision hereof, shall be null and void if the Port (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the undertaking, or any such provision, have been repealed retroactively or otherwise do not apply to the Bonds; and (2) notifies the MSRB of such opinion and the cancellation of the undertaking. The Port may amend the undertaking and any provision of the undertaking may be waived, in accordance with the Rule; provided that (A) if the amendment or waiver relates to the provisions of subsections (a)(1), (a)(2) or (b) above, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (B) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (C) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the beneficial owners of the Bonds.
In the event of any amendment of or waiver of a provision of the undertaking, the Port shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Port. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under subsection (b), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(f) Registered Owner’s and Beneficial Owners’ Remedies Under the Undertaking. A Registered Owner’s and the beneficial owners’ right to enforce the provisions of the undertaking shall be limited to a right to obtain specific enforcement of the Port’s obligations under the undertaking, and any failure by the Port to comply with the provisions of the undertaking shall not be a default under the Resolution or the Lease.

(g) Additional Information. Nothing in the undertaking shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in the undertaking or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of an event, in addition to that which is required by the undertaking. If the Port chooses to include any information in any Annual Disclosure Report or notice of the occurrence of an event in addition to that specifically required by this undertaking, the Port shall have no obligation under the Resolution to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of an event.

(h) Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Port, the Underwriters, the Trustee, and the Registered Owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: June 13, 2013

PORT OF SEATTLE

By: ____________________________

Designated Port Representative
This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by SEATAC Fuel Facilities LLC (the “SEATAC Fuel”) in connection with the issuance of its $88,660,000 Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013 (the “Bonds”). The Port of Seattle (the “Port”) is executing and delivering a separate Continuing Disclosure Undertaking. SEATAC Fuel covenants and agrees as follows:

For purposes of SEATAC Fuel’s undertaking pursuant to the Rule (the “undertaking”), “beneficial owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond, including persons holding Bonds through nominees or depositories or other intermediaries.

(a) Financial Statements/Operating Data.

(1) Annual Disclosure Report. SEATAC Fuel covenants and agrees that not later than six months after the end of each fiscal year (the “Submission Date”), commencing December 31, 2013 for the fiscal year ending June 30, 2013, SEATAC Fuel shall provide or cause to be provided to the Municipal Securities Rulemaking Board (the “MSRB”), an annual report (the “Annual Disclosure Report”) that is consistent with the requirements of part (2) of this subsection (a). The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (2) of this subsection (a); provided that any audited annual financial statements may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such audited financial statements are not available by the Submission Date. If SEATAC Fuel’s fiscal year changes, SEATAC Fuel shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection (b), and if for any fiscal year SEATAC Fuel does not furnish an Annual Disclosure Report to the MSRB, by the Submission Date, SEATAC Fuel shall send to MSRB notice of its failure to furnish such report pursuant to subsection (c).

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

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

(B) The names of any Additional Contracting Airlines and of (i) any Contracting Airline that has withdrawn or (ii) any Contracting Airline that has given notice of its intent to withdraw.

(C) Any change in the amount of the entry fee.

(D) Operating and Financial Information. Annual financial information and operating data with respect to SEATAC Fuel, including historical financial information and operating data of the type provided in the final Official Statement for the Bonds dated May 22, 2013 at:

“TABLE 1 – Seattle Tacoma International Airport Total Fuel Consumption,”
“TABLE 2 – SEATAC Fuel Facilities LLC Gallonage.”

(D) The amount of any Additional Bonds issued under the Resolution.

Any or all of the listed items may be included by specific reference to other documents, including official statements of debt issues of SEATAC Fuel, or of any related entity, that have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB or filed with the Securities and Exchange Commission. SEATAC Fuel shall identify clearly each document so included by reference.
(b) Events. SEATAC Fuel agrees to provide or cause to be provided to the MSRB, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to the rights of Bond owners, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of SEATAC Fuel;
13. The consummation of a merger, consolidation, or acquisition involving SEATAC Fuel or the sale of all or substantially all of the assets of SEATAC Fuel, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Solely for purposes of information, but without intending to modify SEATAC Fuel’s undertaking, with respect to the notice regarding credit enhancement or property securing the repayment of the Bonds, SEATAC Fuel advises that there is no credit enhancement or property securing the repayment of the Bonds.

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

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

(e) Termination/Modification. SEATAC Fuel’s obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above) or payment in full of all of the Bonds. The undertaking, or any provision hereof, shall be null and void if SEATAC Fuel (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the undertaking, or any such provision, have been repealed retroactively or otherwise do
not apply to the Bonds; and (2) notifies the MSRB of such opinion and the cancellation of the undertaking. SEATAC Fuel may amend the undertaking and any provision of the undertaking may be waived, in accordance with the Rule; provided that (A) if the amendment or waiver relates to the provisions of subsections (a)(1), (a)(2) or (b) above, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (B) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (C) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the beneficial owners of the Bonds.

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

(f) Registered Owner’s and Beneficial Owners’ Remedies Under the Undertaking. A Registered Owner’s and the beneficial owners’ right to enforce the provisions of the undertaking shall be limited to a right to obtain specific enforcement of SEATAC Fuel’s obligations under the undertaking, and any failure by SEATAC Fuel to comply with the provisions of the undertaking shall not be a default under the Resolution or the Lease.

(g) Additional Information. Nothing in the undertaking shall be deemed to prevent SEATAC Fuel from disseminating any other information, using the means of dissemination set forth in the undertaking or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of an event, in addition to that which is required by the undertaking. If SEATAC Fuel chooses to include any information in any Annual Disclosure Report or notice of the occurrence of an event in addition to that specifically required by this undertaking, SEATAC Fuel shall have no obligation under the Resolution to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of an event.

(h) Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of SEATAC Fuel, the Underwriters, the Trustee, and the Registered Owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: June 13, 2013

SEATAC FUEL FACILITIES LLC

By   ___________________________
     CHAIRMAN, FUEL COMMITTEE
APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION
June 13, 2013

Port of Seattle
King County, Washington

Barclays Capital Inc.
Seattle, Washington

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

J.P. Morgan Securities LLC
New York, New York

Morgan Stanley & Co. LLC
New York, New York

Backstrom McCarley Berry & Co., LLC
San Francisco, California

Drexel Hamilton, LLC
New York, New York

Re: Port of Seattle, Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013 - $88,660,000

Ladies and Gentlemen:

We have acted as bond counsel to the Port of Seattle (the “Port”) and have examined a certified transcript of the proceedings taken in the matter of the issuance by the Port of its Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), 2013, in the aggregate principal amount of $88,660,000 (the “2013 Bonds”), issued pursuant to Resolution No. 3504 as amended and restated by Resolution No. 3680 of the Port Commission (the “Resolution”) for the purpose of refinancing the Port’s Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003, and paying issuance costs. Capitalized terms used herein which are not otherwise defined shall have the meanings given such terms in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Port contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

From such examination it is our opinion, as of this date and under existing law, that:

1. The Commission has duly adopted and approved the Resolution and the performance by the Port of its obligations contained therein.

2. The Resolution constitutes the legal, valid and binding obligation of the Port, enforceable in accordance with its terms, except to the extent that the enforcement of the rights and remedies of such owners of the 2013 Bonds may be limited by laws relating to bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.
3. The 2013 Bonds have been legally issued and constitute valid obligations of the Port, both principal of and interest thereon being payable out of the special funds and accounts established under the Resolution, subject to the further limitations set forth in paragraph 2.

4. The Port has conveyed, pledged, encumbered and granted all of its right, title and interest in Pledged Lease Revenue, and the 2013 Bonds are payable from and secured by a lien on Pledged Lease Revenue. In addition to the Pledged Lease Revenue pledged by the Port under the Resolution, the Trust Estate includes the Other Revenue and all other rights, title and interests of the Trustee granted by the Lessee pursuant to the Security Agreement, the Guaranty and the other Related Documents.

5. The Port has further pledged in the Resolution that payments to be made out of Pledged Lease Revenue shall be a prior lien and charge upon Pledged Lease Revenue superior to all other charges of any kind or nature except for charges equal in rank to the lien and charge thereon for amounts pledged to pay and secure payment of any revenue bonds hereafter issued on a parity with the 2013 Bonds as provided in the Resolution. The Port has reserved the right to issue bonds in the future on a parity of lien with the 2013 Bonds.

6. Interest on the 2013 Bonds is excludable from gross income for federal income tax purposes, except for interest on any 2013 Bonds for any period during which such 2013 Bonds is held by a “substantial user" of the facilities financed by the 2013 Bonds, or a “related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”); however, interest on the 2013 Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in this paragraph is subject to the condition that the Port comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Port has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2013 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2013 Bonds.

The Port has not designated the 2013 Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the 2013 Bonds. Owners of the 2013 Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2013 Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material relating to the 2013 Bonds (except to the extent, if any, specifically addressed by separate opinion to the Underwriter), and we express no opinion relating thereto or relating to the undertaking of the Port to provide ongoing disclosure pursuant to Securities and Exchange Commission Rule 15c2-12.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

K&L GATES LLP
APPENDIX E

SUMMARIES OF THE LLC AGREEMENT
AND
THE INTERLINE AGREEMENT
SUMMARIES OF CERTAIN PROVISIONS OF THE LLC AGREEMENT AND INTERLINE AGREEMENT

The following summaries of certain provisions of the Limited Liability Company Agreement of SEATAC Fuel Facilities LLC and of the Amended and Restated Fuel System Interline Agreement do not purport to be complete or definitive and are qualified in their entirety by reference to the Limited Liability Company Agreement of SEATAC Fuel Facilities LLC and of the Amended and Restated Fuel System Interline Agreement, respectively. Copies of the aforementioned documents may be obtained from the Airport Authority.

Definitions

Definitions used in this Appendix E have the meanings set forth below:

“Additional Contracting Airline” means an Air Carrier that becomes a Member in accordance with the LLC Agreement and a party to the Interline Agreement in accordance with the Interline Agreement.

“Affiliate” means with respect to a specified Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, the specified Person. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“Airport Authority” means The Port of Seattle, a Washington municipal corporation, or its successor.

“Air Carrier” means any “air carrier” or “foreign air carrier” certified by the Federal Aviation Administration of the Department of Transportation, and which is operating at the Airport on a regularly scheduled basis.

“Associate Airline” means any Air Carrier 100% of the capital stock or other equity interest of which is owned, directly or indirectly, by a Contracting Airline or by a Person who owns or Controls a Contracting Airline and such Contracting Airline has certified to the Company in writing that such Air Carrier is so owned.

“Bond Insurer” means, with respect to the Series 2003 Bonds, MBIA Insurance Corporation and any future issuer of a municipal bond insurance policy with respect to Additional Bonds.

“Capital Account” means, with respect to any Member, the account maintained for such Member in accordance with the provisions of the LLC Agreement.

“Capital Contribution” means, with respect to any Member, the aggregate amount of money contributed to the Company pursuant to the LLC Agreement with respect to such Member’s Interest.

“Certificate” means the Certificate of Formation of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Delaware pursuant to the Delaware Act.

“Chairperson” means the Chairperson of the Fuel Committee appointed by the Fuel Committee in accordance with the LLC Agreement.
“Contracting Airline” means an Air Carrier that is a party to the Interline Agreement and is a Member, including any Additional Contracting Airline.

“Covered Person” means a Member, any Affiliate of a Member, any officers, directors, managers, trustees, members, shareholders, partners, employees, representatives or agents of a Member, or their respective Affiliates, or any employee or agent of the Company or any of its Affiliates, or any members of the Fuel Committee or the Executive Committee.

“Delaware Act” means the Delaware Limited Liability Company Act, 6 Del. C. § 18-101, et seq., as amended from time to time.

“Executive Committee” means the committee established by the Fuel Committee pursuant to the LLC Agreement.

“Extraordinary Cost” means a non-recurring expenditure or obligation of the Company that: (a) is not a part of the normal and regular ongoing expense of leasing and operating the Fuel System; and (b) the cost of which is recovered in a manner and over a period determined by the Company. Extraordinary Cost does not include the obligation of non-defaulting Contracting Airlines to lend funds to the Company in the event of a default.

“Fiscal Year” means (i) the period commencing upon the formation of the Company and ending on December 31, 2000, and (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31.

“Fuel” means, collectively, Jet Fuel and/or Other Products stored in the Fuel System.

“Fuel Committee” means the committee established to manage the Company pursuant to the LLC Agreement.

“Fuel System” means, collectively, all Fuel receipt, storage, transmission and delivery systems and related facilities, fixtures, equipment and other real and personal property located at the Airport that is leased, acquired or controlled by the Company pursuant to the Fuel System Lease or otherwise.

“Fuel System Capital Asset” means the facilities and/or equipment acquired by the Fuel System Operator from time to time upon written direction from the Company for use in connection with the Fuel System.

“Fuel System Lease” means all leases, easements, rights-of-way, and other agreements, as amended from time to time, by which the Airport Authority grants possession and right of use of all or portions of the Fuel System to the Company.

“Fuel System Operating Agreement” means the Maintenance Operating and Management Services Agreement between the Company and the Fuel System Operator for the maintenance, operation and management of the Fuel System and the Gasoline Facility, if any.

“Fuel System Operator” means a qualified and duly licensed independent contractor of the Company selected by the Company to operate and maintain certain elements of the Fuel System as specified and agreed from time to time and the Gasoline Facility, if any, and who is delegated authority to act on behalf of the Company in exercising certain specified rights and obligations of the Company under the Fuel System Operating Agreement and other related agreements, including without limitation, the Fuel System Lease and Non-Contracting User Agreements.
“Fuel System Operator’s Management Fee” means the Fuel System Operator’s Management Fee as defined in the Fuel System Operating Agreement. The Fuel System Operator’s Management Fee is part of the Total Operating Cost.

“Gallonage” means the total number of Gallons of Fuel delivered into the aircraft of a Member (including the aircraft of such Member’s Associate Airline(s), if any) at the Airport during the relevant period. The Gallonage of each Member will be the total of all Fuel delivered into the aircraft of such Member at the Airport regardless of whether the Fuel System was used for any part of such delivery.

“Gasoline Facility” means collectively automotive gasoline storage and delivery system and related facilities and appendages, if any, operated by the Company pursuant to the Interline Agreement for the purpose of fueling vehicles related to the servicing of aircraft.

“Interest” means a Member’s interest in the Company in accordance with the provisions of the LLC Agreement and the Delaware Act.

“Itinerant User” means any Person who takes delivery of Fuel from the Fuel System and who is neither a Contracting Airline (or an Associate Airline) nor a Non-Contracting User.

“Jet Fuel” means kerosene-based jet aircraft fuel meeting the specification of ASTM D1655 (latest revision).

“Majority-In-Interest” means, with respect to a vote for or against any matter arising under or related to the LLC Agreement or the Interline Agreement, those Members, or their respective Fuel Committee representatives, as the case may be, that collectively constitute or represent, as the case may be, more than: (a) fifty percent (50%) in number of the Members not then in default under the LLC Agreement or the Interline Agreement and (b) fifty percent (50%) of the total Gallonage for the twelve months prior to the month in which the vote is taken of the Members not then in default under the LLC Agreement or the Interline Agreement.

“Member” means each of the Initial Members and includes any Person admitted as an Additional Member pursuant to the provisions of the LLC Agreement, in such Person’s capacity as a member of the Company, and “Members” means two (2) or more of such Persons when acting in their capacities as members of the Company. For purposes of the Delaware Act, the Members will constitute one (1) class or group of members.

“Monthly Gallonage” means the Gallonage of a Member or Contracting Airline for the previous calendar month or the average monthly Gallonage of the Member or Contracting Airline during the preceding twelve (12) months, whichever is greater.

“Net Facilities Charge” has the meaning ascribed to that term in the Interline Agreement.

“Non-Contracting User” means a Person who has executed a Non-Contracting User Agreement.

“Non-Contracting User Agreement” means an agreement by and between the Company and any Person other than a Contracting Airline or Associate Airline desiring to use the Fuel system for storage or throughput of Fuel.

“Other Products” means any other material stored in or put through the Fuel System for use in connection with the operation of aircraft.
“Person” includes any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

“Reserve Account” means, with respect to each Contracting Airline, the account or accounts established and maintained by the Company pursuant to the Fuel System Lease and the Interline Agreement.

“Special Facilities” means facilities described in the Interline Agreement that the Company determines are necessary for the receipt, storage or delivery of Fuel or other products, but are used by less than all Contracting Airlines.

“Start-Up Costs” means all operational and non-operational costs of organizing the Company and the other business arrangements related to the Interline Agreement and the Fuel System Lease, making the Fuel System operational, and preparing the Interline Agreement and all agreements related to the Fuel System.

“Storage Fee” means the fee imposed by the Company on a Non-Contracting User for the storage of Jet Fuel or Other Products in the Fuel System as provided in the Non-Contracting User Agreement.

“Super Majority-In-Interest” means, with respect to a vote for or against any matter arising under or related to the LLC Agreement or the Interline Agreement, those Members, or their respective Fuel Committee representatives, as the case may be, that collectively constitute or represent, as the case may be, more than: (a) seventy-five percent (75%) in number of the Members not then in default under the LLC Agreement or the Interline Agreement and (b) seventy-five percent (75%) of the total Gallonage for the twelve months prior to the month in which the vote is taken of the Members not then in default under the LLC Agreement or the Interline Agreement.

“Supplier” means any Person who or which has an agreement with any of the Users for the sale and supply of Jet Fuel or Gasoline at the Airport.

“System Use Charge” means the charge or charges established from time to time by the Company to be paid to the Company for each and every Gallon of Jet Fuel or Other Products put through any part of the Fuel System, as established by the Company from time to time.

“Total Facilities Charge” has the meaning ascribed to that term in the Interline Agreement.

“Total Operating Cost” means the Fuel System Operator’s Total Operating Cost as defined in the Fuel System Operating Agreement or otherwise determined by the Company.

“User” means any Contracting Airline, Non-Contracting User or Itinerant User.

“Vice Chairperson” means the Vice Chairperson of the Fuel Committee appointed by the Fuel Committee in accordance with the LLC Agreement.

“Withdrawing Airline” means any Contracting Airline that has withdrawn from the Interline Agreement pursuant to and subject to the conditions set forth in the Interline Agreement.

“Withdrawal Date” means the date as of which a Withdrawing Airline will have or be deemed to have withdrawn therefrom pursuant to and subject to the conditions set forth in the Interline Agreement.

“Withdrawal Payment” has the meaning ascribed to that term in the Interline Agreement.
THE LLC AGREEMENT

The Limited Liability Company Agreement (the “LLC Agreement”) of SEATAC Fuel Facilities LLC (the “Company”) was made as of January 4, 2000, among the Persons executing the LLC Agreement as of January 4, 2000 (the “Initial Members”) whose names are as set forth on the execution pages of the Limited Liability Company Agreement of SEATAC Fuel Facilities LLC and Schedule A to the Limited Liability Company Agreement of SEATAC Fuel Facilities LLC, as amended from time to time, and the Persons who become Members of the Company in accordance with the provisions of the LLC Agreement. The Limited Liability Company Agreement of SEATAC Fuel Facilities LLC is referred to as the “LLC Agreement”.

Formation

The Members formed the Company as a limited liability company under and pursuant to the provisions of the Delaware Act and agreed that the rights, duties and liabilities of the Members will be as provided in the Delaware Act, except as otherwise provided in the LLC Agreement. Upon the execution of the LLC Agreement or a counterpart, the Initial Members were deemed admitted as Members of the Company. An authorized person within the meaning of the Delaware Act has executed, delivered and filed (or caused to be filed) the Certificate.

Name

The name of the Company is SEATAC Fuel Facilities LLC. The business of the Company may be conducted, upon compliance with all applicable laws, under any other name designated by the Members.

Term

The term of the Company will commence on the date the Certificate is filed in the office of the Secretary of State of the State of Delaware and the Company will have perpetual existence, unless the Company is dissolved in accordance with the provisions of the LLC Agreement. The existence of the Company as a separate legal entity will continue until the cancellation of the Certificate.

Registered Agent and Office. The Company’s registered agent and office in Delaware will be Corporation Service Company, 1013 Centre Road, Wilmington, County of New Castle, Delaware, 19805. At any time, the Members may designate another registered agent and/or registered office.

Principal Place of Business. The principal place of business of the Company will be at Seattle-Tacoma International Airport, Seattle, WA. at the following address: c/o Alaska Airlines, Inc., 2651 S. 192nd, Seattle, Washington 98188, or P.O. Box 68900, Seattle, Washington 98168-0900, Attn: Fred Ketzeback.

Purposes and Powers

The Company is formed for the object and purposes of, and the nature of the business to be conducted and promoted by the Company is (a) to lease, finance, construct, develop, acquire and operate a fuel distribution and storage facility at the Airport for the mutual benefit of its Members; (b) to engage in any lawful act or activity for which limited liability companies may be formed under the Delaware Act; and (c) to engage in any and all legal activities necessary, related, convenient, desirable or incidental to the foregoing, including, without limitation, acquiring, holding, managing, operating and disposing of interests in real and personal property.
In fulfilling its functions, the Company will not operate to derive a financial profit from providing services to Members or non-Members. To this end, monies received by the Company from its Members for ordinary operations, whether such monies are received pursuant to the LLC Agreement or the Interline Agreement, will be sufficient only to fulfill the Members’ obligations resulting from the Company’s ordinary operations. Any amounts received for ordinary operations, whether such monies are received pursuant to the LLC Agreement or the Interline Agreement, which are in excess of the Members’ obligations for ordinary operations will be refunded to the Members annually either (at the sole discretion of the Fuel Committee) in cash or through a credit to the Members pursuant to the Interline Agreement. Monies received by the Company from its Members for extraordinary items, such as capital improvements, whether such monies are received pursuant to the LLC Agreement or the Interline Agreement, will be sufficient only to fund the cost of such extraordinary items, and any excess will be refunded to the Members annually either (at the sole discretion of the Fuel Committee) in cash or through a credit to the Members pursuant to the Interline Agreement.

The Company will have the power and authority, and is authorized, to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purposes set forth in the paragraphs above.

The Company may merge with, or consolidate or convert into, another Delaware limited liability company or other business entity (as defined in Section 18-209(a) of the Delaware Act), as permitted under the Delaware Act, upon the approval of a Super Majority-In-Interest.

**Capital Contributions and Member’s Interest**

Concurrently with becoming a Member, each Member must contribute to the capital of the Company the amount of $1,000, as such amount may be increased or decreased from time to time upon the vote of a Super Majority-In-Interest. In the event of such an increase or decrease, each new Member will pay the new amount as its initial Capital Contribution to the Company and each existing Member will make an additional Capital Contribution equal to the difference between the new amount and the aggregate amount previously contributed (in the event of an increase) or, subject to the provisions of the LLC Agreement, will receive a distribution of such difference (in the event of a decrease). Except as so provided, no Member will be required to make any additional Capital Contribution to the Company. Notwithstanding the foregoing, the limitations on Member liability in the LLC Agreement or any other provision of the LLC Agreement, each Member will be obligated to make all payments due and payable by such Member as a Contracting Airline under, and to perform all obligations of such Member as a Contracting Airline pursuant to, the terms of the Interline Agreement.

A Member’s Interest will for all purposes be personal property. A Member has no interest in specific Company property.

Except as otherwise provided in the LLC Agreement, the amount of a Member’s Capital Contributions may be, but will not be obligated to be, returned to it, in whole or in part, in the event of the withdrawal of a Member or otherwise, provided however, that the return of any part or all of a Capital Contribution will be made only with the consent of a Super Majority-In-Interest. Any such returns of Capital Contributions will be made to all Members pro rata or as otherwise determined by a Super Majority-In-Interest. Notwithstanding the foregoing, no return of a Member’s Capital Contributions will be made under the LLC Agreement if such distribution would violate applicable state law. Under circumstances requiring a return of any Capital Contribution, no Member will have the right to demand or receive property other than cash, except as may be specifically provided in the LLC Agreement.
No Member will receive any interest, salary or drawing with respect to its Capital Contributions or its Capital Account or for services rendered to or on behalf of the Company or otherwise in its capacity as a Member, representative on the Fuel Committee, Chairperson or Vice Chairperson, except as otherwise specifically provided in the LLC Agreement.

Except as otherwise provided in the LLC Agreement and by the Delaware Act, the Members will be liable only to make the Capital Contributions established by the LLC Agreement or a Super-Majority-In-Interest pursuant to the LLC Agreement, and, except pursuant to and as provided in the Interline Agreement, no Member will be required to lend any funds to the Company or, after a Member’s Capital Contribution has been fully paid pursuant to the LLC Agreement (as such Capital Contribution amount may be increased or decreased from time to time pursuant to the LLC Agreement), to make any additional Capital Contributions to the Company. No Member will have any personal liability for the repayment of any Capital Contribution of any other Member.

Members

The Members will have the power to exercise any and all rights or powers granted to the Members pursuant to the express terms of the LLC Agreement and the Delaware Act.

Subject to approval of a Majority-In-Interest, the Company will reimburse the Members for all ordinary and necessary out-of-pocket expenses incurred by the Members on behalf of the Company. Such reimbursement will be treated as an expense of the Company and will not be deemed to constitute a distribution or return of capital to any Member.

To the fullest extent permitted by applicable law, each Member waives any and all rights that it may have to maintain an action for partition of the Company’s property.

Transfer

A Member will not sell, assign, transfer, pledge or otherwise dispose of or encumber (collectively, for purposes of the related provisions of the LLC Agreement, a “transfer”) all or any part of its Interest in the Company to any Person unless the Company will give its prior written consent to such transfer. The Company may only approve such a transfer to a Person who is concurrently becoming a Member and a party to the Interline Agreement. Notwithstanding the foregoing, a Member may transfer all or any part of its Interest in the Company, without first obtaining the Company’s consent, to a subsidiary of such Member or to another corporation with which such Member merges or into which such Member consolidates if the transferee is concurrently becoming a Member and a party to the Interline Agreement; provided, that such subsidiary or other corporation is not a Member of the Company immediately prior to the time of transfer.

Termination as Member

Upon the occurrence of any of the following events: (i) the withdrawal of a Member as a Contracting Airline under the Interline Agreement, (ii) default by a Member in the performance of its obligations under the LLC Agreement, (iii) the occurrence of an Event of Default by a Member as a Contracting Airline under the Interline Agreement, or (iv) any event specified in 6 Del. C. §18-304 with respect to a Member, the Company has the right to terminate the Interest of such Member in the Company, effective as of a date specified by the Company by written notice to such Member. From and after the occurrence of any of the events specified in (i) - (iv) above, such Member will have no rights to vote as a Member, nor will its representative have any right to vote on the Fuel Committee or the Executive Committee, and such Member’s Gallonage will not be counted, individually or as part of aggregate Gallonage, respecting
a Majority-In-Interest, a Super Majority-In-Interest or otherwise in connection with any voting. Notwithstanding the foregoing, such Member will not cease to be, and will remain, a Member of the Company unless the Company elects to terminate such Member. Such Member will not be relieved of any of the responsibilities, liabilities or obligations of a Member under the LLC Agreement because of the occurrence of any of the events specified in (i) - (iv) above. Such Member will remain liable for all of its obligations under the LLC Agreement arising up to and including the effective date of its termination as a Member of the Company.

In the event of any merger, consolidation, conversion, acquisition, or contractual arrangement as a result of which any Member becomes the beneficial owner of more than one Interest (whether directly or through control of one or more other Members), the Company has the right to terminate Interests such that no Member owns, directly or through control of other Members, more than one Interest. Such Member will remain liable for all of its obligations under the LLC Agreement arising up to and including the effective date of any termination of any Interests in the Company.

In the event that the Company has a right to terminate a Member or a Member’s Interest pursuant to the LLC Agreement, but is not lawfully permitted to do so, the Company may deliver written notice of such inability to the Member whose status as a Member or Interest in the Company would otherwise terminate whereupon all of such Member’s Interest will become a non-voting Interest, and such Member will not be entitled to vote as a Member or have its representative on the Fuel Committee or the Executive Committee vote in such capacity, until such time as the Company is lawfully permitted to and does effect the termination. Such Member will remain liable for all of its obligations under the LLC Agreement arising up to and including the effective date of its termination as a Member of the Company.

If a Member (the “Withdrawing Member”) satisfies all of the conditions precedent to withdraw as a party to the Interline Agreement, as set forth in the Interline Agreement, the Withdrawing Member will concurrently withdraw as a Member of the Company. A Withdrawing Member will remain liable for all of its obligations under the LLC Agreement arising up to and including the effective date of its withdrawal as a Member of the Company and as a party to the Interline Agreement.

No Member will have any right or power to withdraw or resign as a Member of the Company or from the LLC Agreement, nor may the Company terminate such Member’s Interest in the Company, under any of the circumstances expressly specified in the Interline Agreement.

**Fuel Committee**

The business and affairs of the Company will be managed by or under the direction of a Fuel Committee composed of one representative appointed by each Member. Each Member’s Fuel Committee representative will be a regular salaried employee of such Member unless the Fuel Committee approves, in its sole discretion, appointment of a representative who is not a regular salaried employee of such Member. The Fuel Committee will function in the manner set forth in the LLC Agreement. The Fuel Committee will have the power and authority, acting in accordance with the procedures of the LLC Agreement, to do or cause to be done any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described in the LLC Agreement, including all powers, statutory or otherwise, possessed by managers and/or members of a limited liability company under the laws of the State of Delaware.

Subject to the procedures of the LLC Agreement, the Fuel Committee will establish policy and make all decisions relating to the Company, including without limitation, the planning, financing, installation, construction, expansion, contraction and the establishment of standards for the operation, maintenance and management of the Company and the Fuel System. The Fuel Committee will manage all agreements
to which the Company is a party and enforce the rights of the Company and the obligations of the other parties to all agreements to which the Company is a party. The Fuel Committee will act on all matters that are referred to in the LLC Agreement or the Interline Agreement to be done by (i) as applicable, a Majority-In-Interest or Super Majority-In-Interest; (ii) as applicable, a Majority-In-Interest or Super Majority-In-Interest of the Members’ representatives on the Fuel Committee; or (iii) as applicable, a Majority-In-Interest or Super Majority-In-Interest of the Members.

Any action of the Fuel Committee may be taken without a meeting if representatives on the Fuel Committee constituting a Majority-In-Interest, Super Majority-In-Interest or all of the representatives on the Fuel Committee, as applicable to the subject action, consent in writing to such action after solicitations of such written consents have been provided to all representatives on the Fuel Committee by teletype, facsimile or letter. Unless otherwise specified in the LLC Agreement or the Interline Agreement, any action of the Fuel Committee may be taken if approved by a Majority-In-Interest. Any such solicitation may state that consent will be deemed given if no response is received by a deadline set forth in the notice, which deadline must provide for not less than fourteen calendar days to respond. All written consent or consents will be filed with the minutes of the proceedings of the Fuel Committee.

A quorum of the Fuel Committee consists of representatives on the Fuel Committee, or their alternates or assigned proxies, representing a Majority-In-Interest. Any action of the Fuel Committee will be effective if made at a properly called meeting at which a quorum is present and upon the affirmative voice or hand vote of a Majority-In-Interest of the Fuel Committee present or such other percentage as may be specifically provided for in the LLC Agreement for a particular action.

**Chairperson of the Fuel Committee**

The Fuel Committee will elect a Chairperson and may elect a Vice Chairperson from among its representatives. The Chairperson of the Fuel Committee will preside at all meetings of the Fuel Committee and in his or her absence the Vice Chairperson will preside. In the absence of both the Chairperson and the Vice Chairperson, a meeting chairman may be elected by a Majority-In-Interest in attendance at the meeting. The Chairperson of the Fuel Committee will have the power and authority to authorize single expenditures by and on behalf of the Company of Fifty Thousand Dollars ($50,000) or less without the approval of the Fuel Committee.

In the LLC Agreement, each Member and the Company authorizes and empowers the Chairperson of the Fuel Committee to execute and deliver, for and on behalf of the Fuel Committee and the Company, the Fuel System Lease and all documents contemplated therein, amendments and counterparts to the LLC Agreement accepting Additional Members, and/or any construction, service agreements, financing arrangements, guaranties and related agreements, or other contracts authorized by a Majority-In-Interest in accordance with the terms of the LLC Agreement. Except as specifically provided for otherwise, amendments to the LLC Agreement will be binding upon the Members when executed by a Super Majority-In-Interest, respectively, or by the Chairperson of the Fuel Committee upon written consent of such Super Majority-In-Interest.

**Executive Committee**

An Executive Committee may be established by a Majority-In-Interest of the Fuel Committee consisting of the Chairperson of the Fuel Committee, who will also serve as Chairperson of the Executive Committee, and a maximum of six (6) other Fuel Committee members elected by the Fuel Committee. The term of the members of the Executive Committee will be the later of one year or until their successors are elected, unless removed by a Majority-In-Interest.
The Executive Committee, subject to control of the Fuel Committee, will be delegated responsibility for the day-to-day management and operation of the Company and the Fuel System. It will perform such other duties as are delegated and assigned to the Executive Committee from time to time by the Fuel Committee. The Executive Committee will have the power and authority to authorize single expenditures by and on behalf of the Company up to the amount of One Hundred Thousand ($100,000) or less without the approval of the Fuel Committee. The Executive Committee will in no event have any authority greater than the Fuel Committee or be authorized to take any actions which the Fuel Committee could not take.

Consent to Authority

Each of the Members, in its separate capacities as a party to the LLC Agreement and as a Contracting Airline under the Interline Agreement, by signing the LLC Agreement and the Interline Agreement, specifically consents to the authority given in LLC Agreement to the Fuel Committee, the Executive Committee and the Chairperson and Vice Chairperson of the Fuel Committee and certifies (and upon request of the Company will promptly deliver further assurance of its certification) that the persons designated from time to time by such Member as a member of the Fuel Committee are duly authorized to act for and on behalf of such Member.

Not a Partnership or Joint Venture

Neither the LLC Agreement nor the Interline Agreement nor the relationship of the Members as a consequence of their participation in the Company, the LLC Agreement or the Interline Agreement creates a partnership, joint venture or agency relationship between the parties to the LLC Agreement or the Interline Agreement. No Member will have power or authority to bind the Company. No Member may commit any other Member or the Company to any debt or obligation of any type whatsoever other than as specifically provided in and pursuant to the procedures set forth in the LLC Agreement or in other documents signed by or binding on a Member or the Company.

Amendments

Except as otherwise expressly indicated in the LLC Agreement, the LLC Agreement may be amended only by the Company and Members constituting a Super Majority-In-Interest. An amendment will be effective only if evidenced by a writing which sets forth the text of the amendment and which is signed by the Company and the requisite Members approving the amendment. Each party to the LLC Agreement, by execution of the LLC Agreement, consents to the admission, after the date of execution of the LLC Agreement, of other Members from time to time pursuant to the LLC Agreement without any amendment to the LLC Agreement or any consent of the other Members.

Meetings of the Members

Meetings of the Members may be called at any time by the Chairperson of the Fuel Committee or Members representing not less than forty percent (40%) of the total Gallonage delivered to the Members during the most recent full twelve-month period. Notice of any meeting, stating the time, place and purpose thereof, will be given to all Members not less than twenty (20) days nor more than sixty (60) days prior to the date of such meeting. Each Member may authorize any Person to act for it by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or its attorney-in-fact.

The Members, by the vote of a Majority-In-Interest of those present at a meeting at which a quorum of at least a Majority-In-Interest of all Members is present, will establish all other provisions relating to
meetings of Members, including without limitation the establishment of a record date or any other matter with respect to the conduct of the meeting or exercise of any right to vote such meeting.

The Company may take any action contemplated by the LLC Agreement as approved by the written consent of all of the Members. In addition, any action contemplated by the LLC Agreement, including any action required to be taken at any meeting of Members, or any action which may be taken at any meeting of such Members, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, will be (a) signed and dated by the requisite number of Members that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted, and (b) delivered to the Company within sixty (60) days of the earliest dated consent by delivery to the Company’s principal place of business, or to an officer or agent of the Company having custody of the book in which proceedings of meetings of Members are recorded.

Any meeting of Members, however called and noticed and whenever held, and the transaction of business at such meeting will be as valid as though taken at a meeting duly held after regular call and proper notice if a quorum be present either in person or by proxy and if, either before or after the meeting, each of the Members entitled to vote that was not present in person or by proxy, and did not receive proper notice, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals will be filed with the Company records or made a part of the minutes of the meeting.

**Tax Election**

The Company elects to be treated as an association taxable as a corporation for United States federal income tax purposes, pursuant to Treas. Reg. Section 301.7701-3(a). This election was made by timely filing a properly completed federal form 8832 with the Internal Revenue Service indicating that the Company will be taxed as a corporation from the date of inception.

**Distributions**

All distributions pursuant to the LLC Agreement will be at such times and in such amounts as will be determined by a Super Majority-In-Interest; provided however, nothing in the LLC Agreement will affect or alter any payments under or distributions pursuant to the Interline Agreement. Notwithstanding any provision to the contrary contained in the LLC Agreement, the Company will not make a distribution to any Member on account of its Interest if such distribution would violate Section 18-607 of the Delaware Act or other applicable law.

**Books, Records and Financial Statements**

At all times during the continuance of the Company, the Company will maintain, at its principal place of business, separate books of account for the Company that will show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all income derived in connection with the operation of the Company business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with the LLC Agreement. Such books of account, together with a copy of the LLC Agreement and of the Certificate, will at all times be maintained at the principal place of business of the Company and will be open to inspection and examination at reasonable times by each Member and its duly authorized representative for any purpose reasonably related to such Member’s Interest.
The Members will prepare and maintain, or cause to be prepared and maintained, the books of account of the Company. The Members will prepare and file, or cause to be prepared and filed, all applicable federal and state tax returns.

For both financial and tax reporting purposes, the books and records of the Company will be kept on the accrual method of accounting applied in a consistent manner and will reflect all Company transactions and be appropriate and adequate for the Company’s business.

The financial statements of the Company may be audited annually by an independent certified public accountant, selected by the Company, with such audit to be accompanied by a report of such accountant containing its opinion. The cost of such audits will be an expense of the Company.

**Member Liability**

Except as otherwise provided by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, will be solely the debts, obligations and liabilities of the Company, and no Covered Person will be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

To the fullest extent permitted by applicable law, a Member, in its capacity as Member, will have no liability in excess of (a) the amount of its Capital Contributions, (b) its share of any assets and undistributed profits, if any, of the Company, (c) its obligation to make other payments expressly provided for in the LLC Agreement, and (d) the amount of any distributions wrongfully distributed to it.

**Exculpation**

No Covered Person will be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company or as a representative to the Fuel Committee or the Executive Committee and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by or pursuant to the LLC Agreement or as a representative to the Fuel Committee or the Executive Committee, except that a Covered Person will be liable for any such loss, damage or claim incurred by reason of such Covered Person’s gross negligence or willful misconduct.

A Covered Person will be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company or such Covered Person by any Person as to matters the Covered Person reasonably believes are within such other Person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Company or such Covered Person, including, without limitation, information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

**Fiduciary Duty**

To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under the LLC Agreement will not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of the LLC Agreement and, to the fullest extent permitted by law, will not be liable for monetary damages for breach of any such duties. Duties (including without limitation, fiduciary duties) and liabilities, whether existing at law or in equity, of Covered Persons, are restricted to the fullest extent permitted by law. The parties agree that the provisions of the LLC Agreement that restrict the
duties and liabilities of a Covered Person otherwise existing at law or in equity (including the provisions of the foregoing sentence) are intended by the parties to the LLC Agreement to replace and restrict such other duties and liabilities of such Covered Person.

**Indemnification and Expenses**

To the fullest extent permitted by applicable law a Covered Person will be entitled to indemnification from the Company for any loss, expense (including reasonable attorneys’ and other professionals’ fees), damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by the LLC Agreement, except that no Covered Person will be entitled to be indemnified in respect of any such loss, expense, damage or claim incurred by such Covered Person by reason of such Covered Person’s own gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this provision will be provided out of and to the extent of Company assets only, and no Covered Person will have any personal liability on account thereof.

To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding will be advanced by the Company from time to time prior to the final disposition of such claim, demand, action, suit or proceeding upon request therefor by such Covered Person and receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it will be determined by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified as authorized the indemnification provision of the LLC Agreement.

**Insurance**

The Company may purchase and maintain insurance, to the extent and in such amounts as a Majority-In-Interest may, in its sole discretion, deem reasonable, on behalf of Covered Persons and such other Persons as a Majority-In-Interest may determine, against any liability that may be asserted against or expenses that may be incurred by any such Person in connection with the activities of the Company or indemnities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of the LLC Agreement. The Company may enter into indemnity contracts with Covered Persons and such other Persons as a Majority-In-Interest will determine and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under the applicable provision of the LLC Agreement and containing such other procedures regarding indemnification as are appropriate.

**Outside Businesses**

Any Member or Affiliate thereof may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company, and the Company and the Members will have no rights by virtue of the LLC Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Company, will not be deemed wrongful or improper. No Member or Affiliate thereof will be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that, if presented to the Company, could be taken by the Company, and any Member or Affiliate thereof will have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.
Additional Members

All Air Carriers will be eligible to become Members of the Company, subject to compliance with the requirements of the LLC Agreement and satisfaction of all requirements for admission as a party to the Interline Agreement. Subject to the foregoing, the Company is authorized to admit any Person as an additional member of the Company (each, an “Additional Member” and collectively, the “Additional Members”).

In order to become an Additional Member, an Air Carrier must fulfill each of the following conditions:

Satisfy all requirements set forth in the Interline Agreement in order to become a party to the Interline Agreement other than the requirement of becoming a Member in the Company;

Execute a counterpart copy of the LLC Agreement and submit it to the Company; and

Pay to the Company an amount equal to the Capital Contribution amount required from each Member pursuant to the applicable provision of the LLC Agreement.

Any Air Carrier that wishes to become a Member must give written notice to the Company. The notice must include: (a) written evidence of approval by the Airport Authority to operate at the Airport; and (b) evidence of compliance with the requirements specified in the preceding paragraph. If the material submitted is found by the Company to comply with the LLC Agreement, then the requesting Air Carrier will be provided a counterpart copy of the LLC Agreement, a statement of the amount of the required capital contribution, and such other documents for signature as may reasonably be required by the Company. If all submissions are in order, the requesting Air Carrier will, upon execution of the LLC Agreement and payment of the required capital contribution, become a Member as of the acceptance date provided in the next succeeding paragraph and, thereafter, will have the same rights and obligations under the LLC Agreement as all other Members. By execution of the LLC Agreement, each Member represents and warrants to the Company and other Members that it is acquiring its Interest in the Company solely for its own account and not with a view to distribution, transfer or assignment thereof and that it understands and consents to its Interest being subject to the restrictions imposed by law and the LLC Agreement.

The acceptance date for any Additional Member will be the first day of the calendar month (commencing at 12:01 a.m. Seattle, Washington time) (the “Acceptance Date”) commencing after the date of notification by the Company to such Additional Member of receipt of all required signed documents and payments.

For purposes of computing a Majority-In-Interest and Super Majority-In-Interest, for the first twelve (12) months following the Acceptance Date, the Gallonage of an Additional Member will be the greater of: (i) the estimated Gallonage for the twelve (12) months following the Acceptance Date, as submitted pursuant to the Interline Agreement; or (ii) an amount equal to the actual monthly Gallonage for the previous month, where available, multiplied by twelve.

No Dissolution

The Company will not be dissolved by and the Company will continue without dissolution or the winding up of its affairs in the event of the occurrence of any one or more of the following events (or any other event except as set forth in the next succeeding paragraph): the admission of one or more Additional Members; the termination or withdrawal of one or more Members; any Member ceasing to be a Member of the Company; or the bankruptcy, insolvency or dissolution of one or more Members.
Events Causing Dissolution

The Company will be dissolved and its affairs will be wound up only upon the occurrence of any of the following events:

the written consent of all Members to such dissolution; or

the entry of a decree of judicial dissolution under Section 18-802 of the Delaware Act.

Upon dissolution of the Company, the Members will carry out the winding up of the Company and will immediately commence to wind up the Company’s affairs; provided, however, that a reasonable time will be allowed for the orderly liquidation of the assets of the Company and the satisfaction of liabilities to creditors so as to enable the Members to minimize the normal losses attendant upon a liquidation. The proceeds of liquidation will be distributed in the following order and priority:

(a) to creditors of the Company, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for distributions to Members and former Members under §18-601 or §18-604 of the Delaware Act; and

(b) to the Members pro rata in accordance with their Capital Account balance; and

(c) after the foregoing distributions, any remaining balance as follows: 10% per capita among the Members and the remaining 90% according to the proportion that each Member’s Gallonage bears to the total of all then-existing Members’ Gallonage, with Gallonage determined as the aggregate amount of Gallonage for the five (5) years immediately preceding the month of such distribution (or such shorter period of actual operation of the Company). Notwithstanding the foregoing, there will be set off against the amount otherwise distributable to any Member any and all amounts owed to the Company by such Member.

The Company will terminate when all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, will have been distributed to the Members in the manner provided for in the LLC Agreement and the Certificate will have been canceled in the manner required by the Delaware Act.

The Members and former Members will look solely to the Company’s assets for the return of their Capital Contributions in accordance with the LLC Agreement, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members will have no recourse against the Company or any other Member.
The LLC Agreement and the rights of the parties under the LLC Agreement will be interpreted in accordance with the laws of the State of Delaware, and all rights and remedies will be governed by such laws without regard to principles of conflict of laws.

THE INTERLINE AGREEMENT

The AMENDED AND RESTATED FUEL SYSTEM INTERLINE AGREEMENT (the “Interline Agreement”) was made and entered into and effective as of April 15, 2003, by and among the Contracting Airlines and SEATAC Fuel Facilities LLC, a Delaware limited liability company (the “Company”).

Term

The Interline Agreement commences and becomes legally binding upon the Company and each Contracting Airline upon execution by the Company and each such Contracting Airline and will continue in effect until terminated pursuant to its terms.

The Fuel System

The Fuel System will be maintained and operated by the Company to provide: (a) the transmission and delivery of Jet Fuel and Other Products delivered to the Airport; (b) the delivery of Jet Fuel and Other Products into refueling vehicles for delivery to aircraft; (c) the transmission and delivery of Jet Fuel and Other Products through the hydrant system; (d) the receipt, storage and transfer of Jet Fuel and Other Products to support User requirements; and (e) other functions as established by the Company from time to time. The Company and the Contracting Airlines have covenanted and agreed that (x) the Fuel System will be the sole and exclusive facility for the receipt, storage and distribution of Jet Fuel and Other Products at the Airport and (y) the Company may establish standards, practices and fees for access to and the operation and maintenance of all portions of the Fuel System.

Gasoline Facility

The Company may establish a Gasoline Facility. The cost of developing and operating such Gasoline Facility will be allocated to the Gasoline Facility Users on a monthly basis, pro-rata based on the number of Gallons of Gasoline withdrawn from such Gasoline Facility that month or such other reasonable methodology as the Company may establish. The Company will approve from time to time the form of a Gasoline Facility Access Agreement, which will be consistent with the Interline Agreement, and which will contain, *inter alia*, the terms and conditions governing access to and use of the Gasoline Facility, procedures and documentation, fees and charges, qualification and training, and indemnification and insurance provisions.

Access to Fuel System

The Company will allow any Person who does not become a party to the Interline Agreement as a Contracting Airline and which is not an Associate Airline as set forth in the Gallonage definition to use the Fuel System for the receipt, storage and delivery of Jet Fuel and Other Product, upon execution by that Person of, and compliance with, the then-current Non-Contracting User Agreement.

The Company will establish from time to time the form of a Non-Contracting User Agreement, which will be consistent with the Interline Agreement and the Fuel System Lease, and which will contain, *inter alia*, the terms and conditions governing use of the Fuel System, use fees and charges, and
The Non-Contracting User Agreement will provide that, so long as the Non-Contracting User abides by the terms of that agreement and pays the fees and charges provided in the Interline Agreement, its access to and use of the Fuel System otherwise will be non-discriminatory. Notwithstanding anything to the contrary in the Interline Agreement, the Company may charge different fees or rates to each category of User, i.e., Contracting Airlines, Non-Contracting Users and Itinerant Users, subject to and in accordance with all applicable federal laws and regulations.

In order to access the Fuel System to perform into-plane fueling services at the Airport, each Into-Plane Agent, including, without limitation, any Contracting Airline that desires to perform into-plane fueling, must execute a Fuel System Access Agreement, and must comply with all of the terms and conditions of the Fuel System Access Agreement. If service is to be provided by such Into-Plane Agent to an Itinerant User, the Air Carrier or Supplier holding title to the Jet Fuel that is to be provided to the Itinerant User must be either a Contracting Airline or a Non-Contracting User.

The Company will establish from time to time the form of a Fuel System Access Agreement, which will be consistent with the Interline Agreement and the Fuel System Lease, and which will contain, inter alia, the terms and conditions governing access to and use of the Fuel System, procedures and documentation, fees and charges, qualification and training, and indemnification and insurance provisions.

For each Gallon of Fuel that is transported through the Fuel System under the ownership of a Non-Contracting User and is not ultimately delivered to a Contracting Airline at the Airport, a System Use Charge will be applied. For each Gallon of Fuel, that is transported through the Fuel System under the ownership of a Contracting Airline or is ultimately delivered to a Contracting Airline at the Airport, a System Use Charge will not be applied. The System Use Charge, when applicable, will be assessed directly to the Non-Contracting User that owns the Fuel that has been transported through the Fuel System. The Fuel System Operator will be responsible to bill the Non-Contracting Users for all applicable System Use Charges and to collect the payments on behalf of the Company. The System Use Charges will be set by the Company and may be changed from time to time. The System Use Charges will be in addition to any fee or charge imposed and collected by the Airport Authority or imposed by the Airport Authority and required to be collected by the Fuel System Operator or the Company on behalf of the Airport Authority.

In the event that a Non-Contracting User has Fuel delivered into the Fuel System and after sixty (60) days has not withdrawn a substantially equivalent volume of Fuel from the Fuel System, a monthly Storage Fee may be assessed by the Company for the amount of Fuel Gallons which remain in the Fuel System for longer than thirty (30) days. The Storage Fee may be assessed directly to such Non-Contracting User. The Fuel System Operator will be responsible to bill the Non-Contracting Users for all applicable Storage Fees and to collect the payments on behalf of the Company. The Storage Fee will be set by the Company and may be changed from time to time. The Storage Fee will be in addition to any fee or charge imposed and collected by the Airport Authority or imposed by the Airport Authority and required to be collected by the Company on behalf of the Airport Authority.

Each Contracting Airline may make arrangements with any Supplier or Suppliers to have Fuel transmitted through or delivered into the Fuel System, in accordance with terms and conditions consistent with the Interline Agreement and the documents referred to therein. Each User has the right for each of its Suppliers to have access to the Fuel System upon execution and delivery by such Supplier of a Non-Contracting User Agreement and the continuing compliance therewith by such Supplier.
Fuel System Operator

The Company will select a Fuel System Operator to maintain, operate and manage the Fuel System and the Gasoline Facility, if any. The Fuel System Operator will execute the Fuel System Operating Agreement with the Company, which will specify the Fuel System Operator’s duties, responsibilities and compensation, as well as the rights and obligations of the Company and the Contracting Airlines with respect to the Fuel System Operator.

Fees and Charges

The “Total Facilities Charge” for any period will be the sum of all charges, fees, costs and expenses incurred in relation to the acquisition, development, lease, installation, construction, improvement, financing, refinancing, maintenance, operation, improvement, renewal, replacement and management of the Fuel System, excluding the Gasoline Facility, if any. The Total Facilities Charge will include, without limitation, the Total Operating Costs and the Monthly Rental Fee, but does not include costs that are determined by the Company to relate solely to Special Facilities (which are to be paid only by the Contracting Airlines or other Users using such Special Facilities).

The “Net Facilities Charge” for any month will be the Total Facilities Charge for that month reduced by the sum of: (a) all costs and fees payable by Non-Contracting Users and Itinerant Users in any month for the use of the Fuel System, to the extent that such costs and fees are collected by the Company during that month; (b) proceeds from the sale or disposition of Fuel System Capital Assets and insurance or condemnation proceeds therefrom to the extent received by the Company during that month; (c) Withdrawal Payments to the extent collected by the Company during that month; and (d) delinquent bill interest funds to the extent collected by the Company during that month (other than in connection with Special Facilities).

The Net Facilities Charge will be allocated to and paid by each Contracting Airline according to the following formula:

(a) Ninety percent of the Net Facilities Charge for each month will be allocated pro-rata based on the proportion that each Contracting Airline’s Gallonage for that month bears to the total Gallonage for that month; and

(b) Ten percent of the Net Facilities Charge for each month will be allocated equally among all Contracting Airlines.

Extraordinary Costs

The Company may allocate, on a reasonably equitable basis but otherwise in its discretion, Extraordinary Costs that would otherwise be part of the Net Facilities Charge on a basis other than that provided above and may instruct the Fuel System Operator as to the allocation and collection thereof. In the absence of any such allocation by the Company, Extraordinary Costs will be billed and paid as provided above as part of the Net Facilities Charge.

Temporary Shut-Down

In the event that no Fuel has been delivered through the Fuel System to any Contracting Airline for a period of thirty consecutive days, then the Net Facilities Charge will be allocated among the Contracting Airlines on the basis of average Monthly Gallonage for the preceding twelve months ending immediately
prior to the cessation of such deliveries (or, if shorter, the period that the Contracting Airline has been a
party to the Interline Agreement).

**Invoicing**

The Company will invoice the Total Facilities Charge and any other charges due each month as follows:

(a) The Net Facilities Charge for that month will be allocated and billed as described above under
“Fees and Charges” and collected from the Contracting Airlines;

(b) All costs and fees relating to use of the Fuel System by Non-Contracting Users and Itinerant
Users for that month will be billed to and collected from such Persons;

(c) Costs for that month that are determined by the Company to be related to Special Facilities shall
be billed to the Contracting Airline(s) or other persons or entities using such Special Facilities;

(d) Costs incurred (i) for the sole benefit of one or more particular User(s); or (ii) as a result of
providing facilities for Other Products to the User(s) thereof will be charged to and paid by only the
Persons causing such costs to be incurred;

(e) Delinquent bill interest will be billed to any User which is delinquent in payments; and

(f) Costs incurred by the Company as a result of the negligence of, or damage to the Fuel System
caused by the Fuel System Operator or any User or its Into-Plane Agent, will be billed to and collected
from such Persons.

**Payments**

Each Contracting Airline will make payments to the Company within the time frame set forth below and
in accordance with the following:

With respect to invoices described above, the amount set forth on any invoice will be due and payable
prior to the applicable service month. With respect to all other invoices issued by the Company, the
amount set forth on any invoice will be due and payable within thirty days of the date of such invoice.
The amount of any delinquent bill will bear interest at two percent per month (or the maximum rate
permitted by law, whichever is lower), from the date such amount is due.

Each Contracting Airline must make payments to the Company in accordance with the terms of the
Interline Agreement, with no right of defense, setoff, reduction, recoupment or counterclaim for any
reason. In the event of the failure by any Contracting Airline to pay its share of the Total Facilities
Charge which is not satisfied by such Contracting Airline’s Reserve Account, each non-defaulting
Contracting Airline must pay, within ten days after a demand from the Company and/or an invoice from
the Fuel System Operator authorized by the Company, its pro-rata share of the amount in default,
determined in accordance with the above paragraph entitled “Fees and Charges” concerning allocation of
the Total Facilities Charge but calculated assuming that the defaulting Contracting Airline was not a
Contracting Airline for the month in question.
**Reserve Account**

To secure the prompt payment by each Contracting Airline of the amounts due from it each month under the Interline Agreement, each Contracting Airline will pay to the Company for deposit, and at all times maintain, in an Reserve Account established and held by the Company an amount equal to twice such Contracting Airline’s average monthly share of the Total Facilities Charge (“Monthly Share”) as determined for the previous twelve months in accordance with relevant provisions of the Interline Agreement described below. This Reserve Account may be used by the Company immediately to cover any default by that Contracting Airline of its payment obligations under the Interline Agreement. A defaulting Contracting Airline will not be entitled to prior notice of or have the right to consent to any draw from its Reserve Account, and will immediately replenish its Reserve Account after any draw therefrom. The Reserve Accounts will be held by such institutions, and the monies thereon will be invested, as the Company will determine. The Company may commingle each Contracting Airline’s Reserve Account into one or more accounts for investment purposes. The Reserve Account is refundable less deductions for defaults as provided above or any other amount due or payable by the Contracting Airline to that Contracting Airline upon its withdrawal.

**Events of Default and Termination**

An Event of Default with respect to a Contracting Airline will exist if any one or more of the following events will occur:

(a) The failure of a Contracting Airline to pay any amount properly due as Net Facilities Charge or otherwise hereunder as it becomes due and payable in accordance with the terms of the Interline Agreement;

(b) A failure by a Contracting Airline to pay any sum as it becomes properly due and payable under any other agreement related to the Fuel System in accordance with the terms of that agreement;

(c) A failure by a Contracting Airline to punctually and properly perform any covenant, agreement, obligation, term or condition contained herein;

(d) Any statement, representation, or warranty by a Contracting Airline herein or in any writing delivered to the Contracting Airlines pursuant to the provisions of the Interline Agreement, is determined by the Company to be false, intentionally misleading, or erroneous in any material respect;

(e) A Contracting Airline is unable to satisfy any condition specified herein as precedent to the obligation of the Contracting Airlines to continue performance hereunder;

(f) There is an application for or the appointment of a receiver, trustee, intervener, custodian or liquidator of a Contracting Airline and such Person is not removed within sixty (60) days of such application or appointment;

(g) A Contracting Airline takes or permits to be taken any action seeking relief under, or an order of relief under, or takes any other advantage of any bankruptcy, reorganization, or other insolvency proceeding and not provide adequate assurances of the future performance of the Interline Agreement;

(h) The making by a Contracting Airline of a general assignment for the benefit of creditors;
(i) The entry of an order, judgment, or decree by any court of competent jurisdiction granting, with respect to a Contracting Airline, an order for relief or other order under any bankruptcy, reorganization, or other insolvency proceeding and not providing for the assumption of the Interline Agreement;

(j) A Contracting Airline becomes unable to pay its debts generally as they become due or becomes insolvent;

(k) The liquidation, termination or dissolution of a Contracting Airline other than a merger pursuant to which the surviving entity remains a Contracting Airline; and/or

(l) Any guaranty executed in connection with the Interline Agreement will, for any reason, cease to be in full force and effect, or be declared null and void or unenforceable in whole or in part, or the validity or enforceability of any guaranty executed in connection with the Interline Agreement will be challenged or denied by the guarantor executing same.

**Consequences of Default**

If any Contracting Airline knows of an Event of Default or of facts that lead it to believe an Event of Default has occurred, then it will use commercially reasonable efforts to immediately provide notice in writing to the Company, but absent fraud will not be liable for failure to so notify.

If an Event of Default occurs because a Contracting Airline failed to pay any amount invoiced or otherwise due to the Company or is covered by paragraphs (f) through (k) under “Events of Default and Termination” above, the Company will have no obligation to give notice or an opportunity to cure such default to the Contracting Airline, and the Company may immediately exercise all of its rights and remedies. With respect to any other Event of Default, the Company will give notice to the defaulting Contracting Airline and grant such Contracting Airline ten days to cure such Event of Default. If such Event of Default has not been cured within the ten day period, the defaulting Contracting Airline will be retroactively billed by the Company as a Non-Contracting User from the date of the Event of Default and will continue to be billed by the Company as a Non-Contracting User until one month after the defaulting Contracting Airline has cured the Event of Default if, during such one month period, the Contracting Airline has paid when due all monies owed the Company and has otherwise cured the Event of Default and performed all of its obligations under the Interline Agreement. As an additional remedy under the Interline Agreement, the Company may terminate the membership of such defaulting Contracting Airline pursuant to the LLC Agreement, and thereupon, the defaulting Contracting Airline will cease to be a Member and a Contracting Airline under the Interline Agreement. Such defaulting Contracting Airline, during the period of any Event of Default, will remain subject to all obligations in the Interline Agreement as a Contracting Airline but will have no rights to vote as a Contracting Airline nor will its representatives vote as Members with respect to the Company nor will its Gallonage be counted respecting a Majority-In-Interest or a Super Majority-In-Interest otherwise in connection with any voting. Notwithstanding anything to the contrary contained in the Interline Agreement, calculation of a Majority-In-Interest or Super Majority-In-Interest in voting with respect to a defaulting Contracting Airline will not include the Gallonage of such defaulting Contracting Airline in the aggregate Gallonage of all Contracting Airlines nor count such defaulting Contracting Airline as a Contracting Airline. A Contracting Airline which has defaulted under the Interline Agreement is relieved of any of the responsibilities, liabilities or obligations of a Contracting Airline under the Interline Agreement because of its default.

The Company will have a claim, which the Fuel System Operator is authorized to pursue and collect, against any defaulting Contracting Airline. Such claim may be enforced, immediately upon the occurrence of and after any default of a Contracting Airline, by: (i) terminating fueling service through
the Fuel System to the defaulting Contracting Airline; and (ii) pursuing any and all other legal or equitable remedies available to the Company or the Fuel System Operator.

**Reimbursement**

The Contracting Airlines will be reimbursed by the Company, pro rata, according to the respective amounts advanced as monies are collected from a defaulting Contracting Airline. Pursuant to the Interline Agreement, amounts due from a defaulting Contracting Airline will bear interest from the due date at two percent per month (or the maximum rate permitted by law, whichever is lower).

**Costs**

As it pertains to the Interline Agreement, a defaulting Contracting Airline will be liable for all reasonable costs and expenses, including reasonable attorneys’ fees and disbursements at trial and on appeal, expended in order to collect or attempt to collect the delinquent payment. Any amount due from, or owed by, a defaulting Contracting Airline under the Interline Agreement may be offset against any amounts otherwise payable to the defaulting Contracting Airline by the Company.

**Acquisition of Improvements and Additional Facilities**

The Contracting Airlines will be liable as provided in the Interline Agreement for any costs associated with any improvements to the Fuel System or any Additional Facilities, excluding Special Facilities. Each Contracting Airline will provide such information and legal opinions regarding such Contracting Airline from time to time as the Company may reasonably request in connection with the issuance of the bonds or other financing, including for purposes of any initial or ongoing disclosure with respect thereto.

**Additional Facilities**

The Company may cause any Additional Facilities to be designed, constructed, modified, leased, purchased, acquired, financed and billed as the Company determines from time to time. The costs of designing, constructing, financing, refinancing, operating, renewing, replacing and maintaining such Additional Facilities will become part of the Total Facilities Charge.

**Special Facilities**

One or more Contracting Airlines may, with the prior written approval of the Company, construct various aircraft fueling and related facilities that may operate alone or in conjunction with the other portions of the Fuel System. Any such Special Facilities will be reviewed and approved in advance by the Company and must be fully compatible with the Fuel System. The costs of designing, constructing, and maintaining such Special Facilities will be borne solely by those Contracting Airlines using the Special Facilities and will not become part of the Total Facilities Charge without approval of a Super Majority-in-Interest of the Fuel Committee.

**Indemnification**

Each Contracting Airline (the “Indemnitor”) will defend, indemnify, and hold harmless the Company and each of the other Contracting Airlines and their respective officers, employees, agents and contractors (collectively the “Indemnites”) against and from any and all liability, claims, suits, judgments, losses, damages, settlements or costs (including reasonable attorneys’ fees and expenses) for injuries to or deaths of Persons or loss of or damage to property (including financial loss) arising from: (i) the use of the Fuel System by the Indemnitor or its employees, agents, contractors, or invitees; or (ii) any failure by the
Indemnitor to pay for Jet Fuel, Gasoline or any other amounts when due or any other breach by the Indemnitor of the Interline Agreement or any related agreement, all except to the extent caused by the negligence or willful misconduct of the subject Indemnitee.

**Admission of Additional Contracting Airlines**

The use of the Fuel System and the opportunity to become a Member of the Company will be open to all Air Carriers using the Airport. Admission of an Air Carrier to the Interline Agreement and the related agreements as an Additional Contracting Airline will be open to all Air Carriers who are approved by the Airport Authority to operate at the Airport.

In order to become an Additional Contracting Airline, an Air Carrier must fulfill each of the following conditions:

(a) Submit to the Company a statement of estimated Gallonage for the twelve months following the requested Acceptance Date;

(b) Execute a counterpart copy of the then current Interline Agreement and submit it to the Company;

(c) Execute a counterpart copy of the then current LLC Agreement and submit it to the Company and otherwise satisfy the applicable requirements in order to become a Member of the Company;

(d) Pay the required Capital Contribution (as defined in the LLC Agreement) and Entry Fee, if any, as established by the Company from time to time;

(e) Establish a Reserve Account and deposit into it the amount determined in accordance with the Interline Agreement; and

(f) Provide evidence that it is or will be operating at the Airport, together with all legal opinions and information, if any, required by the Company pursuant to the Interline Agreement.

If an Air Carrier providing service to the Airport on the Effective Date makes a written request to become a Contracting Airline, then it may become a Contracting Airline, subject to compliance with the provisions set forth in the Interline Agreement and subject to payment by such Air Carrier of a $10,000 late entry fee.

Any Air Carrier not providing service to the Airport on the Effective Date will be offered the opportunity to become a Contracting Airline and may be admitted as a Contracting Airline after commencing operations at the Airport, subject to complying with the provisions set forth in the Interline Agreement.

**Withdrawal**

Any Contracting Airline will be allowed to withdraw from the Interline Agreement only in compliance with the applicable provisions thereof. To withdraw from the Interline Agreement, a Contracting Airline must give notice to the Company of its intention to do so at least sixty days in advance of the Withdrawal Date, which date will be the last day of a calendar month.

A Contracting Airline which desires to withdraw from the Interline Agreement will remain fully liable for all of its obligations thereunder and will pay its share of all liabilities accruing up to and including the Withdrawal Date. In addition, the Withdrawing Airline will pay to the Company a lump sum payment equal to the aggregate of the amounts billed to the Withdrawing Airline for its share of the Net Facilities
Charge (as described above under “Fees and Charges”) during the twelve months immediately preceding the month in which it gave notice of its intention to withdraw. If the Withdrawing Airline has not been a Contracting Airline for at least twelve months then for the months less than twelve such Contracting Airline will be deemed to have been billed during such months at a rate equal to the average of the monthly billings for the months during which it was a Contracting Airline.

Notwithstanding a Contracting Airline has withdrawn from the Interline Agreement, it will in any event thereafter continue to be liable under the Interline Agreement for:

(a) all past, present and future obligations to the extent that such obligations are attributable to a period of time prior to the Withdrawal Date for such Contracting Airline; and

(b) in the event all Contracting Airlines have withdrawn from the Interline Agreement, then each Person that has been a Contracting Airline during the five year period preceding such withdrawal shall be liable for obligations of the Company incurred prior to withdrawal of all Contracting Airlines to the extent that such Person’s aggregate Gallonage during such five year period bears to the total of all of such Persons’ aggregate Gallonage during such five year period, and the provisions of the Interline Agreement will be applicable in the event of a default.

No Contracting Airline may withdraw from the Interline Agreement under any of the following circumstances:

(a) during any period of time when the Fuel System is shut down or inoperative for any reason; or

(b) if an event of default exists or by reason of such withdrawal would exist under the Fuel System Lease, any trust indenture or any documents utilized in connection with financing any improvements to the Fuel System.

Upon payment of the Withdrawal Payment to the Company, and upon payment of all other amounts payable by the Withdrawing Airline, the Interline Agreement will terminate as to the Withdrawing Airline only. The amounts in the Reserve Account of the Withdrawing Airline will be returned to it, net of any required deductions or set-offs, within sixty days after the Withdrawal Date.

Subject to the obligations and requirements of the provisions of the Interline Agreement relating to withdrawal commitment and deposits, a Contracting Airline will be deemed to have withdrawn from the Interline Agreement as of the date it ceases to be a Member.

Termination

The Interline Agreement may be terminated at any time by the Contracting Airlines which constitute a Majority-In-Interest. Notwithstanding anything in the Interline Agreement to the contrary, the Interline Agreement will not be terminated so long as (a) the Fuel System Lease, including any renewal or extension thereof, is in effect, or any obligations are outstanding in respect of indebtedness of the Company for borrowed money, including without limitation obligations to pay amounts pursuant to the Fuel System Lease, for bond indebtedness or reimbursement obligations to any bond insurer in respect of such bond indebtedness.

Upon termination of the Interline Agreement, the allocation of the Monthly Rental Fee and all other expenses and revenues will be as provided above under “Fees and Charges.”
Survival of Certain Provisions

The payment and indemnity provisions set forth in the Interline Agreement will survive the termination of the Interline Agreement as to any one or as to all Contracting Airlines for events occurring prior to the date of termination.

Amendments

Except as provided in the following sentence or otherwise expressly provided in the Interline Agreement, the Interline Agreement may be amended only by the Company and a Super Majority-In-Interest of the Contracting Airlines. Each party to the Interline Agreement, by execution of a counterpart of the Interline Agreement, consents to the addition of other Contracting Airlines and the withdrawal of other Contracting Airlines from time to time pursuant to its terms.

Assignment

The rights and obligations of any Contracting Airline under the Interline Agreement may not be assigned or transferred in any way, except to a transferee of such Contracting Airline’s Interest in the Company. Subject to the foregoing restriction on assignment, the obligations under the Interline Agreement are binding on the successors and assigns of each Contracting Airline. The Company may assign its rights under the Interline Agreement if approved by a Super Majority-In-Interest. In connection with any financing, each of the Contracting Airlines consents to the pledge, collateral assignment and grant of security interests of the Company’s rights under, and claims against each of the Contracting Airlines pursuant to, the Interline Agreement.

Third Party Rights

Nothing in the Interline Agreement expressed or implied is intended or shall be construed to give to any person other than the Company, and the Contracting Airlines any legal or equitable right, remedy or claim under or in respect of the Interline Agreement or any covenant, condition or provision therein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Company, and the Contracting Airlines. Notwithstanding the foregoing or anything to the contrary in the Interline Agreement, each Contracting Airline expressly authorizes the Company to assign its rights under the Interline Agreement and to provide third-party beneficiary rights to enforce the Interline Agreement to the Airport Authority, any trustee, any bond insurer and/or any other finance party in connection with the incurrence by the Company of indebtedness for borrowed money.
Airport Authority Financing

The Contracting Airlines and the Company acknowledge and agree that the Airport Authority has agreed to refinance the costs of the Fuel System in certain circumstances set forth in the Fuel System Lease, including without limitation to fund any cost differential in completing or restoring the Fuel System in the event of insufficient insurance or condemnation proceeds. The Contracting Airlines and the Company acknowledge and agree that the Airport Authority has assumed this contingent obligation at the request of the underwriters and the bond insurer for the Port of Seattle, Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC Project), Series 2003 (the “Bonds”) and that as a result of the assumption of this contingent obligation by the Airport Authority, the financing of the Fuel System has been facilitated and its costs reduced. If the Airport Authority refines outstanding Bonds or other bonds issued to fund the costs of the Fuel System, and pays, or causes to be paid, all outstanding reimbursement obligations to any bond insurer, the Contracting Airlines agree that the Airport Authority may recover the cost differential, if any, as well as the cost of the facilities previously funded by the outstanding Bonds or other bonds issued to fund the costs of the Fuel System through any then applicable method of recovering from Air Carriers the capital and operational costs of the Airport.
APPENDIX F

The following summarizes certain terms of the Lease, Security Agreement, Guaranty and Fuel System Operating Agreement. These summaries do not purport to be complete or definitive and are qualified in their entirety by reference to such documents. Copies of the documents are available upon request from the Trustee. Capitalized terms used but not defined herein have the meanings set forth in Appendix A.

SUMMARY OF THE LEASE

The Fuel System Lease (the “Lease”), dated May 14, 2003 (as amended by the First Amendment to Fuel System Lease dated August 31, 2007), is by and between the Port of Seattle, as lessor (the “Port”), and SEATAC Fuel Facilities LLC, as lessee (the “Lessee”).

Lease of and Acceptance of the Premises

Premises. Pursuant to the Lease, the Port leases to the Lessee the Land, the Tank Farm Improvements, the North Truck Rack and the South Truck Rack and such other real property as becomes part of the Premises in accordance with the Lease. The Port also grants to the Lessee a non-exclusive easement to use the Right–of-Way to operate, maintain, repair and inspect the Twelve-Inch Pipeline System, the pipelines, hydrant pits and vaults that are part of the Fuel System, and such other pipelines, vaults, hydrant pits, and improvements as are or become part of the Premises.

Commencement of Possession. The Lessee shall be entitled to exercise its rights in the Right-of-Way containing the Twelve-Inch Pipeline System and to possession of the existing Premises (including the Tank Farm Land, the Tank Farm Improvements, the North Truck Rack and the South Truck Rack) on the Lease Commencement Date. The Lessee is entitled to possession of the Operations Center Land, the Tank Farm Renovations and the remainder of the Fuel Hydrant Project and to exercise its rights in the applicable portions of the Right-of-Way following Completion of the Operations Center, the Tank Farm Renovations and the remainder of the Fuel Hydrant Project, respectively.

Extensions, Additions and Other Modifications. The Port reserves the right, subject to the provisions of the Lease, to access and connect to the Fuel System for the purpose of improving, modifying, repairing, replacing, relocating, adding to or extending to other locations within the Airport the Fuel System located on the Premises. Any such improvement, modification, repair, replacement, addition or extension to the Fuel System shall be part of the Fuel System and the Premises in accordance with the terms of the Lease. The Lessee has rights to approve the design of certain improvements, additions or modifications to or extensions of the Fuel System under the circumstances set forth below:

- **Design and Acceptance of Lessee-Financed Extensions, Additions, Improvements or other Modifications.** If, and only if, the Lessee executes a Memorandum of Agreement (“MOA”) with the Port within 60 days from the Port’s request and commits to pay for the cost of an improvement, addition or modification to or extension of the Fuel System under the Interline Agreement (whether as an Additional Facility, Special Facility or otherwise) and/or from the proceeds of Improvement Bonds issued pursuant to the Lease (in each case, a “Lessee-Financed Improvement”), then the Port shall consult with the Lessee regarding the design of the Lessee-Financed Improvement and the Lessee shall have the right to approve 30%, 60% and 90% interim design levels (in each case if such interim design level is undertaken) and the final design of such Lessee-Financed Improvement, which approval shall not be unreasonably withheld and shall be provided within 15 days, in the case of all interim design levels, and within 30 days in the case of final design. Upon Completion of any Lessee-Financed Improvement substantially in accordance with the Port’s construction documents and, in the case of an extension to the Fuel System, as further evidenced by a
certificate issued by design engineer and general contractor, the Lessee shall accept possession of the Lessee-Financed Improvement; provided; that the cost of any such Lessee-Financed Improvement paid from the proceeds of Improvement Bonds shall be included in Facilities Rent on and after the date of issuance of such Improvement Bonds.

- **Design of Port-Financed Extensions, Additions, Improvements or other Modifications.** In the event that (a) the Lessee does not execute a MOA committing to pay for the cost of an improvement, addition or modification to or extension of the Fuel System (such improvement, addition or modification to or extension of the Fuel System is a “Port-Financed Improvement”), and (b) the Port consents to the Lessee’s continued operation of the Fuel System after the Refinancing Alternative as defined in the Lease, the Lessee shall have the right to approve the 30%, 60% and 90% interim design levels (in each case if such interim design level is undertaken) and final design of such Port-Financed Improvement but only to the extent that such design is specifically and directly related to the safe operation of the Fuel System, which approval shall not be unreasonably withheld and shall be provided within 15 days, in the case of all interim design levels, and within 30 days in the case of final design.

**Relocation of the Fuel System.** The Port shall have the right to relocate, at the Port’s sole cost and expense, any portion of the Fuel System located on the Premises to another location at the Airport, in which event the Premises description shall be revised accordingly. All other terms of the Lease, including but not limited to Lessee’s obligation to pay Rent, shall remain in full force and effect. The Port agrees (i) to use all reasonable efforts to minimize interference with Lessee’s operations at the Premises in connection with any such relocation; (ii) not to block access to the Fuel System during hours of operation or materially disrupt the delivery of Fuel through the Fuel System without the consent of the Lessee, except in the case of an emergency; and (iii) not to enter the Land or engage in any construction or similar activity within five feet of the Fuel System without prior written notice to the Lessee, except in the case of an emergency.

**Acceptance of the Premises.** The Lessee has examined and is leasing and acquiring rights in the Tank Farm Land, the Tank Farm Improvements, the South Truck Rack, the North Truck Rack and the Twelve-Inch Pipeline System (the currently existing Premises) in their present condition. The Port makes no representations as to the condition of the Premises and no representations as to the fitness or suitability for the Lessee’s use for the operation of the Fuel System. The Lessee agrees that the Premises are suitable for operation of the Fuel System. The Lessee agrees to make any changes in the currently existing Premises necessary to conform to known federal, state and local law, except for the remediation of Pre-existing Contamination.

**Rights of Access; Easements**

**Rights of Access.** Lessee shall have as appurtenant to the Land (from and after the respective dates on which the Lessee shall have possession of the Land), the right to use in common with others such common areas and facilities of the Airport as may be reasonably necessary to install, construct, operate, maintain, repair, and inspect the Fuel System. Such appurtenant rights shall be subject to the right of the Port to designate and change from time to time the common areas and facilities to be so used.

**Easements.** The Port reserves for itself and for its agents the right and any continuous easement or easements within the Premises necessary to access and enter the Premises and/or the Fuel System and to access, cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water and drainage lines, the electrical service, communication service, “spare” conduits in each of the underground duct banks, and all other services and facilities required by the Port for the use of the Port and Port tenants. The Lessee’s rights under the Lease are subject to the foregoing easements;
exercise of the Port’s rights under such easements shall not constitute a constructive eviction of the
Lessee, or its successors, sublessees and assigns. In exercising these rights, the Port and its agents (i)
shall not materially block access to the Fuel System during hours of operation or materially disrupt the
delivery of Fuel through the Fuel System without the consent of the Lessee, except in the case of an
emergency; or (ii) enter the Land or engage in any construction or similar activity within five feet of the
Fuel System without prior written notice to the Lessee, except in the case of an emergency.

Term

Basic Term. The Term of the Lease commences on May 14, 2003 and expires on the Lease
Expiration Date, unless sooner terminated pursuant to the Lease. The Lease Expiration Date is July 31,
2033 or the last date of the term of any renewal option period exercised pursuant to the Lease, whichever
is later; provided, however, that the Lease Expiration Date shall be extended until all Bonds and
Reimbursement Obligations are paid in full.

Option Periods. The Lessee has the right to renew the Lease, so long as no Lease Default Event
shall have occurred and remain uncured on the date of any renewal, with respect to the Premises and the
Fuel System for two additional five year terms at a rental rate equal to Rent plus Additional Rent. These
options to renew shall be exercised by Lessee in writing no later than nine months prior to the then
effective Lease Expiration Date and no sooner than 18 months prior to such Lease Expiration Date. All
other terms and conditions during such option periods shall be as set forth in the Lease; provided, that in
the event that prior to or during such option periods the Bonds have been fully redeemed or defeased in
accordance with the Resolution and all Reimbursement Obligations have been paid in full the parties
agree to negotiate revised financial terms and amend the Lease accordingly.

No Holdover. The Lessee shall not holdover without the Port’s prior written consent. If the
Lessee shall, with the prior written consent of the Port, holdover after the expiration or earlier termination
of the Term of the Lease, the resulting tenancy shall, unless otherwise mutually agreed in writing by the
Port and the Lessee, be on a month-to-month basis.

Rent

The Lessee shall pay the following Rent.

Facilities Rent. Facilities Rent shall commence to accrue and shall be an obligation of the Lessee
from and after the Lease Commencement Date. Facilities Rent consists of Monthly Debt Service
Deposits and also includes any amounts required to pay when due all principal of and premium, if any,
and interest on the Bonds or portion thereof which are to be paid or redeemed on such Payment Date
(whether on an interest Payment Date, at maturity, upon optional or mandatory redemption or due to
acceleration prior to maturity) and all Reimbursement Obligations due to the Bond Insurer. Each
Monthly Debt Service Deposit shall be payable monthly in advance on the 10th day of each month, with
the first such payment due on the date specified in the Resolution or Supplemental Resolution. All other
payments of Facilities Rent shall be paid on or before the respective Payment Date. All payments of
Facilities Rent shall be paid to the Trustee.

Base Rent. Payments of Base Rent shall commence to accrue and shall be an obligation of the
Lessee from and after the Lease Commencement Date. Base Rent for the Land shall be paid monthly, in
advance, on or before the 10th day of each month during the Term of the Lease. The initial Base Rent
was computed based on an annual rate of $0.64/sq. ft./yr, for the period commencing June 1, 2007, the
Base Rent calculation was increased to $1.10/sq. ft./yr. In the event that the square footage of Land to be
leased under the Lease is adjusted, the dollar amount of Base Rent due shall likewise be adjusted. The rate
of Base Rent shall be subject to further adjustment every five years after June 1, 2007 during the Term of the Lease pursuant to procedures set forth in the Lease.

Debt Service Reserve Account Payments. From and after the date of issuance of any Series of Bonds, if the amount of moneys and investments in any account of the Debt Service Reserve Account shall be less than the Required Debt Service Reserve Amount as a result of any withdrawal from the Debt Service Reserve Account, then on the first day of the next calendar month Lessee shall pay to the Trustee, for deposit into the Debt Service Reserve Account, an amount equal to the deficiency. If the amount of moneys and investments in any account of the Debt Service Reserve Account shall be less than the Required Debt Service Reserve Amount as a result of any valuation of the investments in the Debt Service Reserve Account, then on May 10 for a March 31 valuation or on November 10 for a September 30 valuation, the Lessee shall pay to the Trustee, for deposit into the Debt Service Reserve Account, an amount equal to the deficiency. In the event that the Required Debt Service Reserve Amount is satisfied through provision of the Debt Service Reserve Account Surety Bond, the Lessee shall pay any amounts due under the Financial Guaranty Agreement.

Additional Rent. During the Term, Lessee shall pay “Additional Rent”, which term shall also include any fee, charge, reimbursement or other amount (other than Facilities Rent, Base Rent, and amounts due to replenish the Debt Service Reserve Account required to be paid by Lessee under the Lease). Additional Rent includes:

- **Administrative, Legal Fees; Other Required Costs.** The following amounts payable to the Trustee, Port or fiscal agency within 30 days after written demand therefor: (i) To the Trustee or fiscal agency, as applicable, its reasonable fees and expenses as trustee, bond registrar and paying agent, including the reasonable fees and expenses of its outside attorneys and agents and any other amounts due to the Trustee under the Resolution or Supplemental Resolution, plus any Rebate Amount; (ii) To the Port, reimbursement for all reasonable costs and expenses paid or incurred by the Port, including reasonable fees and disbursements of counsel (both in-house and outside), and for all other liabilities incurred by the Port, in each case in satisfaction of any obligations of Lessee not performed by Lessee as required; and (iii) To the Port, as reimbursement for or prepayment of all costs, expenses and liabilities paid or incurred, or to be paid or incurred, at the request of the Lessee or as required by the Lease, by the Port or any of its members, officers, employees or agents, including reasonable fees and disbursements of counsel (both in-house and outside) and including costs of calculating any Rebate Amount.

- **Utility Charges.** Directly to the utility provider, all charges by any public authority, including the Port, or public utility for water, steam, electricity, telephone, gas, sewer, janitorial services and other services supplied or rendered to the Premises, and service inspections made therefor, whether called charge, rate, tax, betterment, assessment, fee or otherwise and whether such charges are made directly to Lessee or through or in the name of the Port. Lessee shall pay such payments allocated on a pro-rata per square foot basis, or on a metered basis where metering is possible.

- **Taxes.** When due, and in any event before any fine, penalty, interest or cost may be added thereto for the non-payment thereof, and shall indemnify and hold the Port harmless from and against, all taxes (including without limitation Washington State and local leasehold excise tax, sales tax, and use tax, if any), payments in lieu of taxes, assessments, betterments, water and sewer rents, rates and charges, levies, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time during the Term of the Lease (or thereafter
with respect to any such Impositions that relate to any period that corresponds to or overlaps with the Term of the Lease in whole or part) may be assessed, levied, confirmed, imposed upon or become due and payable out of or in respect of, or become a lien upon, the Premises or the Lessee’s (and any permitted sublessee’s) interest in the Premises or the Lessee’s activities thereupon (whether engaged in by the Lessee or any third party acting on behalf of the Lessee or with the Lessee’s permission) or any Lessee-owned property located thereon, or any part thereof or any appurtenance thereto, whether such taxes or other charges are imposed directly upon Lessee or through or in the name of the Port and whether the Lessee is required by law to pay such taxes or other charges directly to the relevant authority imposing the same or such taxes or other charges are required or permitted to be collected by the Port, which, in the case of any Washington State or local leasehold excise tax shall be stated separately from Rent or Additional Rent (all such taxes, payments in lieu of taxes, assessments, betterments, water and sewer rents, rates and charges, levies, license and permit fees and other governmental charges being hereafter referred to as “Impositions”); provided, however, the Port agrees that it will not levy or impose any Impositions on Lessee, the Premises or the leasehold except to the extent such Impositions are imposed on a customary and non-discriminatory basis or are to the extent otherwise required by law. The Lessee may contest such impositions pursuant to procedures set forth in the Lease.

**Interest on Unpaid Amounts.** In the event Lessee shall fail to make any of the payments required under the Lease, the payment so in default shall continue as an obligation of Lessee until fully paid. The Lessee is required to pay interest on such unpaid amount at a rate equal to 18% per annum.

**Security for Base Rent and Certain Additional Rent Payments.** Lessee will obtain and deliver to the Port for the benefit of the Port a cash deposit or Lease surety in an amount equal to six months’ Base Rent to secure Lessee’s full performance of the Lease, including payment of all Base Rent and any Additional Rent (other than Facilities Rent or other payments due to the Trustee, the Bond Insurer or with respect to the Bonds) and other amounts now or hereafter payable to the Port under the Lease. If the Lessee has fully performed all terms and conditions of the Lease, the cash deposit will be returned and the Lease surety released within 30 days following the Lease Expiration Date.

**Nature of Lessee’s Rent Obligation.** The Lessee’s obligation to pay Facilities Rent, Additional Rent to the Trustee and amounts to replenish the Debt Service Reserve Account when due shall be absolute and unconditional and shall not be subject to defense, set-off, counterclaim, recoupment, diminution, abatement, or reduction for any reason, including without limitation, whether or not (a) Lessee shall remain in possession of the Premises or be able to use the same, (b) the Lease shall have terminated, (c) all or a portion of the Premises are taken by condemnation, exercise of eminent domain powers, or other means by any governmental authority, (d) (subject to the terms of the Lease) the Premises are damaged or destroyed (including but not limited to damage or destruction resulting in permanent closure of the Airport), (e) the Port fails to perform and observe any agreement, express or implied, or any duty, liability or obligation arising out of or connected with the Lease, (f) there is any defect in title to the Premises, (g) any acts or circumstances constitute failure of consideration, eviction or constructive eviction or the destruction by fire or other casualty of the Premises or any portion thereof, or commercial frustration of purpose, (h) there is any change in the tax or other laws or administrative rules or administrative actions by the United States of America or the State of Washington or any political subdivision of either, or (i) there has occurred or is continuing a Lease Default Event. Nothing in the Lease shall be construed as a waiver by the Lessee of any rights or claims Lessee may have against the Port, the Bond Insurer or the Trustee under the Lease or otherwise, but any recovery upon such rights and claims shall be had from the Port, the Bond Insurer or the Trustee separately, it being the intent of the Lease that the Lessee shall be unconditionally and absolutely obligated to perform fully its obligation to pay Facilities Rent, Additional Rent to the Trustee and amounts to replenish the Debt Service Reserve
Account. The obligation of the Lessee to pay Facilities Rent, Additional Rent to the Trustee and amounts to replenish the Debt Service Reserve Account shall survive any termination of the Lease.

**Fuel System Operation**

**Use.** The Port grants to Lessee the right to occupy and use, in compliance with the Operating Manual, the SPCC/FRP Plans, Airport Rules, Required Permits and other permits and licenses required for the occupation and use of the Fuel System, and the terms of the Lease, the Land and the Fuel System and to utilize the rights of access to the Right-of-Way granted under the Lease, together with all other necessary rights of ingress and egress, exclusively for the receipt, storage, and distribution of Fuel at the Airport for the benefit of the Users; and for the installation, construction, operation, maintenance, repair and inspection of fueling facilities and equipment and the carrying on of activities reasonably necessary in connection with the foregoing. The Lessee shall use the Premises and the Fuel System for such purposes continuously during the entire term of the Lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs, maintenance or testing of the Fuel System, and shall not use the Premises or the Fuel System for any other purpose.

**Exclusive Rights of Lessee.** To the extent that the Port is permitted to do so under applicable state or federal laws, grant assurances and regulations and except as otherwise described in this paragraph regarding the Exclusive Rights of Lessee, the Port agrees that it will not authorize or permit the delivery of Fuel at the Airport, except by way of the Fuel System operated by Lessee at the Airport. In the event that the Federal Aviation Administration, any other state or federal agency having jurisdiction over the Airport or the Port or any court determines (in a written decision or determination) that the Port’s agreement contained in the preceding sentence violates any applicable state or federal law, grant assurances or regulation, then, except as otherwise described in this paragraph, the Port agrees that the Port will not authorize or permit the delivery of Fuel at the Airport, except by way of the Fuel System operated by Lessee at the Airport, to the extent permissible under such laws, grant assurances and regulations.

**Required Permits.** Except for any construction permits and licenses required in connection with the Fuel Hydrant Project, the Lessee shall obtain all certificates, permits, licenses and entitlements from governmental authorities (“Required Permits”) as and when required on account of its operation and/or the use of the Fuel System or for the construction or installation of any Tenant Improvements. The Lessee shall comply with the conditions of all Required Permits and keep and maintain all Required Permits current, valid and complete. With respect to any Required Permits to be issued by the Port, the Port agrees to issue or not issue such Required Permit in a non-discriminatory manner.

**Fuel System Operating Agreement.** At all times during the Term of the Lease, the Fuel System shall be operated by an independent operator (the “Fuel System Operator”), the identity of which and the terms and conditions of its contract (the “Fuel System Operating Agreement”) or any amendment thereof shall be consistent with the terms and conditions of the Lease and shall, in each case, be subject to the Port’s prior written approval. The Port’s approval of the identity of the Fuel System Operator and the terms and conditions of the Fuel System Operating Agreement or any amendment thereof shall not be unreasonably withheld or delayed. The Lessee covenants and agrees to enforce the Fuel System Operating Agreement. Lessee covenants and agrees that it will not remove or replace the Fuel System Operator without a Port-approved substitute Fuel System Operator available to begin operation; provided, however, that the foregoing shall not limit or impair Lessee’s other rights and remedies with respect to any default or breach of the Fuel System Operating Agreement by the Fuel System Operator.
The Port agrees not to withhold or delay unreasonably its consent to any proposed Fuel System Operator provided such entity has (i) significant experience in the management and operation of complex, integrated aviation fueling facilities in a competent and professional manner, (ii) financial strength and management competency, with personnel having appropriate experience, to operate, maintain and manage the Fuel System, and (iii) demonstrated experience with federal environmental controls, emergency spill response and compliance with permitting requirements for aviation fueling facilities.

**Ancillary Agreements.** The forms of the Fuel System Access Agreement, Non-Contracting User Agreement, and any other similar agreements between the Users and Lessee governing access to or use of the Fuel System, together with any material modifications of or amendments to such forms, shall be subject to the prior written approval of the Port, which approval shall not be unreasonably withheld or delayed. Lessee agrees to enforce the Fuel System Access Agreement, the Non-Contracting User Agreement, and any other similar agreements between the Users and the Lessee governing access to or use of the Fuel System.

**Compliance with Laws and Airport Rules.** Throughout the Term of the Lease, Lessee, at its expense, shall promptly comply with and shall cause all licensees and operators to comply promptly with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, foreseen and unforeseen, ordinary as well as extraordinary, which may be applicable to the Fuel System or the Premises, or to the use of the same; provided, however, that the foregoing shall not impose any obligations on Lessee with respect to Pre-existing Contamination. Lessee agrees to comply and to cause all its employees, invitees, agents, contractors, subcontractors, and affiliates, and the Fuel System Operator to comply with all applicable Airport Rules. Prior to making any amendments to the Airport Rules that will affect Lessee’s environmental obligations under the Lease, the Port shall provide the Lessee an opportunity to comment on the proposed amendment before the Port adopts it. The Lease sets forth procedures for such comment period.

**Repair and Maintenance.** Lessee shall require the Fuel System Operator to operate and maintain the Premises in compliance with the terms of the Operating Manual and the SPCC/FRP Plans (as amended from time to time) and the Airport Rules during the Term of the Lease. Lessee shall review the Operating Manual and SPCC/FRP Plan annually in conjunction with the environmental audit required under the Lease, and amend as necessary; provided, that the Operating Manual and the SPCC/FRP Plans shall not be amended except with the Port’s and Lessee’s written approval which approval shall not be unreasonably withheld or delayed. Lessee, at its sole cost and expense, shall protect, maintain and repair the Premises (including all improvements hereafter erected thereon) and shall keep the same in good and safe order and condition, except for (i) reasonable wear and tear and (ii) damage caused by the negligence or intentional misconduct of the Port, and shall make all necessary repairs and replacements thereto. For purposes of the Lease, the term “reasonable wear and tear” constitutes that normal, gradual deterioration which occurs due to aging and ordinary use of the Premises despite reasonable and timely maintenance and repair, but in no event shall “reasonable wear and tear” excuse Lessee from complying with its obligation to comply or to require the Fuel System Operator to comply with the provisions of the Operating Manual, the SPCC/FRP Plans or Airport Rules and to keep the Premises in good and safe maintenance and repair in compliance with the terms of the Operating Manual, SPCC/FRP Plans and Airport Rules, fully usable and serviceable for the uses permitted under the Lease or any other obligation under the Lease. Lessee also shall maintain the above-ground structures constructed on the Premises in a neat and clean manner and in conformity with all Required Permits and all permits obtained by the Port for the Fuel Hydrant Project.
**Right of Port To Perform Maintenance or Repairs.** If Lessee does not, upon reasonable notice to Lessee and reasonable opportunity to cure, considering the nature of the maintenance or repair, commence such maintenance and repairs or fails to diligently continue to complete such maintenance or repairs, then the Port, in addition to any other remedy which may be available to it, may enter the Premises and perform such maintenance or repair as the Port determines, in its sole and absolute discretion, is required. Lessee shall indemnify and save harmless the Port from all injury, loss or damage to any person or property occasioned by the Port’s completion of such maintenance or repair, except to the extent such injury, loss or damage is caused solely by the negligence or intentional wrongdoing of the Port. Lessee shall reimburse the Port for any and all reasonable costs incurred in completing such maintenance or repair, together with interest thereon at a default rate from the date the Port incurred such costs.

**Third Parties.** Lessee shall have no liability for acts or omissions of any person that occur during the term of the Lease on those portions of the Airport on the Airport Operations Area above the Right-of-Way or on the North Truck Rack or South Truck Rack, other than the acts or omissions of persons under the control of Lessee including employees, invitees, agents, contractors subcontractors, and affiliates, or the Fuel System Operator, so long as Lessee exercised a level of care with respect to the acts or omissions of those third parties consistent with the then current standards of the airport Fuel storage and distribution industry. Notwithstanding anything to the contrary in the Lease or any related agreement, the Port acknowledges and agrees (i) that the Lessee does not control Into-Plane Agents or Users and any reference in the Lease or any related agreement to “persons under the control of Lessee,” “contractor, subcontractor, agent or affiliate” or similar phrase excludes Into-Plane Agents and Users; and (ii) the indemnity of the Lessee pursuant to the Lease does not include any indemnity for the acts or omissions of Into-Plane Agents or Users. Nothing to the contrary in the Lease shall preclude the Lessee from asserting claims against third parties in respect to any damage to the Premises (including all improvements hereafter erected thereon).

**Representations, Covenants and Warranties of Lessee**

**Representations; Warranties; Covenants.** The Lessee provides a number of representations, warranties and covenants in the Lease.

- to maintain its legal existence;
- not to engage in any other business or activity other than (i) the financing, acquisition, construction, installation, lease, maintenance, operations and management of the Fuel System and any related facilities at the Airport; (ii) the receipt, storage and distribution of Fuel at the Airport for Airport-related uses; and (iii) activities reasonably necessary thereto including without limitation off-Airport Fuel storage for Fuel used at the Airport, but excluding investments in Fuel or rights thereto for purposes of sale or resale;
- not to dissolve or terminate and shall not consolidate with or merge into another company or corporation or permit one or more other companies or corporations to consolidate with or merge into it or sell all or substantially all of its assets without the Port’s and the Bond Insurer’s prior written consent;
- to provide to the Port, the Trustee and the Bond Insurer, within 120 calendar days after the end of each of Lessee’s fiscal years during the Term of the Lease, financial statements prepared in accordance with GAAP, audited and certified by the opinion of a Certified Public Accountant;
- to provide 30 calendar days’ prior written notice to the Port, the Trustee and the Bond Insurer of any of the events described in Section 6.1(vii) of the LLC Agreement;
to provide to the Port, the Trustee and the Bond Insurer, a copy of the Lessee’s annual meeting materials, including budgets and pro forma estimates but excluding any privileged attorney-client communications, no later than 30 calendar days after Lessee’s annual meeting (the Port, the Trustee and the Bond Insurer agree that the fee paid to the Operator and the price paid by individual Users for the purchase of Fuel is proprietary, and need not be included in any required report or information);

irrevocably to elect not to claim depreciation or an investment credit with respect to the Premises or any of the Fuel System financed with the proceeds of Bonds or any portion thereof;

not to take any action to commence proceedings under any federal or state bankruptcy, reorganization, insolvency, moratorium or similar statute except with prior Super Majority-In-Interest approval, as defined in the Interline Agreement;

to operate the Fuel System in a manner that permits all Air Carriers and Into-Plane Agents to obtain access to Fuel in compliance with the terms of the Lease and all applicable federal laws, regulations and grant assurances, and that minimizes interference with the operation of the Airport;

to ensure that charges imposed for usage of the Fuel System to Users other than Contracting Airlines shall not, on a per Gallon basis, exceed 150% of the highest charge, on a per Gallon basis, payable by a Contracting Airline for the same period (to the extent that Lessee establishes charges for Users other than Contracting Airlines in advance, Lessee will not be deemed to be in violation of this requirement if such charges do not, on a per Gallon basis, exceed 150% of the highest per Gallon charge estimated pursuant to the Lessee’s annual budget processes to be payable (per Gallon) by a Contracting Airline during the applicable period; if the Port determines that the charges paid by Users other than Contracting Airlines for usage of the Fuel System, on a per gallon basis, exceeded 150% of the highest charge actually paid by a Contracting Airline for the same period, the Port and the Lessee will review and revise the Lessee’s annual budget processes as necessary to prevent the reoccurrence of such event);

that Air Carriers shall be eligible to be Contracting Airlines, subject to the conditions set out in the Interline Agreement;

to allow any Person who does not become a party to the Interline Agreement as a Contracting Airline and that is not an Associate Airline to use the Fuel System for receipt, storage and delivery of Fuel upon execution by that Person of a Non-Contracting User Agreement;

to require that any Into-Plane Agent, including, without limitation, any Contracting Airline that desires to perform into-plane fueling execute a Fuel System Access Agreement and comply with all of the terms and conditions of such Fuel System Access Agreement as a condition of accessing the Fuel System for the purpose of performing into-plane fueling services at the Airport;

to establish charges for use of the Fuel System that are sufficient to enable Lessee to pay, when due, Rent, taxes, and all other operating, capital costs and other obligations of Lessee under the Lease, under its other agreements with respect to the Fuel System and/or the Premises, and any other obligation of Lessee, and to maintain reserves and working capital sufficient to manage efficiently Lessee’s operations, but not to intentionally establish charges in excess of those necessary to pay Lessee’s Rent, taxes, and all other operating, capital costs and obligations; and

to maintain and operate its facilities and services in compliance with all requirements imposed pursuant to 49 CFR Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, if applicable, and to comply with other pertinent statutes, executive orders and rules relating to discrimination.
**Interline Agreement and LLC Agreement.** Lessee covenants to enforce the terms of the Interline Agreement and the LLC Agreement. Lessee shall provide written notice to the Port, the Trustee and the Bond Insurer, of any “Event of Default” under the Interline Agreement with respect to (a) any single Contracting Airline which represented more than five percent of Gallonage for the preceding 12 months and (b) with respect to any Contracting Airline in the event that there are eight or fewer Contracting Airlines under the Interline Agreement at the time of the Event of Default. Except for certain limited sections, Lessee shall not amend the Interline Agreement without the prior written consent of the Port and the Bond Insurer. Except for certain limited sections, Lessee shall not amend the LLC Agreement without the prior written consent of the Port and the Bond Insurer. Lessee covenants to provide written notice to the Port, the Trustee and the Bond Insurer, at the earliest possible date, of the proposed termination of the Interline Agreement pursuant to its terms. Lessee shall not terminate the Interline Agreement without the prior written consent of the Port, the Trustee and the Bond Insurer.

**Tenant Improvements; Lessee Equipment**

**Tenant Improvements.** From and after the Lease Commencement Date, neither the Lessee nor the Fuel System Operator shall place or construct any Tenant Improvements without the prior written approval of the Port which approval shall not be unreasonably delayed. Lessee shall construct or install any Tenant Improvements in conformance with all applicable statutes, ordinances, building codes, permits, rules, regulations and directives of any local, state or federal entity and shall perform such construction or installation in a good and workmanlike manner in accordance with the drawings and specifications approved by the Port. Lessee shall own the Tenant Improvements (except to the extent financed with Additional Bonds or Port funds in which case all such Tenant Improvements shall at once become part of the Premises) until the termination of Lessee’s occupancy of the Premises or the expiration of the Term of the Lease, whichever occurs sooner. Except as otherwise provided in the Lease, upon termination of Lessee’s occupancy of the Premises or the expiration of the Term of the Lease, whichever occurs sooner, the Lessee shall remove all Tenant Improvements and restore the Premises to their original condition, normal wear and tear excepted, except that the Port, at its sole option, may elect to retain any Tenant Improvements at no cost to the Port.

The Lessee agrees to pay, when due, all sums that may become due for any labor, services, materials, supplies, furnishings, machinery or equipment furnished to or for Lessee in, upon or about the Premises which may be secured by any lien against Lessee’s interest therein, and will cause each such lien and any other liens to be fully discharged and released at the time the performance of any obligation secured by any such lien matures and becomes due or shall supply adequate assurance of the availability of funds to satisfy any such lien in the form of an appropriate bond or, subject to the Port’s reasonable discretion, deposit or other assurance.

**Lessee Equipment.** Installation of Lessee Equipment shall be subject to the terms of the permit requirements, if any, applicable to such use or installation. The Lessee or the Fuel System Operator shall own any Lessee Equipment. Any Lessee Equipment placed or installed in the Premises by Lessee or the Fuel System Operator shall remain Lessee’s or Fuel System Operator’s property at Lessee’s sole risk, and Lessee shall have the right to remove such property at any time during the Term of the Lease provided Lessee repairs any damage caused or alteration made to the Premises as a result of such installation, placement or removal. Upon termination of Lessee’s occupancy of the Premises or the expiration of the Term of the Lease, whichever occurs later, Lessee shall remove all Lessee Equipment unless the Port consents to said Lessee Equipment remaining on the Premises.
Environmental Matters

Environmental Assessments. The Port was obligated to conduct full and complete environmental assessments of the Properties Associated with the Fuel Hydrant Project and specifically identify, to the extent practicable, the nature and extent of Pre-existing Contamination. The Lease sets forth procedures for compilation of, and Lessee approval of, such assessments. The results of the assessments will be compiled in a Pre-Existing Contamination assessment report (the “Assessment Report”), which shall be completed no later than 60 days after the Project Completion Date. The Assessment Report shall be subject to the review and approval of Lessee, which approval shall not be unreasonably withheld. Costs incurred by the Port to conduct the Pre-existing Contamination Assessment and prepare the Assessment Report shall be Costs of the Fuel Hydrant Project. Such costs shall not exceed $450,000, without prior approval of Lessee. Lessee and the Port agree that Pre-existing Contamination on the Project Completion Date is presumed to consist of those levels of Hazardous Substances within and adjacent to the properties associated with the Fuel Hydrant Project identified in the Pre-existing Contamination Assessment Report. Nothing in the section of the Lease concerning environmental matters shall be deemed to limit assertions between the Port or Lessee and any other party, including individual Contracting Airlines. Any dispute between the parties concerning the content of the Pre-existing Contamination Assessment Report shall be resolved pursuant to the dispute resolution process set forth in the Lease.

Environmental Compliance. During the Term of the Lease (or in the case of the Fuel System on the Right-of-Way and the Operations Center Land and improvements, during the Term of the Lease after the Port delivers possession of, respectively, the Fuel System on the Right-of-Way and the Operations Center Land and improvements to the Lessee), Lessee (i) shall not allow the existence in or about the Premises of any Hazardous Substance (except Pre-existing Contamination) in violation of any requirement contained in the SPCC/FRP Plan or any applicable Environmental Law or Regulation or Airport Rule, and (ii) shall not allow the migration or release into adjacent surface waters, soils, underground waters or air of any Hazardous Substances (except Pre-existing Contamination) from the Premises in violation of any requirement contained in the SPCC/FRP Plan or any applicable Environmental Law or Regulation or Airport Rule. If Lessee, or the operation of the Fuel System on the Premises, is in violation of any requirement contained in the SPCC/FRP Plan or any applicable Environmental Law or Regulation or Airport Rule concerning the presence or use of Hazardous Substances (except Pre-existing Contamination), Lessee shall promptly take such action as is necessary to mitigate and correct the violation. If Lessee does not act in a prudent and prompt manner, the Port has the right, but not the obligation, to come onto the Premises, to act in place of the Lessee and to take such action as the Port deems necessary to ensure compliance or to mitigate the violation. All costs and expenses incurred by the Port in connection with any such actions shall become immediately due and payable by Lessee as Additional Rent upon presentation of an invoice therefor.

Environmental Audit, Notice and Reporting. Lessee shall hire an independent third party to conduct an annual environmental compliance and management audit of the Premises and Lessee’s operations, equipment, facilities and fixtures. This audit need not include subsurface testing. Lessee shall make available a current report (the “Audit Report”) of the audit results to the Port at a meeting between the parties held on or about the annual anniversary of the Lease Commencement Date. At this meeting, the parties will discuss the audit results and the Port will review and suggest changes to the audit protocols, and, taking into account the costs and benefits of the proposed changes, all reasonable changes shall be incorporated into the next audit. In addition, Lessee shall permit the Port access to the Premises at reasonable times (generally, during business hours) upon reasonable notice for the purpose of conducting environmental site visits at the Port’s risk and expense; except that in an emergency situation the Lessee shall permit the Port immediate access. Except in accordance with the Operating Manual, SPCC/FRP Plans, any applicable Environmental Law or Regulation or Airport Rules, Lessee shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining the
Port’s written consent. Lessee shall promptly inform the Port of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted by any party other than the Port on the Premises after the Lease Commencement Date, whenever the same becomes known to Lessee. Lessee shall provide copies of any such study to the Port, to the extent Lessee receives or has a right to receive copies of any such study, evaluation, investigation, or testing. Port shall promptly inform the Lessee of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted by any party other than the Lessee on the Premises after the Lease Commencement Date, whenever the same becomes known to Port. The Port shall provide copies of any such study to the Lessee, to the extent the Port receives or has a right to receive copies of any such study, evaluation, investigation, or testing.

Within 24 hours (unless the SPCC/FRP Plan or Airport Rules state otherwise), Lessee shall notify the Port in writing of (i) the occurrence of any environmental release or other event with respect to the Premises which could subject Lessee or the Premises to any claim, claim of liability or any restriction in ownership, occupancy, transferability or use of the Premises under any applicable Environmental Law or Regulation; (ii) any notice given to Lessee by the Fuel System Operator with respect to any release or threatened release of Hazardous Substances; or (iii) the commencement of any litigation or any information relating to any written threat of litigation relating to any alleged unauthorized release or other event relating to the SPCC/FRP Plan or any Environmental Law or Regulation in connection with the Premises. The content, timing and proper recipients for the above notifications are or will be described in detail in the SPCC/FRP Plan or Airport Rules.

Upon the request of the Port, Lessee shall make available to the Port for review: (1) Lessee’s and/or Fuel System Operator’s U.S. EPA Waste Generator Number, and (2) a product list and a Material Safety Data Sheet (MSDS) for each product subject to such requirement under applicable law. Lessee shall regularly provide the Port with: (1) copies of Generator Annual Dangerous Waste Reports, (2) copies of environmentally related regulatory permits or approvals (including revisions or renewals) and (3) copies of any correspondence Lessee receives from, or provides to, any governmental unit or agency in connection with Lessee’s handling of Hazardous Substances (including Pre-existing Contamination) or the presence, or possible presence, of any Hazardous Substance (including Pre-existing Contamination) on the Premises. Such copies shall be sent concurrently with their being mailed or delivered to such governmental agencies or authorities.

Lessee shall maintain all records necessary to document that the Fuel System and the Premises are being operated in compliance with the requirements of any applicable Environmental Law or Regulation affecting the Fuel System and the Premises, including but not limited to those records specifically required in the SPCC/FRP Plan or Airport Rules. Upon request, Lessee will provide, in a timely manner, any and all such records to the Port.
Environmental Indemnification. The Lease sets forth the following environmental indemnification provisions in addition to the general indemnification provision described below under “Insurance and Indemnity--Indemnification.”

- **Indemnification for Operations Center Land.** In addition to all other indemnities provided in the Lease, Lessee agrees to defend, indemnify and hold the Port free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, costs and expenses (including attorneys’ fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence, discovery or migration of any Hazardous Substance (other than Pre-existing Contamination) on or from the Operations Center Land and improvements thereon into the surrounding environment, whether (1) made, commenced or incurred during the Term of the Lease after the Port delivers possession of the Operations Center Land and improvements to Lessee, or (2) made, commenced or incurred after the Lease Expiration Date (or the date of any earlier termination of the Lease) if arising out of events occurring during the Term of the Lease after the Port delivers possession of the Operations Center Land and improvements to Lessee. Such costs include but are not limited to: costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port or other parties; injuries to third persons or other properties; increased costs for the development of property injured by Lessee’s acts or failures to act (even if such costs are incurred after the expiration or earlier termination of the Lease); and loss of revenues resulting from an inability to re-lease the property due to its environmental condition (even if such loss of revenue occurs after the expiration or earlier termination of the Lease).

- **Indemnification for Right of Way (excluding the Right of Way in which the Twelve-Inch Pipeline System is located).** In addition to all other indemnities provided in the Lease, Lessee agrees to defend, indemnify and hold the Port free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, costs and expenses, (including attorneys’ fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence, discovery or migration into adjacent surface waters, soils, underground waters or air of any Hazardous Substance (other than Pre-existing Contamination) that it brought, kept or used in the Fuel System on or from the Right of Way (excluding the Right of Way in which the Twelve-Inch Pipeline System is located) and improvements thereon, whether (1) made, commenced or incurred during the Term of the Lease after the Port delivers possession of the Fuel System on the Right of Way to Lessee, or (2) made, commenced or incurred after the Lease Expiration Date (or the date of any earlier termination of the Lease), if arising out of events occurring during the Term of the Lease after the Port delivers possession of the Fuel System on the Right of Way to Lessee. Such costs include but are not limited to: costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port or other parties; injuries to third persons or other properties; increased costs for the development of property injured by Lessee’s acts or failures to act (even if such costs are incurred after the expiration or earlier termination of the Lease); and loss of revenues resulting from an inability to re-lease the property due to its environmental condition (even if such loss of revenue occurs after the expiration or earlier termination of the Lease).

- **Indemnification for Tank Farm, Tank Farm Improvements and Truck Rack Properties.** Notwithstanding any provisions of the Lease, Lessee agrees to defend, indemnify and hold harmless the Port and its directors, agents and employees from and against any and all damages, fines, penalties, judgments, losses, liabilities, costs and reasonable expenses
(including without limitation, reasonable attorneys’ fees and expenses), claims, actions, suits and other proceedings (collectively, “Liabilities”), which result from, relate to or arise out of the existence or discovery of any Hazardous Substance on, under, from, through, about or within the Tank Farm Land, Tank Farm Improvements, North Truck Rack and South Truck Rack, other than (i) all matters covered by the Participation Agreement; (ii) all matters relating to any release of Hazardous Substances as identified in that certain groundwater monitoring test boring COENMW-05 as reported in the letter from Michael D. Staton of Maul Foster & Alongi, to Ted Wells, United Airlines, dated April 5, 2001 (the “Staton Report”); (iii) any release of Hazardous Substances from the Sea-Tac Lateral or the Six-Inch Delivery Lines; and (iv) any release of Hazardous Substances after the Lease Commencement Date relating to any act, omission or breach by the Port or any third party which is not a contractor, subcontractor, agent or affiliate of Lessee. Lessee acknowledges and agrees that Lessee’s indemnification of the Port includes, among other things, all Liabilities and remediation costs arising from environmental contamination at, on, under or from the Tank Farm Land, Tank Farm Improvements, North Truck Rack and South Truck Rack which predates the Lease and was caused by prior owners and/or operators of those properties.

_Engironmental Cleanup and Financial Security._ If during the Lease Term (or in the case of the Operations Center Land and improvements, during the Lease Term after the Port delivers possession of the Operations Center Land and improvements to Lessee) there is a release of Hazardous Substances (except Pre-existing Contamination) from the Fuel System or the Land into the surrounding environment for which the Lessee is responsible under the Lease, Lessee may choose one of two alternative responses. It may immediately and promptly remediate all media contaminated by the release (except Pre-existing Contamination) using MTCA Method A or MTCA Method C, as appropriate. Alternately, Lessee can immediately and promptly remediate all media contaminated by the release (except Pre-existing Contamination) only to a Risk-Based Corrective Action level. If Lessee chooses the second alternative, Lessee shall either perform the additional cleanup actions itself, or promptly reimburse the Port for development or cleanup costs attributable to Lessee’s failure to remediate the media to MTCA Method A or C levels, even if such costs are incurred after the expiration or earlier termination of the Lease. This reimbursement obligation runs until such time as all contamination (except Pre-existing Contamination) has been remediated to MTCA Method A or C levels, as appropriate.

Within 30 days after the Lease Expiration Date (or within 60 days after the date of any earlier termination of the Lease), Lessee shall submit a report (“Termination Assessment Report”) to the Port describing the results of a comprehensive environmental assessment that reasonably identifies and locates Hazardous Substances in the Fuel System or Land or migrating from the Fuel System or Land (except Pre-existing Contamination) for which the Lessee is responsible under the Lease. This Termination Assessment Report shall also provide for a plan and Termination Cleanup Costs estimate to remediate all Hazardous Substances (except Pre-existing Contamination) for which the Lessee is responsible under the Lease to a level selected pursuant to the Lease. The Port may reasonably require additional assessment activity and the supplementation of the Termination Assessment Report. In the event Lessee believes the Port to be acting unreasonably in requiring such additional assessment activity and/or the supplementation of the report, or there is a dispute between the Port and Lessee regarding the amount or nature of Termination Cleanup Costs, such dispute shall be settled in accordance with the dispute resolution process described in the Lease.

After the Port’s approval of the final Termination Assessment Report, and at the direction of the Port, Lessee shall implement all actions contained in the Termination Assessment Report.
Lessee may voluntarily choose to or unintentionally remediate Pre-existing Contamination or Hazardous Substances released during the Lease Term by persons not under the control of Lessee during the construction or installation of Tenant Improvements, the performance of its operation, maintenance and repair obligations, or while conducting remediation actions required under the Lease (during the Lease or post-Termination). In such case, Lessee will not be liable for Latent Environmental Costs, but will look only towards Responsible Parties, for reimbursement of such Latent Environmental Costs incurred as a result of remediating Pre-existing Contamination or other Hazardous Substances released during the Lease Term by persons not under the control of Lessee. The Port agrees to cooperate with Lessee in seeking recovery of such Latent Environmental Costs from other parties.

Environmental Dispute Resolution. If and when the parties disagree concerning any aspect of the environmental provisions of the Lease, Lessee and the Port agree to attempt to resolve the disagreement through informal good faith negotiations. If the parties are unable to reach an agreement through informal negotiations, either party may request the selection of a neutral environmental expert panel to resolve the dispute. Each party shall select and fully compensate one of these environmental experts and the third expert shall be selected by the other two and compensated in equal shares by the parties. This neutral panel shall receive submittals from both parties and shall promptly render a written decision, which shall be final and binding on the parties. The procedural rules to be utilized by the expert panel may be specified by a majority of the panel and may, but need not, include compliance with the Washington Arbitration Act (RCW Chapter 7.04) or the rules of the American Arbitration Association.

Insurance and Indemnity

Indemnification. Except where, and to the extent, caused by the negligence or intentional wrongdoing of Port, its agents, employees, contractors, officers, directors or predecessors in interest, and subject to the provisions set forth in the environmental indemnification provisions of the Lease, the Port and its officers, employees and agents, shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage may be caused, sustained or alleged to have been sustained by the Lessee or by others, including but not limited to all persons directly or indirectly employed by the Lessee, or any agents, contractors, subcontractors, licensees and invitees of the Lessee, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to the Premises or the areas adjacent thereto or related in any way to the Lessee’s use or occupancy of the Premises and of areas adjacent thereto. The Lessee agrees to defend (with counsel reasonably acceptable to the Port) and hold and save the Port harmless from all liability and expenses (including attorney’s fees, costs, and all expenses of litigation) in connection with any such actual or alleged injury or damage, except where, and to the extent, caused by the negligence or intentional wrongdoing of the Port, its agents, employees, contractors, officers, directors or predecessors in interest. All indemnities provided in the Lease shall survive the expiration or any earlier termination of the Lease. Any final judgment rendered against the Port for any cause for which the Lessee is liable under the Lease shall be conclusive against the Lessee as to liability and amount upon the expiration of the time for appeal therefrom.

Liability Insurance. Lessee shall, at its own expense, maintain or cause to be maintained insurance relating to the matters and activities that are the subject of the Lease of the types and amounts set forth below, with deductible limits no greater than $250,000 and in carriers rated A+ or A by Best’s Insurance Rating Guide and by Moody’s Investors Service or Standard & Poor’s Ratings Group or with reputable insurers in the United States or with international insurers who usually participate in aviation liability programs and, in both cases, are reasonably satisfactory to the Port. Such insurance shall not be subject to cancellation, modification or non-renewal without at least 45 days advance written notice to the Port. The required insurance and minimum limits of coverage are as follows:
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>LIMITS OF LIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Comprehensive Aviation Liability Coverage</td>
<td>$300,000,000 per occurrence combined single limit</td>
</tr>
<tr>
<td>1. On-Airport Operations (including automobile, contractual, completed operations, independent contractor &amp; products hazards)</td>
<td></td>
</tr>
<tr>
<td>2. Operations other than On-Airport (bodily injury and property damage)</td>
<td>$5,000,000 per occurrence combined single limit</td>
</tr>
<tr>
<td>B. Automobile Liability (bodily injury and property damage) for owned, non-owned and hired automobiles</td>
<td>$5,000,000 per occurrence combined single limit</td>
</tr>
<tr>
<td>C. Workers’ Compensation and Employers Liability Insurance</td>
<td></td>
</tr>
<tr>
<td>1. Worker’s Compensation</td>
<td>Statutory limits</td>
</tr>
<tr>
<td>2. Washington State Stop Gap</td>
<td>$2,000,000 per occurrence /accident/employee</td>
</tr>
</tbody>
</table>

The limits of insurance required by the Lease or as carried by Lessee shall not limit the liability of Lessee nor relieve Lessee of any obligation under the Lease. Commencing on the fifth calendar year of the Lease and every fifth year thereafter, the Port may review the minimum limits and deductible required by this provision. In the event the Port determines that an increase of the limits and/or deductible is necessary, the Port shall give Lessee written notice of the proposed increase and provide Lessee 60 days from the date of the notice to comment on the proposed increase. The increase in the minimum limits shall be effective 90 days after the date of the Port’s notice to Lessee; provided that, any increase in limits in the minimum limits shall not exceed 50% of the then current limits.

**Property Insurance.** Throughout the Term of the Lease, the Lessee shall maintain, or cause the Fuel System Operator to maintain, standard form property insurance with deductible limits no greater than $250,000 and insuring against the perils of fire, extended coverage, vandalism, malicious mischief, special extended coverage (All Risk or reasonably equivalent), including earthquake coverage and coverage against losses resulting from acts of terrorism in each case if then available at reasonable commercial rates, and sprinkler leakage. This property insurance policy shall be issued by carriers rated A+, A or A- by Best’s Insurance Rating Guide and by Moody’s Investors Service or Standard & Poor’s Ratings Group. This insurance policy shall be upon all improvements, fixtures and personal property owned or leased by Lessee and/or the Fuel System Operator located on or within the Premises in an amount equal to 100% of the replacement cost thereof. Unless the Bond Insurer, if any, provides written consent to the contrary, the insurance policy shall include business interruption coverage for loss or interruption of use for up to 24 months from the occurrence of insured physical damage and contingent business interruption insurance for up to 24 months from closure or shut down of the Airport. Unless the Bond Insurer, if any, provides written consent to the contrary, business interruption insurance and contingent business interruption insurance shall include coverage sufficient to cover at least the sum of debt service, soft costs and the equivalent of the rest of the Total Facilities Charges (as defined in the Interline Agreement), with a maximum deductible of $1 million or a maximum waiting period of 30 days. Such policies shall not be subject to cancellation, modification or non-renewal without at least 45 days’ advance written notice to the Port.

**Other Insurance Provisions.** The Port makes no representation that the limits or forms of insurance coverage specified or required under the Lease are adequate to cover Lessee’s property, or
Lessee’s liabilities or obligations under the Lease. In the event any insurance required under the Lease becomes unavailable, Lessee may propose substitute insurance arrangements to the Port and the Bond Insurer. The Port and the Bond Insurer reserve the right to either (i) approve Lessee’s proposal or (ii) reject Lessee’s proposal and require that Lessee replace any unavailable insurance with other insurance or alternative risk financing available in the market that is acceptable to the Port and the Bond Insurer.

**Damage; Destruction; Condemnation**

*Restoration After Casualty.* Lessee covenants and agrees that, in case of damage to or destruction of the improvements on the Land or the Fuel System by a peril insured against or required to be insured against by the Lease, Lessee will promptly, to the extent of available insurance proceeds (from the policies described in the Lease), restore, repair, replace or rebuild the improvements on the Land or Fuel System, as applicable, as nearly as possible to its condition immediately prior to such damage or destruction or with such changes or alterations, including upgrading as Lessee and the Port may reasonably decide, consistent with the requirements of the Lease.

*Completion or Restoration in the Event of Insufficient Insurance Proceeds.* In the event of an uninsured loss or if insurance proceeds (from insurance policies maintained pursuant to the terms of the Lease) are insufficient to pay the cost of restoring, replacing or rebuilding any portion of the improvements on the Land or the Fuel System that is damaged or destroyed, the difference between the cost of completion, restoration, replacement or rebuilding and the amount of insurance proceeds, if any, available for such purpose (the “cost differential”) shall be paid as described in this paragraph. If such proceeds are not sufficient, the Lessee may request that the Port issue Additional Bonds pursuant to the Lease to pay the cost differential. In the alternative, the Lessee may obtain funding to pay such costs from other sources (*e.g.*, self assessment). If the Lessee does not provide funding for the cost differential or otherwise request the issuance of Additional Bonds within 30 days after the determination by the Port that there will be a cost differential, the Port may propose the issuance of Additional Bonds under the procedures set forth in the Lease and/or may undertake the Refinancing Alternative.

The parties acknowledge that, pursuant to the Resolution, the Port covenants to repair, replace, reconstruct and rebuild the damaged or destroyed improvements on the Land or the Fuel System under certain circumstances set forth therein. In any event, the Port’s obligation to fund any cost differential associated with any such repair, replacement, reconstruction or rebuilding through the issuance of bonds or otherwise, shall be conditioned expressly upon the Port then having the right and authority to impose rates, charges, fees, or another cost recovery mechanism upon the Air Carriers for the cost differential as well as the cost of the facilities previously funded by the outstanding Bonds.

Notwithstanding the foregoing, in the event the Airport is permanently closed by reason of such casualty, or for any other reason, the Port or the Lessee, may at its election, give the other party notice of such closure and Lessee’s right to occupy the Premises shall cease to be effective as of the date of such notice provided, however, that Facilities Rent, Additional Rent owed to the Trustee and amounts due to replenish the Debt Service Reserve Account will continue to be payable until the Bonds have been redeemed or defeased in full and all Reimbursement Obligations have been paid in full and provided, further, that the term of the Lease shall continue until such time.

*Disbursement of Insurance Proceeds.* In the case of damage or destruction to property insured by the Lessee (under policies procured under the Lease) involving a cost of repair of less than $250,000, the insurance proceeds shall be paid to Lessee and shall be applied by Lessee to pay the cost of the work. In the case of damage or destruction to property insured by the Lessee (under policies procured under the terms of the Lease) involving a cost of repair greater than $250,000, the insurance proceeds (whether
payable to the Port or Lessee) shall be paid to the Trustee and deposited into the Project Fund to be applied by the Trustee consistent with the requirements of the Resolution or any Supplemental Resolution. Disbursement of proceeds from the Project Fund shall be conditioned upon (i) the Port’s approval of plans and specifications for the proposed work and (ii) certification by Lessee, satisfactory to the Port and the Trustee that: (A) the Premises once restored, will comply with all applicable state, local and federal laws and regulations, including without limitation, zoning ordinances and by-laws, building restrictions and environmental and land use laws and regulations, and grant assurances, and (B) the insurance proceeds, together with other funds available for the purpose and deposited with the Trustee will be sufficient to restore the Premises. In accordance with the terms of the Lease, in the event of an uninsured loss or if the insurance proceeds are insufficient to restore the Premises, the cost differential shall be deposited with the Trustee.

**Termination.** In the event the Lease is terminated as a result of closure of the Airport, all insurance proceeds shall be deposited with the Trustee and applied to redeem or defease the Bonds in accordance with the Resolution or any Supplemental Resolution and pay all Reimbursement Obligations. To the extent that the insurance proceeds together with all funds in the Debt Service Reserve Account are insufficient or not available to redeem all of the Bonds and to pay all Reimbursement Obligations, Lessee shall, within 60 days after the deposit of the insurance proceeds, deposit with the Trustee such additional funds which, together with the other amounts then on deposit with the Trustee, shall be sufficient to redeem or defease all Bonds then outstanding in accordance with the Resolution or any Supplemental Resolution and to pay all Reimbursement Obligations.

**Continuation of Lease Obligations.** Unless terminated by the Port pursuant to the Refinancing Alternative, the Lease shall continue and remain in full force and effect with no abatement, diminution or reduction of Rent or Additional Rent notwithstanding any damage or destruction of the Premises (including but not limited to damage or destruction resulting in permanent closure of the Airport), until all outstanding Bonds have been fully redeemed or defeased in accordance with the Resolution and all Reimbursement Obligations have been paid in full.

**Notice of Casualty.** If the Premises or Fuel System shall be damaged to any extent that (a) prevents or significantly reduces the use, safety or integrity of the Fuel System, (b) significantly increases the likelihood of a reduction in use, safety or integrity of the Fuel System or (c) results in greater than $100,000 rebuilding, replacement or repair cost, or shall be destroyed by fire or other casualty, Lessee shall promptly notify the Port thereof, of the extent of damage and of the estimated cost of rebuilding, replacing and repairing the same.

**Condemnation of All or Substantially All of the Premises.** If at any time during the Term of the Lease there shall be Condemnation of the whole or substantially all of the Premises, the Lease shall terminate and expire on the date of such Condemnation and the Rent and Additional Rent shall be paid to the date of such Condemnation; provided, however, that the Lessee shall continue to pay Facilities Rent, Additional Rent owed to the Trustee and amounts due to replenish the Debt Service Reserve Account until the Bonds have been fully redeemed or defeased in accordance with the Resolution and the Reimbursement Obligations have been paid in full. “Substantially all of the Premises” shall be deemed to have been taken if the untaken part of the Premises shall be insufficient for the restoration of the Premises such as to allow the economic and feasible operation thereof by Lessee.

**Condemnation of Less than Substantially All of the Premises.** If at any time during the Term of the Lease there shall be a Condemnation of less than substantially all of the Premises, then the Lease shall not terminate or expire on the date of such Condemnation and the Lessee shall, to the extent funds are available, restore the remainder of the Premises as nearly as practicable to its condition prior to such Condemnation.
Completion or Restoration in the Event of Insufficient Condemnation Proceeds. In the event that Condemnation Proceeds are insufficient to pay the cost of completing, restoring, replacing or rebuilding any portion of the Premises or the Fuel System that is condemned, the difference between the cost of completion, restoration, replacement or rebuilding and the amount of Condemnation Proceeds available for such purpose (the “cost differential”) shall be paid as described in this paragraph. If such proceeds are not sufficient, the Lessee may request that the Port issue Additional Bonds pursuant to the Lease to pay the cost differential. In the alternative, the Lessee may obtain funding to pay such costs from other sources (e.g., self assessment). If the Lessee does not provide funding for the cost differential or otherwise request the issuance of Additional Bonds within 30 days after the determination by the Port that there will be a cost differential, the Port may propose the issuance of Additional Bonds under the procedures set forth in the Lease and/or may undertake the Refinancing Alternative. In any event, the Port’s obligation to fund any cost differential, through the issuance of bonds or otherwise, shall be conditioned expressly upon the Port then having the right and authority to impose rates, charges, fees, or another cost recovery mechanism upon the Air Carriers for the cost differential as well as the cost of the facilities previously funded by the outstanding Bonds.

Condemnation Proceeds. In the event of a Condemnation, the award of damages on account of such taking (the “Condemnation Proceeds”) shall be paid to the Trustee, and applied: First, to the payment of the reasonable costs, fees and expenses incurred by the Port and reasonable fees and expenses incurred by the Lessee in connection with the collection of the award; Second, (i) if Lessee is required to restore the Premises, the Condemnation Proceeds will be deposited in a special account within the Project Fund to be disbursed in the same manner as and subject to the same conditions and limitations relating to disbursement of insurance proceeds; or, (ii) if Lessee is not required to restore the Premises, the Condemnation Proceeds will be deposited in the Debt Service Fund and applied towards redemption or defeasance of the Bonds and payment of Reimbursement Obligations in accordance with the Resolution. In the event the Condemnation Proceeds are not sufficient to fully redeem or defease the Bonds and pay the Reimbursement Obligations, Lessee shall deposit with the Trustee additional funds sufficient to fully redeem or defease the Bonds and to pay the Reimbursement Obligations. Nothing in the Lease shall limit the eminent domain power of the Port.

Additional Bonds

Additional Bonds at the Request of Lessee. The Lessee may request that the Port issue Additional Bonds. The Port reserves the right, in its sole discretion, to reject or approve such request to issue Additional Bonds. If the requested Additional Bonds are approved and issued by the Port, the Port shall issue such Bonds under the terms of a Supplemental Resolution at such time(s) and in such amount(s) required to accomplish the purpose therefor, together with costs of issuance and required reserves, and the debt service on such Additional Bonds shall be paid by the Lessee as Facilities Rent under the Lease, amounts necessary to maintain the Required Debt Service Reserve Amount with respect to the Additional Bonds shall be paid by the Lessee and applicable Additional Rent shall be paid by the Lessee.

Completion Bonds at the Option of the Port. The Port may, in its discretion, propose the issuance of Additional Bonds. If the Additional Bonds are issued by the Port as Completion Bonds, the Port may issue such Completion Bonds under and within the limitations set forth in the Resolution at such times and in such amounts required to accomplish the completion purpose(s) under the terms of a Supplemental Resolution, together with costs of issuance and required reserves, and the debt service on such Completion Bonds shall be paid by the Lessee as Facilities Rent under the Lease, amounts necessary to maintain the Required Debt Service Reserve Amount with respect to the Completion Bonds shall be paid by the Lessee and applicable Additional Rent shall be paid by the Lessee. The Lessee has approved the issuance of such Completion Bonds.
Improvement or Refunding Bonds. The Port shall give notice to the Lessee in writing at least 30 days prior to the date of issuance of any Refunding Bonds or Improvement Bonds. The notice shall be presented in the form of a ballot requesting approval of such issuance. The notice shall also include a general description of the Bonds to be refunded with the proceeds of the Refunding Bonds and the facilities to be financed with the proceeds of the Improvement Bonds, as applicable, and shall give Lessee the right to approve or disapprove the Port’s proposal to issue such Refunding Bonds or Improvement Bonds by a Majority-in-Interest vote (as such term is defined in the Interline Agreement). Prior to the expiration of 30 days after the Port’s distribution of the ballot to the Lessee, the Lessee shall notify the Port in writing of its approval or disapproval of the Port’s proposed issuance of such Refunding Bonds or Improvement Bonds. If the Lessee approves the issuance of the Refunding Bonds or Improvement Bonds, as applicable, or otherwise fails to respond to the notice/ballot within the 30-day period, the Lessee shall be deemed to have approved the issuance of the Refunding Bonds or Improvement Bonds and the Port may proceed to issue such Refunding Bonds or Improvement Bonds at such times and in such amounts required to accomplish the purposes thereof under the terms of a Supplemental Resolution, together with costs of issuance and required reserves, and the debt service on such Refunding Bonds or Improvement Bonds shall be paid by the Lessee as Facilities Rent.

Alternatives to Additional Bonds. If, prior to the issuance of any series of Additional Bonds at the option of the Port, the Port cannot secure reasonable access to the capital markets for such Additional Bonds within a reasonable time, the Lessee may, within 30 days, propose an alternative financing (the “Financing Alternative”), and the Port may, in its sole discretion, but subject to the terms of the Resolution, determine whether or not to proceed with the Financing Alternative. If the Lessee does not propose a Financing Alternative or the Port determines not to proceed with the Financing Alternative, the Port may, at its option, undertake the Refinancing Alternative (described below). If the Lessee disapproves the issuance of Refunding Bonds or Improvement Bonds under the notice and approval process described above, the Lessee may, at the time of such disapproval, propose a Financing Alternative, and the Port may, in its sole discretion, but subject to the terms of the Resolution, determine whether or not to proceed with the Financing Alternative. If the Lessee disapproves the issuance of Refunding Bonds or Improvement Bonds under the notice and approval process described above and (A) the Lessee does not propose a Financing Alternative or (B) the Port determines not to proceed with the Financing Alternative, the Port may, at its option, undertake the Refinancing Alternative.

Port’s Refinancing Alternative. The Port may, at its option, refinance all outstanding Bonds, and pay, or cause to be paid, all outstanding Reimbursement Obligations, with other bonds issued by the Port (which bonds may also finance the cost of improvements, extensions, modifications, repair, replacement and/or completion of all or any portion of the Fuel System), the debt service on which will be paid from rates, charges, fees, or another cost recovery mechanism imposed by the Port upon Air Carriers (the “Refinancing Alternative”). If the Port undertakes the Refinancing Alternative (A) in order to finance its legal obligations in the event of a casualty or condemnation or (B) under the circumstances described in the Additional Bonds section setting forth the notice and approval procedures applicable to Improvement Bonds and Refunding Bonds, and the Bonds have been fully redeemed or defeased in accordance with the Resolution and all Reimbursement Obligations have been paid in full, the Port may, at its sole option, terminate the Lease.

Port’s Retained Rights. Nothing in the Lease shall be construed to limit the Port’s right and authority to issue obligations (other than Additional Bonds, which shall be issued only in accordance with the Lease) including obligations to refinance all outstanding Bonds, and pay, or cause to be paid, all outstanding Reimbursement Obligations (which bonds may also finance the cost of improvements, extensions, modifications, repair, replacement and/or completion of all or any portion of the Fuel System) or to impose rates, charges, fees, or other mechanisms for recovering from Air Carriers the capital and operational costs of the Airport. If the Port (A) issues obligations (other than Additional Bonds) to
If the Port refinances outstanding Bonds pursuant to the Refinancing Alternative or otherwise, and pays, or causes to be paid, all outstanding Reimbursement Obligations, the Port may recover the cost differential, if any, as well as the cost of the facilities previously funded by the outstanding Bonds through any then applicable method of recovering from Air Carriers the capital and operational costs of the Airport. The Contracting Airlines have acknowledged to the Lessee that the Port has agreed to refinance all outstanding Bonds in certain circumstances, including without limitation to fund a cost differential resulting from an event of casualty or condemnation. The Contracting Airlines have acknowledged that the Port has assumed this contingent obligation at the request of the Underwriters and the Bond Insurer for the 2003 Bonds and that as a result of the assumption of this contingent obligation by the Port, the financing the Fuel System has been facilitated and costs reduced.

Default; Termination; Miscellaneous

Lease Default Events. It shall be a Lease Default Event if:

- Lessee fails to pay Facilities Rent or any portion thereof on the date any such payment is due under the Lease.

- Lessee fails to pay Base Rent, Additional Rent or any other rent or charge or portion thereof (other than Facilities Rent) due under the Lease within 10 days after written notice of delinquency provided that no notice shall be required if the Port or the Trustee has given prior notice of any such failure within the immediately preceding 12-month period;

- Lessee shall fail to maintain required insurance;

- Lessee ceases to operate the Fuel System or abandons the conduct of its operations at the Premises for a period of 48 hours or more (with the exception of temporary closures for such periods as may be reasonably necessary for repairs or during such period of time that the Airport is closed) and the Port provides notice to the Lessee of such cessation or abandonment;

- Lessee fails to keep or perform any of the other covenants, conditions or provisions and fails to commence and diligently pursue performance of any said covenant, condition, or provision within 30 days after written notice;

- Lessee fails to keep or perform or, is otherwise in default (beyond any applicable notice or cure period provided for therein) under any of the terms, covenants, conditions or provisions of the Guaranty and/or the Security Agreement;

- A governmental authority, board, agency or officer of the United States, the State of Washington or any other public entity with jurisdiction terminates or suspends any certificate, license, permit or authority held by Lessee without which Lessee cannot lawfully conduct its
operations at the Premises provided that, in the event Lessee has commenced and is diligently pursuing a reinstatement of such license, permit, certificate or authority, then Lessee shall not be in default unless such termination or suspension continues, despite Lessee’s efforts, for 30 days and provided, further, that in the event a governmental authority, board, agency or officer of the United States, the State of Washington or any other public entity suspends operations of the Airport (other than through the fault of the Lessee), the Lessee’s cessation of operation of the Fuel System during the pendency of such suspension shall not constitute a Lease Default Event;

- A court of competent jurisdiction enters a judgment or an injunction and the judgment or injunction remains in force for a period of at least 60 days, the effect of which is to prevent or prohibit Lessee from conducting its operations at the Premises;

- As a result of any action by Lessee (or failure to act when required), the Port shall be in default under the Resolution or any Supplemental Resolution; or

- Lessee consolidates, dissolves or liquidates or takes an equivalent action or an involuntary case is commenced under any federal or state bankruptcy, reorganization, insolvency, moratorium or similar statute against Lessee, or a custodian, receiver, trustee, assignee for the benefit of creditors or other similar official is appointed to take possession, custody, or control of the property of the Lessee unless such case, petition or appointment is dismissed, set aside or withdrawn or ceases to be in effect within 60 days after the date such case is commenced or the date of said filing or appointment; or Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature, or commences any voluntary case or files any petition or action for relief relating to any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or the Lessee makes an assignment for the benefit of creditors or enters into an agreement of composition with its creditors; or the Lessee fails generally to pay its debts as they become due; or the Lessee fails to have discharged promptly any judgment, execution, garnishment or attachment of such consequence as could impair the ability of the Lessee to carry on its operations or to fulfill its obligations under the Lease.

**Port’s Remedies.** Subject to the reletting obligations of the Port under the Lease, upon the occurrence of a Lease Default Event, the Port may do one or more of the following, in its sole discretion.

- The Port at any time thereafter may give written notice to Lessee specifying such Lease Default Event(s) and stating that the Lease and the Term of the Lease hereby demised shall expire and terminate on the date specified in such notice, which shall be at least 10 days after giving of such notice (unless Lessee has ceased to operate the Fuel System, in which case the Port may immediately terminate) and upon the date specified in such notice, the Lease and the Term of the Lease hereby demised and all rights but not the obligations of Lessee under the Lease shall expire and terminate, then and in any such event, and Lessee shall remain liable, and all Tenant Improvements constructed or installed upon the Premises shall become the property of the Port without the necessity of any deed or conveyance from Lessee to the Port.

- With or without terminating the Lease, the Port may reenter, by summary proceedings or otherwise, and relet the Premises and bring an action for Rent, Additional Rent and/or damages. Notwithstanding any such reentry or termination, Lessee shall remain liable for the full Rent and Additional Rent.
• In addition to the other rights of the Port and notwithstanding any termination of the Lease, following any failure to pay Facilities Rent and an election by the Trustee to redeem all of the Bonds, the Port may accelerate Facilities Rent and bring an action for the unpaid Facilities Rent and all Facilities Rent payable for the remainder of the Term of the Lease, to the extent necessary to redeem or defease all of the Bonds, pay all Reimbursement Obligations and pay all accrued interest and all costs associated with such redemption, in which event all unpaid Facilities Rent and all Facilities Rent payable for the remainder of the Term of the Lease shall become immediately due and payable. In the event that Lessee has prepaid any portion of the Facilities Rent (or the associated payments on the Bonds or Reimbursement Obligations) such prepayment shall be taken into account in calculating Facilities Rent which will accrue during the remainder of the Term of the Lease. Lessee’s obligation to pay such Facilities Rent shall survive termination of the Lease.

• The Port may exercise any other legal or equitable right or remedy which it may have.

Port’s Reletting Obligation. Under the Lease, the Port agrees that following any termination of the Lease as a result of any default in the payment of Facilities Rent, or any other termination of the Lease prior to full repayment of the Bonds and all Reimbursement Obligations (each, a “Reletting Event”), upon surrender of the Premises by Lessee as required under the section setting forth the Port’s remedies upon a Lease Default Event, it shall use reasonable efforts to (i) operate the Premises or relet the Premises to an appropriate fuel system operator or retain such an operator to operate the Fuel System on behalf of the Port (a “Replacement Lessee or Operator”) and (ii) charge Users or require such Replacement Lessee or Operator to charge and remit to the Port usage charges for the Fuel System to be used as set forth in the Resolution. The Port’s obligations to use reasonable efforts to operate the Premises, relet the Premises or retain an operator will not relieve Lessee of its obligation to pay Rent and Additional Rent for any period, except that the amount of Rent and Additional Rent will be reduced by the amount of any reletting proceeds applied to pay Rent and Additional Rent after payment of Reletting Costs. The Port’s reletting obligations shall survive any termination of the Lease.

No Waiver; Injunctive Relief. No failure by the Port or Lessee to insist upon the strict performance of any agreement, term, covenant or condition of the Lease or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such agreement, term, covenant or condition. In the event of any breach or threatened breach by Lessee of any of the agreements, terms, covenants or conditions contained in the Lease, the Port or the Lessee, as applicable, shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in the Lease.

Port’s Right to Continue Operation of Fuel System. In the event that at any time after the Lease Commencement Date, the operation of the Fuel System is discontinued or suspended for any period for any reason (a “Suspension of Operations”), whether or not such Suspension of Operations constitutes a Lease Default Event and in addition to any other remedy which may be available to the Port, the Port may (but except for its reletting obligation, shall not be obligated to) authorize a qualified operator to enter upon the Premises and operate the Fuel System during any such Suspension of Operations. The intent of this provision is to permit the Port to assure the continuous availability of Fuel to Users at the Airport at all times during the Term of the Lease.

Amendment; Assignment; Subletting. The Lease may not be amended or modified except by a written instrument executed by both the Port and Lessee, and further subject to any additional limitations that may be established in the Resolution. The Lease may not be amended without the written consent of the Bond Insurer. Except for assignments to the Trustee to secure Bonds, Lessee shall not directly or
indirectly assign, transfer, or otherwise alienate its estate or other interest under the Lease without the prior written consent of the Port, the Trustee and the Bond Insurer, which consent may be withheld or granted in the sole discretion of the Port, the Trustee and the Bond Insurer, respectively. Lessee shall not make or permit a sublease of the Premises or any portion thereof without the prior written consent of the Port, the Trustee and the Bond Insurer, which may be withheld or granted in the sole discretion of the Port, the Trustee and the Bond Insurer, respectively.

Washington Law Governs. The Lease shall be governed exclusively by and construed in accordance with, the laws of the State of Washington. Time shall be of the essence.

Limitations on Third-Party Rights. Nothing in the Lease expressed or implied is intended or shall be construed to give to any person other than the Port or the Lessee any legal or equitable right, remedy or claim under or in respect of the Lease or any covenant, condition or provision contained in the Lease; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Port and the Lessee; provided however, that, the Bond Insurer is intended to be and is a third party beneficiary of the Lease.

SUMMARY OF THE SECURITY AGREEMENT

The Security Agreement, dated as of May 14, 2003, is made by SEATAC Fuel Facilities LLC (the “Lessee”), to Wells Fargo Bank, National Association, as trustee (the “Trustee”).

Grant of Security Interest

As security for its obligations under the Guaranty Agreement, the Lessee assigns, grants and pledges to the Trustee a security interest in all right, collateral, title and interest of the Lessee, whether now owned or hereafter acquired, in, under and to the following (collectively, the “Collateral”):

- the Interline Agreement, the LLC Agreement, the Fuel System Operating Agreement, all Non-Contracting User Agreements and all Fuel System Access Agreements the Lessee may enter into, as such agreements may be amended, supplemented, substituted or renewed (collectively the “Lessee Agreements”); all rights, collateral, title and interests of the Lessee under the Lessee Agreements; all amounts payable to or receivable by the Lessee thereunder; and all books, records and information relating to the Lessee Agreements and/or to the other Collateral, and all rights of access to such books, records, and information;

- All accounts and accounts receivable of the Lessee;

- Subject to the terms of the Lease, all insurance proceeds, refunds and premium rebates payable to the Lessee in respect of the Premises, including without limitation all insurance proceeds, refunds and premium rebates payable to the Lessee under insurance required pursuant to the terms of the Fuel System Operating Agreement; and

- All proceeds of the foregoing (including, without limitation, whatever is receivable or received when Collateral or proceeds is sold, collected, exchanged, returned, substituted or otherwise disposed of, whether such disposition is voluntary or involuntary, including, subject to the terms of the Lease, rights to payment and return premiums and insurance proceeds under insurance with respect to any Collateral, and all rights to payment with respect to any cause of action affecting or relating to the Collateral).
**Security for Obligations**

The Security Agreement secures the payment and performance of all Guaranteed Obligations (as defined in the Guaranty Agreement) and all obligations of the Lessee now or hereafter existing under the Security Agreement and the Guaranty Agreement (collectively the “Obligations”).

**Collections**

Except as otherwise described in this paragraph, the Lessee shall continue to collect, at its own expense, all amounts due or to become due the Lessee under the Lessee Agreements. After receipt by the Lessee of notice from the Trustee under the Security Agreement, (i) all amounts and proceeds (including instruments) of the Collateral received or held by the Lessee, whether or not pursuant to the Lessee Agreements, shall be received or held in trust for the benefit of the Trustee, shall be segregated from other funds of the Lessee and shall be forthwith paid over to the Trustee in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by the Bond Resolution; provided that, Base Rent, Additional Rent payable to the Port and any other payment to be made directly to the Port under the Lease shall be paid over to the Port, and (ii) the Lessee shall not adjust, settle or compromise the amount or payment of any receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

**Events of Default**

As used in the Security Agreement, the term “Event of Default” shall mean any event of default under any of the Bonds, the Bond Resolution, the Guaranty Agreement or the Reimbursement Agreement, or any failure by the Lessee to observe or perform any covenant, obligation, condition or agreement contained in the Security Agreement, or the event of any representation, warranty, information or other statement made or furnished by the Lessee in connection with the Security Agreement being materially false, incorrect, incomplete or misleading in any material respect when made or furnished.

**Remedies**

If any Event of Default shall have occurred and be continuing, the Trustee may exercise in respect of the Collateral, in addition to other rights and remedies provided for in the Security Agreement or otherwise available to it, all the rights and remedies of a secured party in default under the Uniform Commercial Code (the “Code”) in effect in the State of Washington at that time (whether or not the Code applies to the Collateral), and may also require the Lessee to assemble the Collateral and make it available to the Trustee at a place to be designated by the Trustee.

**Continuing Security Interest**

The Security Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Lessee, its successors and assigns and (iii) inure, together with the rights and remedies of the Trustee under the Security Agreement, to the benefit of the Trustee, its successors, transferees and assigns.

**Governing Law**

The Security Agreement shall be governed by and construed in accordance with the laws of the State of Washington.
SUMMARY OF THE GUARANTY AGREEMENT

The Guaranty Agreement, dated as of May 14, 2003, is made by and between SEATAC Fuel Facilities LLC (the “Lessee”) and Wells Fargo Bank, National Association, as trustee, together with any successor trustee at the time serving as such (the “Trustee”) under Resolution No. 3504, as amended, adopted by the Port of Seattle (the “Port”) Commission on April 22, 2003, as the same may be amended or supplemented from time to time (the “Bond Resolution”).

Guaranteed Obligations

Pursuant to the Guaranty, the Lessee unconditionally and irrevocably guarantees to the Trustee for the benefit of the 2003 Bond Insurer and the Owners of the Bonds, (a) the full and prompt payment when due of the principal of, premium, if any, and interest on the Bonds and all Reimbursement Obligations in accordance with the terms thereof and of the Reimbursement Agreement and the Bond Resolution; and (b) the full and prompt payment of all other sums when due under the terms of the Bond Resolution and the Reimbursement Agreement, together with any interest accrued thereon (the obligations described in clause (a) and clause (b) are collectively referred to herein as the “Guaranteed Obligations”). The Lessee’s obligation is a continuing, absolute and unconditional guaranty that shall remain in full force and effect until all Bonds and Reimbursement Obligations have been paid in full. The Bonds, the Bond Resolution and the Reimbursement Agreement are collectively referred to in the Guaranty as the “Bond Documents”.

Continued Liability

The Lessee’s liability under the Guaranty shall continue until all of the Guaranteed Obligations have been paid in full and satisfied. Such liability and pledge shall not be extinguished by virtue of any payment by the Port or any other person of any amount due under the Bond Documents or by the Trustee’s recourse to any collateral or security.

Enforcement by Trustee

The Trustee may enforce the obligations of the Lessee under the Guaranty for the benefit of the Bond Owners and the 2003 Bond Insurer only upon the occurrence of an “Event of Default” under the Bond Documents, notwithstanding the existence of any dispute between the Port, the 2003 Bond Insurer and the Trustee with respect to the existence of such default or the payment of the Guaranteed Obligations, and notwithstanding the existence of any counterclaim, set-off or other claim or defense which the Port may allege against the Trustee, the 2003 Bond Insurer or the Bond Owners with respect thereto. Moreover, the Lessee’s obligations under the Guaranty shall not be affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety.

Effectiveness; Reinstatement of Liability

The Lessee acknowledges that there are no conditions precedent to the effectiveness of the Guaranty, and that the Guaranty is in full force and effect and is binding on the Lessee as of its date, regardless of whether the Trustee obtains collateral or similar guaranties from others. The obligations of the Lessee under the Guaranty shall be automatically reinstated and revived without any action or notice by the Trustee, the 2003 Bond Insurer or the Bond Owners and without any acknowledgement of the Lessee, and the rights of the Trustee, the 2003 Bond Insurer and the Bond Owners shall continue, with respect to any amount at any time paid on account of the Guaranteed Obligations, which shall thereafter be required to be restored or returned by the Trustee, the 2003 Bond Insurer or the Bond Owners upon the
bankruptcy, insolvency or reorganization of the Lessee as a preference, fraudulent transfer or for any other reason, all as though such amount had not been paid.

**Application of Payments or Recoveries**

With or without notice to the Lessee, and in such manner and upon such terms as the Trustee, in its sole discretion (subject to the terms of the Bond Resolution), deems fit, (a) the Trustee may apply any or all payments or recoveries from the Port or from any other guarantor or endorser under any other instrument, or realized from any collateral or security, in such manner or order of priority as the Trustee may determine, to any indebtedness of the Port, the 2003 Bond Insurer to the Bond Owners under the Bond Resolution, whether or not such indebtedness is guaranteed by the Guaranty or is otherwise secured or guaranteed or is due at the time of such application, and (b) the Trustee may refund to the Port any payment received by the Trustee upon any of the Guaranteed Obligations, and payment of the amount refunded shall be fully guaranteed by the Guaranty.

**Governing Law**

The Guaranty shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and performed within such state.

**SUMMARY OF THE MAINTENANCE, OPERATION AND MANAGEMENT SERVICES AGREEMENT**

**General**

The Maintenance, Operation and Management Services Agreement (the “Fuel System Operating Agreement”), entered into as of April 1, 2002, as amended by the First Amendment entered into in January 2012, by the Lessee and the Fuel System Operator, sets forth the rights and duties of the Lessee and the Fuel System Operator with respect to the maintenance, operation and management of the Fuel System. The Fuel System Operating Agreement grants to the Fuel System Operator full access to the Fuel System and the right to use the rights, easements and licenses granted by the Port to the Lessee under the Lease to perform services in accordance with the Fuel System Operating Agreement.

**Services**

The Fuel System Operating Agreement requires the Fuel System Operator to provide management and administrative services prior to the date the Fuel System Operator commences operation of the Fuel System (October 1, 2002 or the “Effective Date”), including (i) preparing and submitting an SPCC plan and an Operations Manual and maintenance manuals satisfying all regulatory requirements necessary for the Fuel System Operator to operate the Fuel System and (ii) preparing for and effecting an orderly transition of operation from Olympic to the Fuel System Operator. From and after the Effective Date, the Fuel System Operator is required to provide on a cost reimbursable basis all labor, materials, supplies, equipment and tools to maintain and operate the elements of the Fuel System and to perform management and administrative services related to the Fuel System as required under the Lease and the Fuel System Operating Agreement. The Fuel System Operator is required, among other things, to:

- maintain, repair, replace, inspect and make modifications and additions to (i) all vehicles and equipment used by the Fuel System Operator at the Airport in connection with the Fuel System Operating Agreement and (ii) the Fuel System, including all present and future improvements and additions. The Fuel System Operator is required to keep all of the foregoing (i) in good, safe and efficient operating condition and repair; (ii) in sanitary and sightly condition; (iii) in compliance
with the obligations of the Lessee under the Lease, the LLC Agreement, the Interline Agreement and the Connection Agreement (collectively, the “Superior Agreements”) and any trust agreement or other financing agreements and any other agreements between or among the Port and/or the Lessee with respect to use and lease of the Fuel System (collectively, the “Subsequent Agreements”) and any amendments and supplements thereto; (iv) in compliance with all applicable Laws; and (v) in compliance with all directives and applicable rules reasonably established by the Lessee;

- inspect the equipment of Persons who have executed Fuel System Access Agreements to ensure that (i) such equipment is compatible with the safe and efficient operation of the Fuel System; and (ii) metering devices on such equipment are accurate and compatible with such devices used by the Fuel System Operator and the Lessee;

- take measures to secure the Fuel System and to prevent tampering with the control system, storage and distribution facilities, buildings and equipment on the Fuel System;

- monitor and control withdrawals of Fuel from the Fuel System in accordance with the terms and provisions of the Fuel System Operating Agreement, the Interline Agreement and other agreements between the Port and the Lessee with respect to use and lease of the Fuel System;

- protect the Fuel from the introduction of any substances which change the quality of the Fuel after delivery thereof to the Fuel System from the Tank Farm and take all other reasonable steps to preserve the quality of the Fuel in the Fuel System Operator’s possession in the Fuel System;

- maintain on a current basis complete and accurate books and records for the allocation among the Contracting Airlines of the Total Facilities Charge, any costs associated with Special Facilities and Extraordinary Costs in accordance with the Interline Agreement;

- maintain on a current basis complete and accurate books and records in accordance with generally accepted accounting principles in the United States (with an additional set of books and records in accordance with such other accounting principles as directed by a Majority-In-Interest) and make reports to the Lessee of dispersions of Fuel from the Fuel System, expenses of the Fuel System and revenue generated therefrom and allocation of revenue and expenses;

- provide the Lessee, each Contracting Airline and each Non-Contracting User with a report of the total amount of all Fuel dispensed from the Fuel System in gross Gallons by the third business day of each calendar month;

- invoice and collect charges from Contracting Airlines and Non-Contracting Users and other Persons who may throughput Fuel through the Fuel System in accordance with the Interline Agreement and the Fuel System Lease;

- process accounts and notes payable, including but not limited to preparation of note payment amortization schedules and checks; review documents, and prepare cost/capital account application for the payment when due of the Monthly Rental, leases, construction progress payments, taxes, management fees, rental payments, debt service payments, professional fees, customs broker fees and other miscellaneous payments; and upon notice to the Chairperson of the Fuel Committee, reject all payment requests that are not appropriate or correct;
coordinate insurance requirements entailing special cost analyses, coverage research and periodic procurement of insurance and appraisals as required by the Lessee; assure that required insurance of Users is current and in compliance with the respective agreements;

maintain a separate bank account in the name of the Lessee to pay certain expenses of the Lessee, the funds in which account shall not be commingled with other Fuel System Operator funds; manage cash and related controls and provide monthly reconciliations of bank accounts; and maintain adequate balances, authorized signature cards and a cumulative record of cash sources and uses;

research, compile, analyze, and present when requested special reports of current operations and financial matters for the Fuel System;

comply with applicable Environmental Laws and secure and file all necessary permits, licenses and documents;

administer and enforce the various agreements entered into from time to time by the Lessee and/or the Fuel System Operator with third parties covering the operation and maintenance of the Fuel System and all other property leased, controlled or used in the conduct of the Lessee’s business; distribute and collect such agreements and amendments and renewals thereof; and assure that performance and operation is in accordance with such agreements; and

prior to October 31st of each calendar year, submit to the Lessee for its approval the Fuel System Operator’s proposed budget and staffing plan of the Fuel System in accordance with the ATA standard budget format, identifying job positions, scope of duties, salary and wage levels, and at the reasonable request of the Lessee, submit to the Lessee a revised budget for the Fuel System. The Fuel System Operator is also required to provide personnel for the Fuel System in accordance with such approved staffing plan.

**Other Services by The Fuel System Operator.** The Fuel System Operating Agreement permits the Fuel System Operator to render services to individual Contracting Airlines or other Persons, including, but not limited to, into-plane servicing of aircraft and making of improvements to exclusive use areas on such terms and conditions as are agreed upon by the Fuel System Operator and each individual Contracting Airline or other Person, provided that the rendering of such services does not unreasonably interfere with the Fuel System Operator’s performance of its obligations under the Fuel System Operating Agreement.

**Fees and Charges**

The Fuel System Operating Agreement requires the Lessee to pay to the Fuel System Operator total operating cost consisting of a Management Fee, Reimbursable Direct Costs and Reimbursable Indirect Costs and such other costs as the Lessee may approve in writing from time to time.

**Reimbursable Direct Costs.** Reimbursable Direct Costs are direct costs related to services provided by the Fuel System Operator to the Lessee and that are actually paid by the Fuel System Operator, including:

- direct salaries and wages (including overtime pay), together with payments or costs for reasonable associated payroll expense, retirement funds or unemployment compensation funds, employee savings programs, life, health, accident and unemployment insurance premiums,
workers’ compensation, vacation and holiday pay, sick leave pay and other fringe benefits for the Fuel System Operator’s employees assigned to operate the Fuel System;

- commercially reasonable costs of automobile repair, maintenance, parts and insurance coverage for motor vehicles used solely in connection with the Fuel System or Fuel System Capital Assets;

- commercially reasonable costs of contract labor and outside services for repair and maintenance of the Fuel System and Fuel System Capital Assets performed by an outside contractor on contract and not as a part of a specific capital project;

- depreciation costs on Fuel System Capital Assets and equipment purchased and used for the Fuel System;

- interest expense associated with the acquisition of Fuel System Capital Assets, including debt service and related acquisition fees if the Fuel System Operator obtains external financing for Fuel System Capital Assets, and interest at two percentage points over the prime rate published in the Wall Street Journal on the first business day of the month on the Fuel System Operator’s unamortized investment in Fuel System Capital Assets if the Fuel System Operator does not obtain external financing;

- cost of parts, materials, and supplies for routine and emergency maintenance repairs of the Fuel System;

- the purchase price of routine Fuel System maintenance parts, supplies and inventory stock items;

- rental of the Fuel System Operator-owned equipment assigned to and used solely in connection with the Fuel System that has been pre-approved by the Fuel Committee;

- cost of equipment, material and supplies for the inspection, testing and analysis of Fuel in the Fuel System;

- cost of outside miscellaneous services such as cleaning of uniforms, overnight mail, special fabrication work and repairs performed at the vendor’s shop related to services provided by the Fuel System Operator to the Lessee hereunder;

- the portion of rentals payable by the Fuel System Operator for space used at the Airport and the portion of fees payable by the Fuel System Operator for rights granted by the Port to the Fuel System Operator at the Airport;

- utilities, electricity and water charges for the operation of the Fuel System;

- charges for investigation, removal, or remediation of or to prevent the threat of release of, hazardous and other waste products, environmental contamination and trash at the Fuel System and costs incurred by the Fuel System Operator to comply with the requirements of applicable Environmental Laws; and

- other charges, expenses and costs approved by the Lessee that relate directly to the operation and management of the Fuel System and approved by the Lessee.

**Reimbursable Indirect Costs.** In addition to the Management Fee and Reimbursable Direct Costs, the Fuel System Operating Agreement requires the Lessee to reimburse the Fuel System Operator...
for the cost of office supplies, federal, state and local taxes attributable to the performance of services under the Fuel System Operating Agreement, premiums for insurance to be maintained and payment of any deductibles in connection the Fuel System Operating Agreement, outside consultant fees pre-approved by the Lessee as a maintenance and operating expense, telephone, remote and basic communication equipment, rental and toll charges, reasonable costs of travel, lodging and meals, moving expense allowances granted to the General Manager assigned on a permanent basis in the Seattle-Tacoma area to provide services under the Fuel System Operating Agreement and other charges, expenses and costs approved by the Company that relate to the operation and management of the Fuel System.

**Costs Excluded from Total Operating Cost.** The Total Operating Cost does not include overhead costs for the Fuel System Operator’s home office and/or non-Seattle-Tacoma area offices, the Fuel System Operator’s legal fees, costs of computer systems, programming, software and hardware, any cost or expense which is reimbursed from the proceeds of any insurance obtained by the Fuel System Operator, any claim against the Fuel System Operator, moving or relocation expenses to or from the Seattle-Tacoma area of the Fuel System Operator’s personnel.

**Expenditures.** Any expenditure for non-budgeted outside services or materials for any single service or item in excess of $2,000 must be approved by the Lessee (which approval may not be unreasonably withheld) and, if reasonably feasible, be subject to competitive bid. The Fuel System Operator must disclose to the Lessee any purchase of materials or services from any Person in any way affiliated with the Fuel System Operator, and any such purchase is subject to the prior written approval of the Chairman of the Fuel Committee.

**Standards of Operation**

The Fuel System Operating Agreement requires the Fuel System Operator to perform its services and to operate the Fuel System twenty-four hours per day, seven days per week. The Fuel System Operator covenants that it will furnish services to the Lessee and to other Users in accordance with all applicable Laws, will not favor any Contracting Airline over any other Contracting Airline, will operate the Fuel System in an efficient, prudent and economical manner and that it will in good faith act to keep the Total Facilities Charge to a minimum and will comply with all reasonable directions, rules and procedures prescribed by the Port pursuant to the Lease and in accordance with all applicable Laws.

The Fuel System Operating Agreement provides that the Fuel System Operator is an independent contractor and that its employees engaged in performing services under the Fuel System Operating Agreement are employees of the Fuel System Operator for all purposes. The Lessee has no right or responsibility under the Fuel System Operating Agreement to supervise or to control any employee of the Fuel System Operator.

**Bills and Accounts**

**Billing.** The Fuel System Operating Agreement requires the Fuel System Operator to hold and maintain the Reserve Account and to invoice each Contracting Airline in accordance with the LLC Agreement and the Interline Agreement for such Contracting Airline’s share of the Total Facilities Charge for each month and for all other amounts due from each Contracting Airline, including all out-of-pocket expenses (including reasonable attorneys’ fees) incurred by the Fuel System Operator in collecting or attempting to collect delinquent accounts from such Contracting Airline. The Fuel System Operator is also required to invoice each Non-Contracting User as provided in the Non-Contracting User Agreements or otherwise in accordance with the direction of the Lessee.
The Fuel System Operator’s Fee and Expenses. Under the Fuel System Operating Agreement, after the end of each month, the Fuel System Operator is required to render an itemized bill to the Lessee for the portion of the Total Operating Cost incurred by the Fuel System Operator or otherwise allocable to such preceding month. The Total Operating Cost is to be apportioned among the Contracting Airlines as provided in the Interline Agreement. The invoice is to be submitted to each Contracting Airline or to such other person as may be designated from time to time by a Majority-In-Interest of the Fuel Committee. The Fuel System Operator covenants to pay to itself the amount set forth on the invoice out of the funds of the Lessee; provided that the Fuel System Operator is obligated to repay to the Lessee, any amount included in the invoice in excess of the amount payable to the Fuel System Operator under the terms of the Fuel System Operating Agreement. The Fuel System Operating Agreement provides that the amount set forth on any such itemized bill is due and payable within 30 days after date of invoice and that any amount owed by the Fuel System Operator or the Lessee to the other party is to bear interest at seven/tenths of one percent (.7%) per month (or the maximum rate permitted by Law, whichever is lower), from the date due until paid.

Books, Records and Accounts of The Fuel System Operator. The Fuel System Operator covenants to keep complete and accurate books, records and accounts at all times in accordance with generally accepted accounting principles in the United States (unless otherwise directed by a Majority-In-Interest) from which it determines the cost to it of services rendered and the fee payable, the allocation of such cost and fee among the Contracting Airlines, the amount of any credits to be allocated among the Contracting Airlines and the allocation. Under the Fuel System Operating Agreement, the books, records and accounts of the Fuel System Operator pertinent to the Fuel System Operating Agreement and any audit of the Fuel System Operator’s books, are required, at all reasonable times, to be accessible to and open for inspection, examination and audit by the Lessee, each Contracting Airline and its authorized representatives, by the Port, and by any trustee, bond insurer or other party to the extent required by any financing agreements.

Fuel System Capital Assets

Fuel System Capital Assets are facilities and/or equipment acquired by the Fuel System Operator upon written direction from the Lessee for use in connection with the Fuel System.

The Fuel System Operating Agreement requires the Fuel System Operator to acquire Fuel System Capital Assets upon the written direction of the Lessee. Such Fuel System Capital Assets are to remain the property of the Fuel System Operator so long as the Fuel System Operating Agreement is in force and effect. The Fuel System Operator may purchase, lease or finance such Fuel System Capital Assets. Any purchase, lease, financing, sale or disposal of Fuel System Capital Assets involving aggregate payments of up to $50,000 must be approved in advance by the Chairman of the Fuel Committee, and any purchase, lease, financing, sale or disposal of Fuel System Capital Assets involving aggregate payments in excess of $50,000 must be approved by the Fuel Committee. Pursuant to the Fuel System Operating Agreement, the Fuel System Operator grants to the Lessee a security interest in each and every Fuel System Capital Asset and covenants to keep all Fuel System Capital Assets free and clear of any and all liens except liens approved in writing by the Lessee and the security interest of the Lessee. Upon the expiration or termination of the Fuel System Operating Agreement, the Lessee is required to purchase from the Fuel System Operator all of the Fuel System Operator’s interest in Fuel System Capital Assets, free and clear of any and all liens, at a purchase price in cash equal to the Fuel System Operator’s then unamortized investment in the Fuel System Capital Assets.
Indemnification and Insurance

**General Indemnification.** The Fuel System Operator covenants to indemnify, defend and hold harmless the Lessee, each Contracting Airline, any trustee or bond insurer (in connection with any financing), and the Port, together with all of their respective officers, directors, members, employees, agents, successors and assigns (the “Company Indemnitees”) from and against all claims, liabilities, damages (including environmental damages), losses, judgments, expenses (including reasonable attorneys’ fees and expenses), penalties and fines by reason of any breach of the Fuel System Lease or any loss of, or damage to property, or injury to or death of any person to the extent arising out of any negligent act or omission or willful misconduct of the Fuel System Operator, its officers, directors, employees, contractors, agents and invitees, or any of them, in connection with the performance of the Fuel System Operating Agreement.

The Fuel System Operator also acknowledges that in its performance under the Fuel System Operating Agreement and otherwise, the Fuel System Operator will operate vehicles and equipment (“Vehicles”) and/or its employees will be moving about in areas where aircraft are operated, known commonly as the Air Operations Area (the “AOA”). The Fuel System Operator further acknowledges that the AOA is marked with various painted lines and other markings and there are Airport rules indicating and/or specifying how operations and movement within the AOA are to be conducted. Notwithstanding the foregoing, the Fuel System Operator acknowledges and agrees that, except for Vehicles that are parked within areas that are specifically marked for those purposes, aircraft will always be deemed to have the right of way, and the Fuel System Operator will be responsible for ensuring that Vehicles and its personnel remain clear of any aircraft (the “Duty”). The Fuel System Operator further acknowledges and agrees that it will indemnify, defend and hold harmless the Company Indemnitees for any damage or liability caused by any breach of the Duty and from any damage to any personal property and/or bodily injury or death of any person(s) resulting from such breach except to the extent caused by the negligent acts or omissions or willful misconduct of such Company Indemnitee. The Fuel System Operator further acknowledges and agrees that this section will not operate to limit any other provision of the Fuel System Operating Agreement or the Company Indemnitees’ rights at Law.

The Fuel System Operator also covenants to indemnify the Company Indemnitees against any and all fines, penalties, and settlements from actions against the Indemnitees for violations of FAA or other applicable federal, state, municipal, local or other governmental regulations or statutes caused by the Fuel System Operator’s negligent acts or omissions or willful conduct, and reasonable attorneys’ fees and court costs.

**Insurance.** The Fuel System Operating Agreement requires that, from and after the Effective Date, the Fuel System Operator ensure that the Fuel System and all improvements, Special Facilities and the Fuel System Capital Assets are insured by and through the Fuel System Operator and its insurers at all times during the term of the Fuel System Operating Agreement in accordance with all of the requirements of the Fuel System Lease, any financing agreements and, if in effect, the Connection Agreement or the Connection Assignment Agreement.

In addition, the Fuel System Operating Agreement requires that, from and after the Effective Date, the Fuel System Operator obtain and maintain insurance of the types and amounts as set forth in the Fuel System Operating Agreement and from carriers rated A+, A or A- by Best’s Insurance Rating Guide or otherwise placed with reputable insurers in the United States or with international insurers that usually participate in aviation liability programs, as determined by the Port under the Lease and by the Lessee. Such insurance must name, as additional named insured, the Lessee and name, as additional insured, the Port, Olympic and such other persons as the Lessee may reasonably designate, or as otherwise required by any Superior Agreement or any trust agreement or other financing agreements.
At the written request of the Lessee, the Fuel System Operator is required under the Fuel System Operating Agreement to obtain other forms of insurance coverage against any and all hazards in addition to those specified in the Fuel System Operating Agreement or in limits higher than those set forth in the Fuel System Operating Agreement. The cost of any such additional insurance shall be included in the Total Operating Cost.

In the event of the damage, destruction or loss of any portion of the Fuel System, including any Fuel System Capital Asset, the Fuel System Operator is required under the Fuel System Operating Agreement to repair or replace such damage, destruction or loss with due diligence to the extent of insurance proceeds made available to the Fuel System Operator. The Fuel System Operator is not obligated to expend more than the amount available to it for such repair or replacement from proceeds of insurance plus the amount available from the Lessee. However, in the event the damage, destruction or loss of any Fuel System Capital Asset or any portion of the Fuel System caused by the negligent or willful act or omission of the Fuel System Operator, its officers, directors, employees or agents, the Fuel System Operator must bear full financial responsibility for any uninsured losses or applicable policy deductibles.

Environmental Obligations of The Fuel System Operator. The Fuel System Operator covenants that it will comply with all applicable present and future Environmental Laws and all safety rules, regulations, restrictions, ordinances and/or other Laws of Federal, State or local governmental entities relating to Hazardous Substances in its performance of the Services.

The Fuel System Operating Agreement requires the Fuel System Operator to indemnify the Company, any trustee or bond insurer (in connection with any financing), and the Port, and their respective members, officers, directors, employees and agents against any costs, claims, liabilities, losses, judgments, expenses (including without limitation, attorneys’ fees and costs), fines or damages associated with releases of Hazardous Substances or environmental contamination, to the extent of the Fuel System Operator’s willful misconduct or negligence. Such obligation of the Fuel System Operator is to continue after the termination of the Fuel System Operating Agreement. The Fuel System Operator is required to pay the cost of any deductible amounts, insurance exclusions, disclaimers or uncovered liabilities or other damages resulting from the willful misconduct or negligence of the Fuel System Operator, provided that the Fuel System Operator is not responsible for releases of Hazardous Substances or environmental contamination resulting from conditions existing at the Fuel System prior to the Effective Date or the exacerbation of such conditions other than exacerbation resulting from the willful misconduct or negligence of the Fuel System Operator.

Term and Termination

The Fuel System Operating Agreement commenced on April 1, 2002, with the Effective Date as of October 1, 2002, and continues for a period of seventeen (17) years and six (6) months after April 1, 2002 unless it is terminated earlier as provided in the Fuel System Operating Agreement. The Lessee may terminate the Fuel System Operating Agreement (a) upon the occurrence of an “Event of Default” with respect to the Fuel System Operator (as described below); (b) if the Fuel System Operator (i) makes a general assignment for the benefit of creditors, (ii) files a petition in bankruptcy, (iii) files a petition or answer seeking its reorganization or the readjustment of its indebtedness under any present or future federal bankruptcy Law or other federal or state Law, (iv) is subject to the appointment of or applies for a receiver, trustee or liquidator of all or substantially all of its property or (v) becomes subject to any judgment, decree or order by a court of competent jurisdiction determining that proceedings for reorganization, arrangement, adjustment, composition, liquidation, dissolution or winding up or any similar relief under any present or future federal bankruptcy Law or other federal or state Law have been properly instituted, which remains unstayed and in effect for 30 days; or (c) for convenience, upon 120 days’ notice. The Fuel System Operator may terminate the Fuel System Operating Agreement upon the
occurrence of an “Event of Default” with respect to the Lessee, subject to the terms of the Fuel System
Lease. The Fuel System Operating Agreement provides that it automatically terminates upon and
simultaneously with the termination of the Fuel System Lease.

**Default**

**Fuel System Operator’s Default.** The failure by the Fuel System Operator to (a) make
payments under the Lease or any trust agreement or other financing agreements, as and when such
payments are due as a result of fault or negligence of the Fuel System Operator; or (b) perform all other
obligations under the Fuel System Operating Agreement, within 15 days after receipt of written notice of
default given by the Lessee, or with respect to events which are curable, but which are incapable of being
cured within 15 days, the Fuel System Operator’s failure to commence and thereafter diligently to
continue efforts to cure such default to the satisfaction of the Lessee within such 15 days shall constitute
an “Event of Default” with respect to the Fuel System Operator. Upon the occurrence of an “Event of
Default” by the Fuel System Operator, the Lessee has the right to terminate the Fuel System Operating
Agreement. The Fuel System Operating Agreement requires that the Lessee provide the Fuel System
Operator with written notice of such termination and specify the date of termination of the Fuel System
Operating Agreement, which shall be no earlier than the date of delivery of such notice to the Fuel
System Operator.

**Lessee’s Default.** The failure to perform any term or provision as required by the Fuel System
Operating Agreement within 15 days after receipt of written notice of default given by the Fuel System
Operator or, with respect to events which are curable, but which are incapable of being cured within 15
days, failure to commence and thereafter diligently to continue efforts to cure such default to the
satisfaction of the Fuel System Operator within such 15 days shall constitute an “Event of Default” with
respect to the Lessee. Upon the occurrence of an “Event of Default” by the Lessee, the Fuel System
Operator has the right to terminate the Fuel System Operating Agreement. The Fuel System Operator is
required under the Fuel System Operating Agreement to provide the Lessee with written notice of such
termination and to specify the date of termination of the Fuel System Operating Agreement, which shall
be no earlier than the date of delivery of such notice to the Chairman of the Fuel Committee.

**Remedies in Event of Default.** In addition to any right to terminate the Fuel System Operating
Agreement upon the occurrence of an Event of Default, the Fuel System Operator or the Lessee may
pursue any and all other remedies available at Law or in equity in the event of a default by the other party.

**Excusable Delay**

The Fuel System Operating Agreement excuses the Fuel System Operator of liability for any
impairment or interruption of service (other than the obligation to ensure that payments of rent under the
Lease and in connection with any financing agreement are timely made) due to causes beyond its
reasonable control and without the Fuel System Operator’s fault or negligence. Such causes shall be
deemed to include, without limitation, severe weather, fire, earthquake, explosions, epidemics, quarantine
restrictions, flood, windstorm, power shortages, accidents, war (whether declared or undeclared), warlike
operations, insurrections, acts of public enemies, civil commotions, riots, rebellions, embargoes,
transportation delays, materials controls, third party strikes and work stoppages, court orders, regulations,
rulings or acts of any governmental agency now existing or hereafter in effect (not arising from a breach
of the Fuel System Operator’s obligations under the Fuel System Operating Agreement) and acts of God.
Nevertheless, in the event of any impairment or interruption of service resulting from such cause or
causes, the Fuel System Operator is required under the Fuel System Operating Agreement to use its best
efforts to eliminate such impairment or interruption as soon as possible and in the interim to provide such
services as may practically be performed by the Fuel System Operator.
Notwithstanding any other provision of the Fuel System Operating Agreement to the contrary, the Fuel System Operator is excused under the Fuel System Operating Agreement of any liability to the Lessee or any Contracting Airline or Non-Contracting User for mail fines, for delay to scheduled or non-scheduled arrivals or departures of cargo or passenger aircraft or equipment owned or operated by any Contracting Airline or Non-Contracting User, or for loss of full or partial use and occupancy of any such aircraft (excluding physical damage to aircraft or equipment) or for any loss arising from any of the foregoing.

**Fuel Inventory Loss**

The Fuel System Operating Agreement only permits any Contracting Airline, any entity that has qualified as an Into-Plane Agent, and the Fuel System Operator (to the extent authorized by the Fuel System Operating Agreement) to access the Fuel System to withdraw Fuel and to dispense Fuel into-plane. The Fuel System Operating Agreement requires that the Fuel System Operator reconcile monthly the physical inventory to the calculated inventory and present such reconciliation to the Lessee. The Fuel System Operator is responsible under the Fuel System Operating Agreement for all loss or disappearances of Fuel from inventory in excess of 0.25 percent of the monthly disbursements that cannot be reconciled or adequately explained as a normal operating loss reasonably beyond the Fuel System Operator’s control.

In addition, the Fuel System Operator is responsible under the Fuel System Operating Agreement for all losses of Fuel that result from the Fuel System Operator’s negligence, mismanagement or willful misconduct, and for all losses or disappearances of Fuel from inventory in excess of 0.25 percent of yearly throughput that cannot be reconciled as required, above, or adequately explained as a normal operating loss reasonably beyond the Fuel System Operator’s control. The Fuel System Operating Agreement provides that the Fuel System Operator shall replace all such losses or disappearances of Fuel in excess of 0.25 percent of yearly throughput over the course of the previous year not reconciled or adequately explained within 30 days following each yearly anniversary of the Effective Date; all gains and losses for which the Fuel System Operator is not responsible shall be determined monthly and shared proportionately by Users of the Fuel System based upon total monthly volume withdrawn from the Fuel System for the month in question.

The Fuel System Operating Agreement limits the Fuel System Operator’s liability for Fuel lost, contaminated or otherwise damaged or destroyed while in the Fuel System Operator’s custody or control to the replacement value of such Fuel, the cost of removing and replacing such Fuel, any costs of environmental remediation and fines or charges related to removing and replacing such Fuel, and all costs associated with tank cleaning and filter replacements required due to contamination of such Fuel.

**Users Other Than Contracting Airlines**

**System Use Charges and Deposits.** Under the Fuel System Operating Agreement, each Non-Contracting User and Itinerant User is to be charged with and to pay a System Use Charge, which the Fuel System Operator is required to collect on behalf of the Lessee for each Gallon of Fuel transported to such Non-Contracting User or Itinerant User through the Fuel System. The System Use Charge is to be billed, as applicable, to the Non-Contracting User or to the Contracting Airline or Non-Contracting User supplying Fuel to such Itinerant User. The Lessee is to set the amount of System Use Charge and any change in the charge is to be effective upon the first day of any calendar month following written notification of such change given by the Lessee to the Fuel System Operator. The System Use Charge is in addition to any fee or charge imposed by the Port related to use of the Fuel System or otherwise, and imposed and collected by the Port or imposed by the Port and required to be collected by the Lessee or the Fuel System Operator on behalf of the Port.
The Fuel System Operating Agreement requires that each Non-Contracting User maintain on deposit with the Fuel System Operator an amount equal to two months’ estimated System Use Charges. The Fuel System Operator may draw against such deposit in the event the Non-Contracting User does not pay all amounts billed in a timely fashion and is to administer such funds in accordance with the Non-Contracting User Agreements.

**Storage Fee.** In the event a Non-Contracting User has Fuel delivered into the Fuel System but has not thereafter withdrawn that Fuel from the Fuel System within 30 days, the Fuel System Operator is required to bill the Non-Contracting User for a resident Storage Fee in such amount as the Lessee establishes from time to time and to notify the Non-Contracting User of such billing.

**Payment Requirements.** The Fuel System Operating Agreement provides that the Fuel System Operator will render or cause to be rendered an itemized bill to each Non-Contracting User and, if applicable, Contracting Airline in a timely manner pursuant to the terms of the Non-Contracting User Agreements for all amounts as and when due and payable to the Lessee. The Fuel System Operator is to notify the Lessee promptly of any delinquency and may, upon the authorization of the Lessee put such Non-Contracting User or Contracting Airline on a cash or prepayment basis or deny use of services. In the event of the continued failure of a Non-Contracting User or Contracting Airline to pay such charges, the Fuel System Operating Agreement permits the Fuel System Operator to pursue any and all legal and equitable remedies as authorized and directed by the Lessee or deny use of services.
APPENDIX G
DTC AND ITS BOOK-ENTRY SYSTEM

The following information has been provided by The Depository Trust Company, New York, New York ("DTC"). The Port makes no representation regarding the accuracy or completeness thereof. Each actual purchaser of a Bond (a “Beneficial Owner”) should therefore confirm the following with DTC or the Participants (as hereinafter defined). Among other things, DTC’s operational arrangements dated January 2012 state that DTC will permit pro rata pass-through distributions of principal as an alternative to processing redemptions by lot as described in the following.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the aggregate principal amount of the Bonds, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTCC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.
5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Port as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Port or the Registrar, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Registrar, or the Port, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Port or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Port or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

10. To the extent permitted by law, the Port may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Port believes to be reliable, but the Port takes no responsibility for the accuracy thereof.
Seatac Fuel Facilities LLC

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2012 AND 2011
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<th>Page</th>
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<td>Statements of Cash Flows</td>
<td>5</td>
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<tr>
<td>Notes to Financial Statements</td>
<td>6</td>
</tr>
</tbody>
</table>
Independent Auditors' Report

The Board of Directors and Members
Seatac Fuel Facilities LLC

We have audited the accompanying financial statements of Seatac Fuel Facilities LLC, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seatac Fuel Facilities LLC as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Tysons, Virginia
April 23, 2013
### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$2,950,108</td>
<td>$3,070,813</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billed Member Receivables</td>
<td>716,609</td>
<td>760,646</td>
</tr>
<tr>
<td>Billed Nonmember Receivables</td>
<td>75,404</td>
<td>74,730</td>
</tr>
<tr>
<td>Unbilled Member Receivable</td>
<td>68,545</td>
<td>-</td>
</tr>
<tr>
<td>Unbilled Nonmember Receivables</td>
<td>73,353</td>
<td>75,703</td>
</tr>
<tr>
<td>Prepaid Expenses and Other</td>
<td>255,101</td>
<td>272,598</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>4,139,120</strong></td>
<td><strong>4,254,490</strong></td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td>242,922</td>
<td>242,922</td>
</tr>
<tr>
<td>Computers</td>
<td>8,572</td>
<td>8,572</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>11,551</td>
<td>11,551</td>
</tr>
<tr>
<td>Lab Equipment</td>
<td>176,419</td>
<td>176,419</td>
</tr>
<tr>
<td>Security System</td>
<td>73,368</td>
<td>73,368</td>
</tr>
<tr>
<td><strong>Accumulated Depreciation and Amortization</strong></td>
<td><strong>(420,594)</strong></td>
<td><strong>(386,804)</strong></td>
</tr>
<tr>
<td>Total</td>
<td><strong>512,832</strong></td>
<td><strong>512,832</strong></td>
</tr>
<tr>
<td><strong>RESTRICTED CASH</strong></td>
<td>1,211,215</td>
<td>1,581,672</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td>1,325</td>
<td>1,663</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$5,443,898</strong></td>
<td><strong>$5,963,853</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND MEMBERS' EQUITY

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Billings</td>
<td>$1,085,443</td>
<td>$1,529,428</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>444,936</td>
<td>202,642</td>
</tr>
<tr>
<td>Amounts Due Members from Nonmember Receivables</td>
<td>195,475</td>
<td>240,978</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>1,725,854</strong></td>
<td><strong>1,973,048</strong></td>
</tr>
<tr>
<td><strong>LONG-TERM LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds Provided for Port of Seattle Construction</td>
<td>1,211,215</td>
<td>1,581,672</td>
</tr>
<tr>
<td>Member and Nonmember Deposits</td>
<td>2,489,718</td>
<td>2,394,022</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>5,426,787</strong></td>
<td><strong>5,948,742</strong></td>
</tr>
<tr>
<td><strong>MEMBERS' EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Capital</td>
<td>29,000</td>
<td>27,000</td>
</tr>
<tr>
<td>Accumulated Deficit</td>
<td>(11,889)</td>
<td>(11,889)</td>
</tr>
<tr>
<td><strong>Total Members' Equity</strong></td>
<td><strong>17,111</strong></td>
<td><strong>15,111</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND MEMBERS' EQUITY</strong></td>
<td><strong>$5,443,898</strong></td>
<td><strong>$5,963,853</strong></td>
</tr>
</tbody>
</table>

The Accompanying Notes Are An Integral Part Of These Financial Statements
## SEATAC FUEL FACILITIES LLC
### STATEMENTS OF OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Revenues</td>
<td>$11,149,864</td>
<td>$11,031,427</td>
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<tr>
<td>Nonmember Revenues</td>
<td>1,063,992</td>
<td>985,279</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>12,213,856</strong></td>
<td><strong>12,016,706</strong></td>
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<tr>
<td>OPERATING EXPENSES</td>
<td></td>
<td></td>
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<tr>
<td>Ground and Office Rent</td>
<td>8,694,355</td>
<td>8,199,756</td>
</tr>
<tr>
<td>Maintenance and Operating Costs</td>
<td>3,523,034</td>
<td>3,637,069</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>58,766</td>
<td>44,544</td>
</tr>
<tr>
<td>Insurance</td>
<td>340,804</td>
<td>309,627</td>
</tr>
<tr>
<td>Depreciation</td>
<td>33,790</td>
<td>65,550</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>12,650,749</strong></td>
<td><strong>12,256,546</strong></td>
</tr>
<tr>
<td>LOSS FROM OPERATIONS</td>
<td>(436,893)</td>
<td>(239,840)</td>
</tr>
<tr>
<td>OTHER INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>336,893</td>
<td>187,951</td>
</tr>
<tr>
<td>Member Entry and Withdrawal Fees</td>
<td>100,000</td>
<td>51,889</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td><strong>436,893</strong></td>
<td><strong>239,840</strong></td>
</tr>
<tr>
<td>INCOME BEFORE INCOME TAXES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INCOME TAX EXPENSE</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

The Accompanying Notes Are An Integral Part Of These Financial Statements
<table>
<thead>
<tr>
<th></th>
<th>Contributed Capital</th>
<th>Accumulated Deficit</th>
<th>Total Members' Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, January 1, 2011</td>
<td>$ 27,000</td>
<td>$(11,889)</td>
<td>$ 15,111</td>
</tr>
<tr>
<td>Net Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance, December 31, 2011</td>
<td>27,000</td>
<td>$(11,889)</td>
<td>15,111</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>2,000</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Net Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance, December 31, 2012</td>
<td>$ 29,000</td>
<td>$(11,889)</td>
<td>$ 17,111</td>
</tr>
</tbody>
</table>

The Accompanying Notes Are An Integral Part Of These Financial Statements
CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>33,790</td>
<td>65,550</td>
</tr>
<tr>
<td>Change in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(22,832)</td>
<td>580,476</td>
</tr>
<tr>
<td>Prepaid Expenses and Other</td>
<td>17,487</td>
<td>(78,181)</td>
</tr>
<tr>
<td>Other Assets</td>
<td>335</td>
<td>-</td>
</tr>
<tr>
<td>Advance Billings</td>
<td>(443,985)</td>
<td>361,123</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>242,294</td>
<td>(179,996)</td>
</tr>
<tr>
<td>Amounts Due Members from Nonmember Receivables</td>
<td>(45,503)</td>
<td>73,790</td>
</tr>
<tr>
<td>Net Cash Provided by (Used in) Operating Activities</td>
<td>(218,401)</td>
<td>822,782</td>
</tr>
</tbody>
</table>

CASH USED IN INVESTING ACTIVITIES

| Purchases of Property and Equipment | - | (4,327) |

CASH FLOWS FROM FINANCING ACTIVITIES

| Proceeds from Member and Nonmember Deposits, Net | 95,696 | (41,813) |
| Capital Contributions                         | 2,000  | -       |

Net Cash Provided by (Used in) Financing Activities | 97,696 | (41,813) |

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| (120,705) | 776,642 |

CASH AND CASH EQUIVALENTS, Beginning of Year | 3,070,813 | 2,294,171 |

CASH AND CASH EQUIVALENTS, End of Year

| $2,950,108 | $3,070,813 |

NONCASH INVESTING AND FINANCING TRANSACTIONS

Noncash investing and financing transactions consist of restricted cash provided by the Port of Seattle for purpose of completing certain improvements to the fuel facility owned by the Port of Seattle (Note 2). The asset and its related obligation have been included in assets and liabilities, respectively, on the accompanying balance sheets.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Seatac Fuel Facilities LLC (the Company) is a limited liability company formed in Delaware on January 4, 2000. The Company was formed by a consortium of airlines to acquire, operate, and maintain an aviation fuel distribution system at Seattle-Tacoma International Airport in Seattle, Washington. The Company shall not operate to derive a financial profit from providing services to its members or nonmembers. The following airlines are the members of the Company as of December 31, 2012:

- Alaska Airlines, Inc.
- All Nippon Airways, Co. Ltd.
- American Airlines, Inc.
- Asiana Airlines, Inc.
- British Airways Plc
- Cargolux Airlines International, S.A.
- China Airlines
- Delta Air Lines, Inc.
- Emirates Airlines
- Eva Airways Corporation
- FedEx Corporation
- Frontier Airlines, Inc.
- Hainan Airlines
- Hawaiian Airlines, Inc.
- JetBlue Airways
- Korean Air
- Lufthansa German Airlines
- Skywest Airlines, Inc.
- Southwest Airlines Co.
- United Airlines, Inc.
- US Airways, Inc.

Airlines joining the Company are required to pay a $1,000 capital contribution, which may be, but is not obligated to be, returned in the event of the withdrawal of the member. Additionally, new members must pay a $50,000 entry fee and withdrawing members must pay a fee based on 10 percent of their share of net facilities charges for the previous twelve months.

Pursuant to a cost-sharing agreement (the Inter-Line Agreement), the member airlines agree, among other things, to restrictions concerning the sale or transfer of membership interests and to be liable for expenses, fees, indebtedness, claims, and any other such liabilities that may arise in the ordinary course of business on a pro rata basis, as defined therein.

Swissport Fueling, Inc. (Swissport), operates the fuel distribution system and provides certain other management services to the Company, pursuant to an operating agreement. On behalf of the Company, Swissport bills the members for the costs incurred in operating the fuel distribution facility plus a management fee and required deposits. Costs incurred in operating the facility are reduced by user fees collected from nonmember airlines and are allocated monthly to the member airlines in accordance with the Inter-Line Agreement.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents and restricted cash include a checking and money market accounts. The Company has cash deposits at its bank of approximately $4,287,000. Effective January 1, 2013, the federal insurance of these deposits will be limited to $250,000.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line basis over the estimated useful lives of the related assets. Expenditures for maintenance and repairs are charged to operations as incurred.

The estimated useful lives of property and equipment are as follows:

- Computer equipment – 3 years
- Office equipment, lab testing equipment, and furniture and fixtures – 5 years
- Vehicles – 5 to 7 years

Revenue Recognition

Revenues are recognized on the accrual basis. Member contributions for reimbursement of expenses represent charges for costs incurred in maintaining and operating the fuel distribution system, reduced by nonmember system use fees. System use fees represent charges to nonmembers for use of the fueling facilities. System use fees are based on gallons put through the facilities and are recognized as the facilities are used.

Accounts Receivable

The Company does not record an allowance for doubtful accounts, as any bad debts are reimbursed by the remaining member airlines in accordance with the Inter-Line Agreement. Delinquency is determined based on the terms of the agreement. Management writes off accounts receivable once all attempts to collect the receivable have been completed and management determines it to be uncollectible. The Company requires deposits from its member and nonmember airlines, which generally reduces credit exposure. Bad debt expense may still occur; however, no bad debt expenses were incurred for 2012 or 2011.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Tax years prior to 2009 are no longer subject to examination by the IRS.
SEATAC FUEL FACILITIES LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2011 amounts to conform to the 2012 presentation.

Subsequent Events

The Company has evaluated events and transactions for potential disclosure through April 23, 2013, the date the financial statements were available to be issued.

NOTE 2 – RESTRICTED CASH – PORT OF SEATTLE CONSTRUCTION

During 2008, the Port of Seattle advanced funds to the Company for the purpose of completing certain improvements to the fuel facility owned by the Port of Seattle. The unused portion of such funds is reported on the accompanying balance sheets as Restricted Cash and may only be used for designated construction projects. There is a corresponding long-term liability – Funds Provided for Port of Seattle Construction.

NOTE 3 – RELATED-PARTY TRANSACTIONS

Following is a summary of management fees, expense reimbursements, and accounts payable to Swissport.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Management Fees</td>
<td>$159,204</td>
<td>$159,204</td>
<td></td>
</tr>
<tr>
<td>Reimbursement of Expenses</td>
<td>944,952</td>
<td>972,117</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,104,156</td>
<td>$1,131,321</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable to Swissport</td>
<td>$136,159</td>
<td>$132,493</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 4 – LEASE OBLIGATION

The Company has a lease agreement with the Port of Seattle for the lease of land, tank farm and improvements, and the hydrant system at the Seattle-Tacoma International Airport. The lease began May 14, 2003, and extends through July 31, 2033. The lease agreement contains two five-year renewal options. Rent expense for the years ended December 31, 2012 and 2011, was $8,694,355 and $8,199,756, respectively.

Future minimum lease payments required are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31,</th>
<th>Future Minimum Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$8,524,292</td>
</tr>
<tr>
<td>2014</td>
<td>8,508,468</td>
</tr>
<tr>
<td>2015</td>
<td>8,505,305</td>
</tr>
<tr>
<td>2016</td>
<td>8,497,930</td>
</tr>
<tr>
<td>2017</td>
<td>8,495,793</td>
</tr>
<tr>
<td>Thereafter</td>
<td>131,155,964</td>
</tr>
<tr>
<td>Total</td>
<td>$173,687,752</td>
</tr>
</tbody>
</table>

Payments due under the lease with the Port of Seattle include $514,326 of annual base rent, which is adjusted every five years to fair market value. Lease payments also include debt service payments on Port of Seattle Series 2003 Special Facility Revenue Bonds, in the original principal amount of $122,963,120. Scheduled payments are adjusted as needed for redemptions. These bonds were issued by the Port of Seattle in 2003 with an interest rate of 5 percent to finance improvements to the fuel distribution system. In connection with the issuance of the bonds, the Company granted a security interest in all of its assets and guaranteed payment of the bonds. The remaining principal outstanding at December 31, 2012, is $100,230,000. The Company also has an outstanding performance bond in the amount of $255,633 in lieu of a deposit.

NOTE 5 – INCOME TAXES

Net deferred tax assets consist of:

<table>
<thead>
<tr>
<th>December 31</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Asset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Operating Loss Carryforward</td>
<td>$27,800</td>
<td>$27,200</td>
</tr>
<tr>
<td>Valuation Allowance</td>
<td>(22,000)</td>
<td>(20,600)</td>
</tr>
<tr>
<td>Deferred Tax Liability – Property and Equipment</td>
<td>(5,800)</td>
<td>(6,600)</td>
</tr>
<tr>
<td>Net Deferred Tax Asset</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

As of December 31, 2012, the Company had net operating loss carryforwards of approximately $82,000, which will begin to expire in 2026.