

RESOLUTION NO. 3504, as amended

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF SEATTLE authorizing the issuance and sale of special facility revenue bonds; authorizing the issuance and sale of an initial series of such bonds in the aggregate principal amount of not to exceed \$140,000,000, for the purpose of financing or refinancing all or a portion of the costs of a fuel storage and distribution system at Seattle-Tacoma International Airport; fixing the form and certain terms for such bonds; approving certain protective covenants; appointing a trustee; authorizing the execution and delivery of a lease of the fuel storage and distribution system; providing for the issuance of special facility revenue bonds in the future on a parity of lien therewith; authorizing the execution and delivery of a bond purchase contract for an initial series of bonds and delegating authority to approve the final terms and conditions of the bonds under the terms of such bond purchase contract; and providing for continuing disclosure

ADOPTED: APRIL 22, 2003

Prepared by:

PRESTON GATES & ELLIS LLP
Seattle, Washington

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

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

WHEREAS, Citigroup Global Markets Inc., Lehman Brothers Inc., E.J. De La Rosa & Co., Inc., Goldman Sachs & Co., Seattle-Northwest Securities Corporation and UBS PaineWebber Incorporated (collectively, the "2003 Underwriters") are expected to present an offer to underwrite an initial series of the special facility revenue bonds authorized herein;

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 Completion Bonds, 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.

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

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 Insurance Policy means the financial guaranty insurance policy or policies guaranteeing the payment when due of regularly scheduled principal of and interest on the Bonds of a Series, issued by a Bond Insurer and includes the 2003 Bond Insurance Policy.

Bond Insurer means, with respect to the Series 2003 Bonds, the 2003 Bond Insurer and, with respect to any Additional Bonds, any future issuer of a Bond Insurance Policy.

Bond Register means the books or records maintained by the Registrar containing the name and mailing address of the owner of each Series 2003 Bond or nominee of such owner and the principal amount and number of Series 2003 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 Series 2003 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.

Capitalized Interest Account means the account of that name in the Project Fund established pursuant to Section 4 of this resolution.

Casualty Event means the damage or destruction of all or any portion of the improvements on the Land or of the Fuel Hydrant Project or 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 (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 Section 2.1(c) of 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 Series 2003 Bonds, pursuant to a Supplemental Resolution, adopted by the Port Commission in accordance with the terms of this resolution, to pay Costs of the Fuel Hydrant Project.

Completion Certificate means, in connection with the Fuel Hydrant Project, the certificate of the Designated Port Representative (in the form attached to this resolution as

Exhibit B) specifying the date of Completion of the Fuel Hydrant Project and delivered to the Trustee, and 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.

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.

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.

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 Series 2003 Bonds, Completion Bonds, obligations to be refinanced by Series 2003 Bonds or Completion Bonds, or any portion thereof, issued to finance the costs of the Fuel Hydrant Project 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 Series 2003 Bonds or 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, acquisition and construction expenses, incident and properly allocable to the acquisition and construction of the Fuel Hydrant Project 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 the Fuel Hydrant Project, 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.

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 provide funds for the payment of the principal of, interest on or purchase price of Bonds. The term **Credit Facility** shall include the 2003 Bond Insurance Policy.

Credit Facility Issuer means the issuer of any Credit Facility with respect to the Bonds and shall include the 2003 Bond Insurer and any other Bond Insurer.

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.

Debt Service Reserve Account Surety Bond means one or more of the surety bond(s), if any, issued with the consent of the 2003 Bond Insurer pursuant to the Financial Guaranty Agreement for the purpose of satisfying all or a portion of the Required Debt Service Reserve Amount; provided that the Surety Bond meets the requirements for "Qualified Insurance", if any, under this resolution. There may be more than one Surety Bond.

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 11 of the Lease.

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.

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 Series 2003 Bonds pursuant to Section 35 of this resolution.

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

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

Favorable Opinion of Bond Counsel means, with respect to any action, a written legal opinion of Bond Counsel addressed to the Trustee and to the 2003 Bond Insurer, 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).

Financial Guaranty Agreement means any financial guaranty agreement with an issuer of the Debt Service Reserve Account Surety Bond.

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 Project means the Fuel delivery system as defined in the Lease.

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 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 Operating Agreement means the Fuel System Maintenance, Operation and Management Services Agreement between the Lessee and the Fuel System Operator for the maintenance, operation and management of the Fuel System.

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, and further, with respect to a Bond secured by a Bond Insurance Policy, all Reimbursement Obligations have been paid.

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

Guaranty means the Guaranty Agreement, dated as of the date the Series 2003 Bonds are issued, 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 Section 9(c) of this resolution, in addition to the Series 2003 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 for the purposes set forth in Section 9(c).

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 may be amended in accordance with its terms and this resolution.

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

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

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

Monthly Debt Service Deposit means an amount equal to 1/6 of the interest coming due on the next succeeding interest Payment Date plus 1/12 of the principal of and premium, if any, on the Bonds coming due on the next succeeding principal Payment Date. Notwithstanding the foregoing, the amount of the Monthly Debt Service Deposit shall be adjusted to take into account

shorter or longer periods required to accumulate funds for upcoming payments of debt service on Bonds or (in the case of the Monthly Debt Service Deposit immediately preceding a Payment Date) to take into account amounts then on deposit in the Debt Service Account and Capitalized Interest 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 Series 2003 Bonds, means the principal amount of such Series 2003 Bonds, plus original issue premium, if any, and less original issue discount, if any, and less the proceeds of the Series 2003 Bonds deposited in the Debt Service Reserve Account and less the premium for the 2003 Bond Insurance Policy.

Net Reletting Proceeds means all proceeds payable pursuant to Section 7(j) 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.

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.

Other Revenue means:

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

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

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

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

(b) Bonds which are deemed to have been Fully Paid; *provided* that in each case Bonds paid by a Bond Insurer shall be deemed to remain Outstanding until such Bonds have been Fully Paid; and

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

Owners means the Registered Owners of the Bonds.

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

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

Permitted Investments means the following investments, but only to the extent that such investments constitute legal investments for money of the Port:

(a) Certificates of Deposit (CDs) with qualified public depositories as defined in Chap. 39.58 RCW that: (i) are fully insured by the Federal Deposit Insurance Corporation (FDIC); or (ii) are secured at all times by collateral described in (b) and/or (c) below; provided, that (A) the CDs are issued by commercial banks, savings and loan associations or mutual savings banks; (B) such collateral is held by a third party; and (C) the Trustee, on behalf of the Owners of the Bonds, has a perfected first security interest in such collateral.

(b) Direct obligations of the U.S. government or obligations the principal of and interest on which are unconditionally guaranteed by the U.S. government.

(c) Certificates, notes, bonds, bills or other obligations of the following U.S. government agencies; provided, that such obligations are secured by the full faith and credit of the United States for the repayment of principal and interest; and provided further, that stripped securities shall be permitted only if they have been stripped by the U.S. government agency itself:

1) U.S. Export-Import Bank (Eximbank)

Direct obligations or fully guaranteed certificates of beneficial ownership.

2) Farmers Home Administration; (FMHA) Certificates of beneficial ownership.

3) Federal Financing Bank.

4) Federal Housing Administration Debentures (FHA).

5) General Services Administration; Participation certificates.

6) Government National Mortgage Association (GNMA)

GNMA – guaranteed mortgage-backed bonds

GNMA – guaranteed pass-through obligations.

7) U.S. Maritime Administration; Guaranteed Title XI financing.

8) U.S. Department of Housing and Urban Development (HUD)

Project Notes

Local Authority Bonds

New Communities Debentures – U.S. government guaranteed

debentures

U.S. Public Housing Notes and Bonds – U.S. government

guaranteed public housing notes and bonds.

(d) Obligations of the following non-full faith and credit U.S. government agencies or government-sponsored corporations; provided, that such obligations are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; and provided further, that stripped securities shall be permitted only if they have been stripped by the agency or government-sponsored corporation itself:

1) Federal Home Loan Bank System

Senior debt obligations.

2) Federal Home Loan Mortgage Corporation (FHLMC)

Participation Certificates

Senior debt obligations.

3) Federal National Mortgage Association (FNMA)

Mortgage-backed securities and senior debt obligations.

4) Student Loan Marketing Association (SLMA)

Senior debt obligations.

5) Resolution Funding Corp. (REFCORP) obligations.

6) Farm Credit System

Consolidated systemwide bonds and notes.

(e) Bankers' Acceptances purchased in the secondary market with a maximum term of one year of any bank that has an unsecured, uninsured or unwarranted obligation rating of "Prime-1," or "A3" or better by Moody's and "A-1" or "A" or better by S&P. Bankers' Acceptance purchases are limited to the largest 50 world banks as listed each July in the American Banker. The banks must meet Tier one and Tier two capital standards.

(f) Commercial Paper purchased in the secondary market, rated no lower than A1/P1, complying with State Investment Board Guidelines. Currently, these guidelines require the issuer have a rating of (AAA) for paper purchased past 180 days.

(g) Repurchase Agreements structured with securities eligible for purchase (as defined in (b) and (c) above and FNMA and FHLMC), provided that a Master Repurchase Agreement has been executed with the contra-party.

1) All securities used in a repurchase agreement shall be priced to reflect current market conditions.

2) Repurchase Agreements ("Repos") will not exceed 30 days in duration. Repos shall only be executed by the Port with Primary Government Bond Dealers on the Federal Reserve reporting dealer list that are rated "A" or better by S&P and Moody's (a "Primary Dealer"), and will be collateralized. The value of the collateral must be at least equal to 104% of the amount of cash transferred by the Port to the Primary Dealer plus accrued interest. If the value of securities held as collateral falls below 104% of the value of the cash transferred by the Port, then the additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%. The collateral must be marked to market at current market price plus accrued interest no less frequently than daily, and additional collateral posted if necessary. Pricing shall be rendered at a price the Port could reasonably expect to receive if those securities were sold on the open market (bid side of the market). The maturity of the underlying collateral cannot exceed five years.

3) Collateral on Repurchase Agreements shall be delivered to the Port's Safekeeping Agent as described in the Port's Statement of Investment Policy. Any excess

collateral requirement will be determined at the time of the transaction, as specified in the Master Repurchase Agreement.

4) A legal opinion must be delivered to the Port to the effect that the Repo meets guidelines under state law for legal investment of public funds.

(h) Municipal Bonds of the State and any local government of the State or general obligation bonds of a state other than the State and general obligation bonds of a local government of a state other than the State; provided, that such bonds are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies. Municipal revenue bonds of jurisdictions outside the State shall not be permitted. These bonds must be rated by Moody's and S&P in one of the two highest credit categories assigned by such agencies.

(i) Money market funds that are registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and that have a rating by S&P of "AAAm-G" or "AAA-m" and if rated by Moody's rated "Aaa", "Aa1" or "Aa2; and money market deposits that are fully insured by the FDIC, including BIF and SAIF.

- (j) Permitted Investments shall not include any of the following securities:
- 1) Corporate stocks
 - 2) Corporate bonds
 - 3) Foreign Government Obligations
 - 4) Futures Contracts
 - 5) Investments in Commodities
 - 6) Real Estate
 - 7) Limited Partnerships
 - 8) Negotiable Certificates of Deposit
 - 9) Inverse Floaters
 - 10) "Interest Only" and "Principal Only" Mortgage Backed Securities
 - 11) Collateralized Mortgage Obligations

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

Pledged Lease Revenue includes:

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

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

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

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

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

Project Fund means the Port fund of that name, established pursuant to this resolution, into which, *inter alia*, the proceeds of Bonds other than Refunding Bonds (less proceeds, if any, deposited in the Debt Service Reserve Account) will be deposited.

Qualified Insurance means any non-cancellable municipal bond insurance policy or surety bond having a term at least equal to the term of the Series of Bonds whose portion of the Required Debt Service Reserve Amount is to be satisfied by such bond insurance policy or surety bond, approved in writing by the 2003 Bond Insurer, issued by any insurance company, approved in writing by the 2003 Bond Insurer and 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, approved in writing by the 2003 Bond Insurer, with a minimum term prior to the final maturity date of Bonds of five years, issued by a financial institution approved in writing by the 2003 Bond Insurer, 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 two 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, if S&P is then maintaining a rating on any Series of the Bonds; and/or Fitch Ratings if Fitch Ratings 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.

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

Rebate Fund means the fund of that name maintained and funded pursuant to Sections 5 and 36 of this resolution.

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

Refunding Bonds means Bonds issued by the Port, pursuant to a Supplemental Resolution adopted by the Port Commission in accordance with the terms 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 Series 2003 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2003

Bonds. The term “Registrar” shall include any successor to the fiscal agency, if any, hereafter appointed by the Treasurer.

Reimbursement Agreement means the Reimbursement and Indemnity Agreement dated May 14, 2003, between the 2003 Bond Insurer 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.

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

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

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

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

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

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.

Requisition means any requisition delivered to the Trustee pursuant to Section 4 of this resolution substantially in the form of Exhibit A to this resolution.

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.

Security Agreement means the Security Agreement between the Lessee and the Trustee dated as of the date the Series 2003 Bonds are issued, 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.

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

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.

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

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.

Treasurer means the Chief Financial 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 the banking corporation or association, if any, appointed as Trustee by the Port pursuant to this resolution and shall include any corporate successor thereto.

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 other rights, title and interests of the Trustee in the Security Agreement, the Guaranty and the other Related Documents.

2003 Bond Insurance Policy means the financial guaranty insurance policy or policies guaranteeing the payment when due of regularly scheduled principal of and interest on the Series 2003 Bonds, issued by the 2003 Bond Insurer.

2003 Bond Insurer means MBIA Insurance Corporation, a stock insurance company incorporated under the laws of the State of New York, and shall include any successors.

2003 Bond Purchase Contract means the Bond Purchase Contract to be delivered by the 2003 Underwriters to the Port, relating to the Series 2003 Bonds, together with the Letter of Representation from the Lessee to the Port and the 2003 Underwriters.

2003 Underwriters means Citigroup Global Markets Inc., Lehman Brothers Inc., E.J. De La Rosa & Co., Inc., Goldman Sachs & Co., Seattle-Northwest Securities Corporation and UBS PaineWebber Incorporated.

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

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

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

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

(iii) 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;

(iv) 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;

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

(vi) 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;

(vii) 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;

(viii) 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;

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

(x) 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;

(xi) 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

(xii) 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 of Lease; Authorization and Lien of and Security for Bonds. The Designated Port Representative is hereby authorized and directed to execute and deliver the Lease in substantially the form presented to the Commission with only those changes that he or she approves, which approval shall be presumed upon execution of the Lease by the Designated Port Representative.

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 Series 2003 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 or refinancing Costs of the Fuel Hydrant Project and 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 or costs.

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 will guarantee 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 will also grant 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 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 and any Reimbursement Obligations remain unpaid, 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 refinancing for all or a portion of the costs of completing the Fuel Hydrant Project and 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 Series 2003 Bonds, which are authorized by Sections 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 Executive Director 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 Executive Director 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 Executive Director 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 Executive Director 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 Executive Director 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 consisting initially of a Project Account and a Capitalized Interest Account. The Trustee may, in its discretion, establish such additional 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 Trustee shall establish the Project Account for the payment or reimbursement of the Costs of the Fuel Hydrant Project and 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. The Trustee shall establish the Capitalized Interest Account for the payment of capitalized interest on Bonds.

If Additional Bonds are issued by the Port, 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 and at the written direction of the 2003 Bond Insurer during the continuance of a Default hereunder shall be transferred to the Debt Service Account if no other funds are available to pay debt service.

Moneys on deposit in the Project Fund shall be invested by the Trustee, as directed by the Port in writing, in Permitted Investments 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 and the 2003 Bond Insurer in reasonable quantity from time to time upon written request of the Port, the Lessee, a Registered Owner or the 2003 Bond Insurer, as the case may be.

(b) *Deposits.* On the Closing Date, except as otherwise provided in any Supplemental Resolution, the Net Proceeds of the Bonds shall be deposited in the Project Account, except that the capitalized interest amount, if any, identified in the Closing Memorandum shall be deposited to the Capitalized Interest Account. Thereafter, insurance or condemnation proceeds, if any, transferred to the Project Fund pursuant to subsection 4(c), and interest earnings on investments made of money in the Debt Service Reserve Account prior to Completion of the Fuel Hydrant Project transferred pursuant to Section 6(c)(2), shall be deposited to the Project Account. Amounts transferred from the Debt Service Reserve Account pursuant to Section 6(c)(1) with direction to be deposited in the Project Fund shall also be deposited in 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. During the continuance of a Default, the Trustee shall make payments and transfers from the Project Account only with the consent or at the direction of the 2003 Bond Insurer. From and after the Closing Date, until the date specified in the

Completion Certificate, the Trustee shall withdraw from the Capitalized Interest Account, on the 25th day of the month immediately preceding each Payment Date, an amount equal to the interest on Bonds coming due on such Payment Date for deposit in the Debt Service Account, taking into account amounts on hand in the Debt Service Account. The Trustee shall disburse money from the Project Account for the payment of costs of issuance of the Bonds shown in the Closing Memorandum, and (2) the payment or reimbursement of Costs of the Fuel Hydrant Project (or in the case of 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, which Requisition shall include, in the case of a Requisition for Costs of the Fuel Hydrant Project, a representation of the Port that the expenditures requested represent Costs of the Fuel Hydrant Project incurred in accordance with Article V of the Lease. 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.

In addition to the other disbursements provided above, upon receipt of a written direction from the Designated Port Representative the Trustee shall transfer from the Project Fund to the Rebate Fund the amount of Rebatable Arbitrage set forth in such direction, or, as directed by the Designated Port Representative, make written demand of the Lessee for payment of all or a portion of such Rebate Amount under Section 4.2(a) of the Lease.

The Trustee shall retain copies or records of each Requisition and without the prior consent of the Port and the 2003 Bond Insurer shall not destroy such records and copies for a period of three years after Completion of the Fuel Hydrant Project or the extension, improvement, addition or modification of the Fuel System, as applicable. If the Port or the 2003 Bond Insurer 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 2003 Bond Insurer and the Lessee if the 2003 Bond Insurer or the Lessee so requests.

(d) *Procedures Upon Completion.* Upon receipt by the Trustee of a Completion Certificate in connection with the Fuel Hydrant Project, the Trustee shall, at the

written direction of the Port, apply amounts in the Project Fund to pay or refinance the cost of any repair, replacement, major maintenance addition, or improvement to or modification or extension of the Fuel System or, at the written direction of the Port, transfer any remaining balance, after payment of the final requisition for the Fuel Hydrant Project or other repair, replacement, major maintenance addition, or improvement to or modification or extension of the Fuel Hydrant System, as applicable, attached as Exhibit C, in the Project Fund to the Debt Service Account to be applied to defease Bonds or to pay the next maturing principal on Bonds, in each case as permitted under the Code as determined by Bond Counsel.

Section 5. Fuel Hydrant Revenue Fund. The Trustee is hereby authorized to establish one or more accounts within the Fuel Hydrant Revenue Fund, 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, and 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, the Registered Owners and the 2003 Bond Insurer in reasonable quantity from time to time upon written request of the Port, the Lessee, or a Registered Owner or the 2003 Bond Insurer, as the case may be.

(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 and Capitalized Interest Account, 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 Bond Insurer and other Credit Facility Issuer to pay all amounts paid by the Bond Insurer or 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 the reimbursement to the provider of Qualified Insurance or a Qualified Letter of Credit for draws thereon and to payment of interest on Reimbursement Obligations;

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

(6) the Rebate Fund an amount (if any) (as certified by a Designated Port Representative in a certificate delivered to the Trustee), determined to be required, together with the balance then on deposit in the Rebate Fund to make each rebate payment to the federal government.

(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(j), 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. 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 and the 2003 Bond Insurer in reasonable quantity from time to time upon written request of the Port, the Lessee, a Registered Owner or the 2003 Bond Insurer, as the case may be.

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:

- (i) Debt Service Account; and
- (ii) 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.*

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

(1) on the 25th day of each month, transfers from the Fuel Hydrant Revenue Fund pursuant to Section 5(c)(1);

(2) on or prior to the 25th day of the month immediately prior to each Payment Date until the Trustee receives the Completion Certificate, transfers from the amounts on deposit in the Capitalized Interest Account sufficient to pay the interest on Bonds coming due on such Payment Date, taking into account amounts on hand in the Debt Service Account;

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

(4) 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 5(C)(2); and

(5) upon receipt of the Completion Certificate, to the extent provided in Section 4(d), transfers from the Project Fund for application to the defeasance or payment of the principal of the Bonds.

In addition, following the substitution of Qualified Insurance or a Qualified Letter of Credit in the Debt Service Reserve Account, the cash and Permitted Investments transferred from the Debt Service Reserve Account pursuant to Section 6(c)(1) with direction to be deposited in the Debt Service Account shall be deposited to a separate subaccount in the Debt Service Account for application solely to the defeasance or redemption of Bonds.

(ii) Disbursements. Disbursements shall be made from the Debt Service Account on each Payment Date, to the extent of funds on deposit therein and available therefor, to the Registrar to pay the interest then coming due with respect to the Bonds and the principal of and premium, if any, on such Bonds maturing or subject to redemption on such Payment Date.

(iii) *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. 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 (ii) hereof. Copies of such records shall be made available to the Port, the Lessee, the Registered Owners and the 2003 Bond Insurer in reasonable quantity from time to time upon written request of the Port, the Lessee, a Registered Owner or the 2003 Bond Insurer, as the case may be.

(c) *Debt Service Reserve Account.*

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

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

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

(C) As received, an 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, with the prior written consent of the 2003 Bond Insurer, 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 the Project Fund to pay Costs of the Fuel Hydrant Project or, after Completion of the Fuel Hydrant Project as evidenced by a Completion Certificate relating to the Fuel Hydrant Project, 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 stated to mature not later than five years after the date such investment is made.

(2) Withdrawals. Prior to Completion of the Fuel Hydrant Project, 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, shall be transferred on each valuation date for such

investments to the Project Account and, after Completion of the Fuel Hydrant Project, 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, 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 (i) the next available money in the Fuel Hydrant Revenue Fund transferred to the Debt Service Reserve Account, or (ii) 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, in accordance with the Financial Guaranty Agreement related thereto. If funds have not been provided to make any payment required to be made under such Financial Guaranty Agreement for the Bonds, the issuer shall be entitled to exercise all remedies available at law or under this resolution; provided, however, that no acceleration of the Bonds shall be permitted, and no remedies which adversely affect Registered Owners of the Bonds or the Bond Insurer shall be permitted.

(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 acceptable to the 2003 Bond Insurer and prepared by a firm of certified public accountants or other consultant acceptable to the 2003 Bond Insurer, to provide for the payment of the principal of, interest on and premium, if any, on all Outstanding Bonds, the cash in the Debt Service Reserve Account may be used to pay such principal, interest and premium, if any. The Designated Port Representative may also direct the Trustee to transfer Rebatable Arbitrage attributable to Permitted Investments in the Debt Service Reserve Account to the Rebate Fund or to make written demand of the Lessee for payment of all or a portion of such Rebate Amount under Section 4.2(a) of the Lease.

Money in the Debt Service Account not needed to pay the (i) interest or (ii) 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. Operative Covenants General.

(a) *Exclusivity.* The Port is undertaking the construction and equipping of the Fuel Hydrant Project and covenants that it will complete the Fuel Hydrant Project, including remediation of Pre-Existing Contamination, in accordance with the plans and specifications therefor and the Lease. The Port covenants that, so long as the Bonds are Outstanding or any Reimbursement Obligations are outstanding and unpaid, 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 (i) the Trustee or (ii) the Owner of any Bond or (iii) except as provided below, the 2003 Bond Insurer for the following purposes:

(1) With the prior written consent of the 2003 Bond Insurer, 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) With the prior written consent of the 2003 Bond Insurer, 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 Reimbursement Obligations; or

(4) With the prior written consent of the 2003 Bond Insurer, 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 Reimbursement Obligations; or

(5) To modify Sections 4.1(b), 4.5, 6.14 of the Lease provided that such modifications do not materially and adversely affect the security for the payment of any Bond or for the payment of any Reimbursement Obligations.

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 2003 Bond Insurer and 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 2003 Bond Insurer and 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 and to the 2003 Bond Insurer. 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 (i) the required consents, in writing, of the Registered Owners of not less than a majority in aggregate principal amount of Outstanding Bonds and of the 2003 Bond Insurer and (ii) an opinion or opinions of counsel (which also shall be delivered to and shall be acceptable to the 2003 Bond Insurer) 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, and (iii), upon the reasonable request of the 2003 Bond Insurer, a Favorable Opinion of Bond Counsel acceptable to the 2003 Bond Insurer.

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 2003 Bond Insurer is deemed to be the Registered Owner of Bonds insured by such 2003 Bond Insurer.

(c) *Amendments to Other Related Documents.*

(1) Without the consent of the 2003 Bond Insurer, the Port shall not approve any material modification or amendment to the Fuel System Access Agreement, the Non-Contracting User Agreement and any other similar agreement between Users and the Lessee governing access to or use of the Fuel System. The Trustee shall give written notice to the 2003 Bond Insurer (and, with respect to any Supplemental Resolution, the LLC Agreement and the Interline Agreement, each Rating Agency) of any Supplemental Resolution and of any modification, alteration, amendment or supplement to such Related Documents, but only to the extent the Trustee has actual written notice thereof.

(d) *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. The Port shall not waive or modify all or a portion of any insurance required thereunder without the consent of the 2003 Bond Insurer.

(e) *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.

(f) *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.

(g) *Fuel System Operator and Fuel System Operating Agreement.* The Port has approved the Fuel System Operator as of the date of this resolution. The Port will not approve any substitute Fuel System Operator, nor will it approve the termination of a Fuel System Operator or any amendment or modification of the Fuel System Operating Agreement without the prior written consent of the 2003 Bond Insurer. So long as the Bonds or any Reimbursement Obligations are Outstanding, the Port shall maintain or require the Lessee to maintain a Fuel System Operating Agreement, except as provided in Section 7(j).

(h) *Involuntary Bankruptcy.* The Port covenants not to file any involuntary petition in bankruptcy against the Lessee while the Bonds are Outstanding or any Reimbursement Obligation owed to the 2003 Bond Insurer.

(i) *Enforcement and Termination of Lease and Related Documents.* The Port covenants that it will not terminate the Lease without the consent of the 2003 Bond Insurer at any time while Bonds remain Outstanding or any Reimbursement Obligation remains unpaid. The Port covenants to enforce, or to direct the Trustee to enforce, the Lease, subject to the terms of this resolution. The Port hereby 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, to enforce the other Related Documents, in each case subject to the terms of this resolution.

(j) *Reletting.* The Port covenants that following a Lease Default Event pursuant to Section 13.1(a), (b), (d), (g), (h), or (j) of the Lease, the Port, unless otherwise directed in writing by the 2003 Bond Insurer, 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 (i) 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 (ii) use its best efforts to retain a Replacement Operator or (iii) with the prior written consent of the 2003 Bond Insurer and 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 2003 Bond Insurer may require that the Port deliver to the Trustee and to the 2003 Bond Insurer an opinion, addressed to the Trustee and the 2003 Bond Insurer, to the effect that all Net Reletting Proceeds will be part of the Trust Estate and will not 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: (i) Reletting Costs, (ii) 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), (iii) 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, (v) to the Port, Base Rent; and (vi) 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 and the 2003 Bond Insurer agree that 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. At the direction of the 2003 Bond Insurer the Port shall or, with the consent of the 2003 Bond Insurer the Port may, charge or permit the Replacement Tenant or Replacement Operator to charge, usage charges for use of the Fuel System that are less than the amount necessary to pay Reletting Costs, operation and maintenance costs, Facilities Rent, Additional Rent, Base Rent and payment of all required costs of extraordinary repair, replacement and maintenance in their entirety. Nothing in this section shall require the Port to relet or operate the Premises for, or retain an operator who charges, less than the amount necessary to pay Reletting Costs, operation and maintenance costs, Additional Rent payable to the Port and Base Rent in their entirety.

Unless the 2003 Bond Insurer agrees otherwise, 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, with the prior written consent of the 2003 Bond Insurer, establish with the Trustee a self-insurance fund that meets the requirements of the 2003 Bond Insurer.

Following any Casualty Event, insurance proceeds, if any, from 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 and all Reimbursement Obligations to be paid in full.

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 in the event that the Casualty Event occurs after Completion of the Fuel Hydrant Project 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 Fuel Hydrant Project, 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.

i. 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 and the 2003 Bond Insurer and any other Bond Insurer for the Bonds;

ii. within a reasonable period after the insurer of the damaged or destroyed Fuel Hydrant Project, 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.

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

iv. 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 and the 2003 Bond Insurer 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 and the 2003 Bond Insurer 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 Account. 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 and payment of any outstanding Reimbursement Obligation. 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 and pay any outstanding Reimbursement Obligation, the procedures to be followed shall be consistent with those procedures outlined in subsection (a) above.

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

(a) *Authority To Issue Completion Bonds and Improvement Bonds.* Following the issuance and delivery of the Series 2003 Bonds, the Port may, from time to time, issue Completion Bonds or Improvement Bonds secured by the Trust Estate on a parity with all Outstanding Bonds, subject to the terms and conditions of this Section 9. Completion Bonds and Improvement Bonds may be issued only if the following conditions are satisfied prior to the issuance of such Additional Bonds; *provided*, that the 2003 Bond Insurer may waive any or all of these conditions:

- (i) there is not then existing and continuing a Default under this resolution;
- (ii) no amounts are then owed to the 2003 Bond Insurer;
- (iii) there is not then an existing deficiency in the Debt Service Reserve Account;
- (iv) there is delivered an opinion or opinions of counsel to the Port or the Lessee, as applicable (which also shall be delivered to and shall be acceptable to the 2003 Bond Insurer) stating that such Completion Bonds or 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
- (v) there is delivered a Favorable Opinion of Bond Counsel.

Additional Bonds shall be authorized by a Supplemental Resolution of the Commission and, except as set forth in Section 9(b) and Section 10(b), only with the consent of the 2003 Bond Insurer. Such Supplemental Resolution shall incorporate in full or by reference the operative covenants of this resolution. The Port shall not approve any Financing Alternative (as defined in Section 12.1(d) of the Lease) without the prior written consent of the 2003 Bond Insurer.

(b) *Authorization of Completion Bonds.* Following the issuance and delivery of the Series 2003 Bonds, without the consent of the 2003 Bond Insurer, the Port may issue Completion Bonds for the purpose of paying Costs of the Fuel Hydrant Project and for the purpose of capitalizing interest, paying costs of issuance and funding reserves. As a condition precedent to the issuance of any Completion Bonds pursuant to this Section 9(b), the Port shall deliver to the 2003 Bond Insurer a certificate of the Port executed by a Designated Port Representative to the effect that:

- (i) the proceeds of the Completion Bonds shall be used only for (A) making a deposit to the Debt Service Reserve Account or obtaining Qualified Insurance or a Qualified Letter of Credit, (B) paying costs of issuance of the Completion Bonds, (C) making deposits to the Capitalized Interest Account, and (D) paying costs of the completion of the Fuel Hydrant Project, as contemplated on the date hereof and described in the Construction Specifications as of the date hereof with no material or substantive changes (the "Original Fuel Hydrant Project") and not for any extension, modification, repair, replacement, major maintenance, or betterment of or addition or improvement to the Original Fuel Hydrant Project;
- (ii) the issuance of the Completion Bonds is reasonably necessary for the completion of the Original Fuel Hydrant Project and the net proceeds thereof, together with other available funds, will be sufficient to complete the Original Fuel Hydrant Project; and
- (iii) completion of the Original Fuel Hydrant Project through the issuance of the Completion Bonds is in the best interests of the Port.

(c) *Authorization of Improvement Bonds.* Subject to Section 9(a), including without limitation the requirement of consent of the 2003 Bond Insurer, 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, including the Fuel Hydrant Project

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.* With the consent of the 2003 Bond Insurer, 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; *provided*, that the 2003 Bond Insurer may waive any or all of these conditions:

- (i) there is not then existing and continuing a Default under this resolution;
- (ii) no amounts are then owed to the 2003 Bond Insurer;
- (iii) there is not then an existing deficiency in the Debt Service Reserve Account;
- (iv) there is delivered an opinion or opinions of counsel to the Port or the Lessee, as applicable (which also shall be delivered to and shall be acceptable to the 2003 Bond Insurer) 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
- (v) 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.

With the consent of the 2003 Bond Insurer and 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), (i) without complying with the preconditions set forth in Section 10(a)(i) and (iii), and without the consent of the 2003 Bond Insurer, if all of the Bonds insured by the 2003 Bond Insurer will be refunded and all Reimbursement Obligations paid; (ii) without the consent of the 2003 Bond Insurer, 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, and all Reimbursement Obligations are paid; or (iii) without complying with the preconditions set forth in Section 10(a)(i) and (iii), but only with the consent of the 2003 Bond Insurer, 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 and all Reimbursement Obligations are paid. Prior to the issuance of Refunding Bonds under this Section 10(b) there shall be delivered a Favorable Opinion of Bond Counsel and an opinion or opinions of counsel to the Port or the Lessee, as applicable, stating that such Refunding Bonds are authorized as Bonds under the Lease (or alternatively, a certificate of the Port and the Lessee that all procedures required under Section 12.1 of the Lease have been fulfilled). Such Supplemental Resolution shall incorporate in full or by reference the operative covenants of this resolution.

Section 11. Adoption of Supplemental or Amendatory Resolutions and Purposes Thereof Without Consent. The Port may adopt at any time and from time to time and without the consent or concurrence of the owner of any Bond but (except as provided in the last paragraph of this section) with the consent of the 2003 Bond Insurer, 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 Section 9 or 10 pursuant to a Supplemental Resolution (except that 2003 Bond Insurer consent shall not be required under this subsection in connection with a Supplemental Resolution to

provide for Additional Bonds that can be issued without 2003 Bond Insurer consent under Section 9 or 10), 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 including covenants and agreements to provide to Credit Facility Issuers all or a portion of the consent or approval rights provided to the 2003 Bond Insurer hereunder; provided that such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Port contained in this resolution;

(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 subject 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 Reimbursement Obligations or the rights of any Bond Insurer or 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 Bonds or Reimbursement Obligations or on the rights of the Registered Owners or the rights of any Bond Insurer;

(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 Reimbursement Obligations or the rights of any Bond Insurer; 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 or Reimbursement Obligations or the rights of any Bond Insurer.

Notwithstanding anything in this Section 11 to the contrary, (i) except any amendment or supplement described in clause (a) of this Section 11 to provide for the issuance of Additional Bonds that do not require 2003 Bond Insurer consent under Section 9 or 10 and any amendment or supplement to the provisions of Sections 35, 37 or 41, no resolution amending or supplementing this resolution or any Supplemental Resolution shall be adopted without the prior written consent of the 2003 Bond Insurer and (ii) without the specific consent of the Registered Owner of each Bond and the 2003 Bond Insurer, 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 and the 2003 Bond Insurer; provided, that (A) 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 (B) 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.* Notwithstanding anything in Section 11 or in this Section 12 to the contrary, any amendment to this resolution and any Supplemental Resolution, other than as described in Section 11(a) or in an amendment or supplement to Sections 35, 37 or 41 shall require the prior written consent of the 2003 Bond Insurer. A resolution authorizing the issuance of Additional Bonds may include a similar covenant with respect to another 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 Bondholders. This resolution constitutes a contract for the benefit of the Registered Owners and the 2003 Bond Insurer 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 the 2003 Bond Insurer 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 or the 2003 Bond Insurer;

(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;

(g) Insolvency of the Port;

(f) 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

(i) An assignment of the Lease or a change in use of the Fuel System contrary to the terms of the Lease without the prior written consent of the 2003 Bond Insurer occurs, whether or not the Port has approved of such assignment or change of use.

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

The 2003 Bond Insurer shall have the right, in its sole discretion, to cure any Default, and the Trustee shall accept such cure; provided, that the Trustee shall be entitled to receive payment of its fees and expenses, including, without limitation, reasonable attorneys' fees incurred as a result of any such Default. Any payment by the 2003 Bond Insurer to cure a Default shall constitute a Reimbursement Obligation, to the extent of payments for principal and interest on Bonds under

clause (i) of the definition of Reimbursement Obligation, and all other payments shall constitute Reimbursement Obligations repayable in accordance with Section 5(b) of this resolution.

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; provided, however, that the Port shall not terminate the Lease (if any Bonds remain Outstanding or Reimbursement Obligation unpaid) without the prior written consent of the 2003 Bond Insurer. The Bonds are not subject to acceleration. With the consent of the 2003 Bond Insurer, the Trustee shall be entitled to, and at the direction of the 2003 Bond Insurer or, with the consent of the 2003 Bond Insurer, a majority in aggregate principal amount of Registered Owners 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 but only with the consent of or at the direction of the 2003 Bond Insurer:

(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 the 2003 Bond Insurer; 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, at the direction of the 2003 Bond Insurer, to make appearances and to file motions in such bankruptcy proceedings as deemed necessary to protect the Trustee's claim 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 (i) immediately shall notify the Trustee and the 2003 Bond Insurer of the occurrence of such event; and (ii) upon receipt of indemnity and assurances to its satisfaction that its expenses shall be paid, the Trustee shall with the consent or at the direction of the 2003 Bond Insurer, to the extent permitted by law, in its own name and as the trustee of an express trust on behalf of the Registered Owners and the 2003 Bond Insurer, prosecute and defend the claims, if any, of the Registered Owners against the Port, including without limitation, claims of the Registered Owners and the 2003 Bond Insurer 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 (with the consent of the 2003 Bond Insurer) 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 Bond Insurers to pay all Reimbursement Obligations;

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

(e) to the Lessee (if all Bonds are Fully Paid and no Reimbursement Obligation is outstanding); and

(f) 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 with the consent of the 2003 Bond Insurer, and shall at the direction of the 2003 Bond Insurer, and upon the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding with the consent of the 2003 Bond Insurer, 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 and the Bond Insurers, subject to the provisions of this resolution.

Section 18. Registered Owners' Direction of Proceedings. The 2003 Bond Insurer, or with the consent of the 2003 Bond Insurer, 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 2003 Bond Insurer or 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, with the prior written consent of the 2003 Bond Insurer, shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; and such Registered Owner or said Registered Owners shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request; and the Trustee shall have refused or omitted to comply with such request for a period of 30 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

Section 20. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Registered Owners on account of any Default shall have been discontinued or abandoned for any reason or shall have been determined adversely or if any Default is cured, then in every such case the Port, the Trustee, the 2003 Bond Insurer 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, the 2003 Bond Insurer 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 or to the 2003 Bond Insurer 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 or of the 2003 Bond Insurer 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 or to the 2003 Bond Insurer 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 in accordance with the instructions of the 2003 Bond Insurer, 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, the Insurer and the 2003 Bond Insurer.

(c) Upon 30 days' advance written notice to the Trustee, the Port may unless a Default shall have occurred and then be continuing, and upon written request of the 2003 Bond Insurer or, with the prior written consent of the 2003 Bond Insurer, shall, 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 the Bond Insurers 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 approved by the 2003 Bond Insurer 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, any Bond Insurers or any Registered Owner (on behalf of himself and all other Registered Owners), may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this resolution shall signify its acceptance of such appointment by executing and delivering to the Port and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the request of the Port or the request of the successor Trustee, such predecessor Trustee shall, at the expense of the Port execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the rights, title and interest of such predecessor Trustee in and to the Trust Estate held by it under this resolution, and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth, subject to this Section 23. Upon request of the successor Trustee, the Port shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such

successor Trustee all such money, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder to the Registered Owners at the addresses shown on the Bond Register. The successor Trustee shall effect this notice by giving a form of notice to the Registrar with a request to mail such notice to the Registered Owners.

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

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

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

(i) If the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every necessary and appropriate remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this resolution to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vested in such separate or co-trustee, and shall run to and be enforceable by any of them to the extent deemed necessary and appropriate to the exercise thereof by such separate or co-trustee. Such separate or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Port, the Trustee and the 2003 Bond Insurer.

(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) 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 and shall not be responsible for any misconduct or negligence on the part of any attorney appointed with due care. 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) Subject to the rights of the 2003 Bond Insurer to direct and control, so long as the 2003 Bond Insurer is not then in default of its obligations under the terms of the 2003 Bond Insurance Policy to pay a claim duly presented under the 2003 Bond Insurance Policy (provided that all rights of the 2003 Bond Insurer shall be restored upon the cure of any such default), the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this resolution.

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

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

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

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

Whenever in the administration of the trusts imposed upon it by this resolution the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Port, and such certificate shall be full warrant to the Trustee for any action taken or

suffered in good faith under the provisions of this resolution in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

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

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

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

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

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

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

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

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

With a copy to:

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

If to the 2003 Bond Insurer: MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
Attention: Insured Portfolio Management

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

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

Any request, consent, or other instrument or writing of the Registered Owner of any Bond shall bind every future Registered Owner of the same Bond and the Registered Owner of every

Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Port in accordance therewith or reliance thereon.

Section 30. Defeasance.

(a) In the event that money and/or Escrow Securities maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient without any reinvestment thereof (assuming the due and punctual payment of the principal of and interest on such Escrow Securities) to redeem and retire part or all of the Bonds (including any outstanding Reimbursement Obligation) 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 (h) 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 (h) 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:

(i) 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 and such Bonds or

(ii) 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 and the 2003 Bond Insurer shall receive a Favorable Opinion of Bond Counsel acceptable to the 2003 Bond Insurer and an opinion of Bond Counsel acceptable to the 2003 Bond Insurer and 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 and the 2003 Bond Insurer shall receive a report acceptable to the 2003 Bond Insurer 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 and the 2003 Bond Insurer 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 (and Reimbursement Obligations) being defeased.

(f) Except as otherwise agreed by the 2003 Bond Insurer, the Trustee shall receive an opinion of counsel or other confirmation acceptable to the Trustee and the 2003 Bond Insurer to the effect that upon the occurrence of an Act of Bankruptcy with respect to the Port or the Lessee, money and investments in such trust will not be recoverable from the Trustee or the Registered Owners of the Bonds being defeased under provisions of the United States Bankruptcy Code relating to voidable preferences or any similar provision of any applicable bankruptcy, insolvency, reorganization or similar law then in effect. The defeasance provided for herein shall not be effective unless or until the funds on deposit in the escrow shall not, in the opinion of such counsel, be recoverable as voidable preference payments.

(g) All Reimbursement Obligations and all fees and expenses of the Trustee then due are paid in full.

(h) Whenever the Bonds and all Reimbursement Obligations 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.

Notwithstanding the foregoing, in the event that the principal and/or interest due on the Series 2003 Bonds have been paid by the 2003 Bond Insurer pursuant to the 2003 Bond Insurance Policy, such Series 2003 Bonds shall remain Outstanding for all purposes, shall not be

defeased or otherwise satisfied and not be considered paid by the Port, and the assignment and pledge of assets under this resolution and all covenants, agreements and other obligations of the Port to the Registered Owners of such Series 2003 Bonds shall continue to exist and shall run to the benefit of the 2003 Bond Insurer, and the 2003 Bond Insurer shall be subrogated to the rights of such Registered Owners.

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.

For so long as the 2003 Bond Insurance Policy is in effect and the 2003 Bond Insurer is not in default of its payment obligations thereunder, the consent of the 2003 Bond Insurer shall be required prior to the execution of any escrow float agreement, forward supply contract or any similar derivative instrument in connection with any escrow to defeas Series 2003 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 the 2003 Bond Insurer and to each NRMSIR and SID, if any, in accordance with Section 41.

Section 31. Authorization of Series 2003 Bonds. The Port shall issue the Series 2003 Bonds in the principal amount of not to exceed \$140,000,000 for the purpose of providing all or a portion of the funds necessary to:

(a) pay or refinance the Costs of the Fuel Hydrant Project and, after Completion of the Fuel Hydrant Project as evidenced by a Completion Certificate relating to the Fuel Hydrant Project, excess proceeds may be used to pay or refinance the cost of any repair, replacement, major maintenance, addition or improvement to or modification or extension of the Fuel System;

(b) deposit an amount equal to the Required Debt Service Reserve Amount for the Series 2003 Bonds to the Debt Service Reserve Account;

(c) fund the initial deposit to the Capitalized Interest Account to pay capitalized interest on a portion of the Series 2003 Bonds, and

(d) pay all or a part of the costs incidental to the foregoing and to the issuance of the Series 2003 Bonds including, without limitation, the Bond Insurance Policy premium for the Series 2003 Bonds.

Section 32. Bond Details. The Series 2003 Bonds shall be designated as “Port of Seattle, Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003,” 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 \$140,000,000. The Series 2003 Bonds shall bear interest on unpaid principal at the rates set forth in the 2003 Bond Purchase Contract and approved by the Chief Executive Officer pursuant to Section 40. Interest on the Series 2003 Bonds shall be payable from their Closing Date until the Series 2003 Bonds have been paid or their payment duly provided for, payable semiannually on the first days of each June and December beginning on December 1, 2003 (each a “Payment Date”). The Series 2003 Bonds shall mature on June 1 of the years and in the principal amounts set forth in the 2003 Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 40.

The Series 2003 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 Series 2003 Bonds.

The Series 2003 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 Series 2003 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 Series 2003 Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the 2003 Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 40.

(b) *Mandatory Redemption.* The Series 2003 Bonds shall be subject to mandatory redemption if and to the extent set forth in the 2003 Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 40.

(c) *Extraordinary Optional Redemption.* The Series 2003 Bonds are subject to extraordinary optional redemption at a price equal to 100% of the principal amount of the Series 2003 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, including the Hydrant Project, 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. The Port shall notify in writing the Bond Issuer of any Bonds so purchased.

(e) *Effect of Optional Redemption/Purchase.* To the extent that the Port shall have optionally redeemed or purchased for cancellation any Series 2003 Bonds since the last scheduled mandatory redemption of such Series 2003 Bonds, the Port may reduce the principal amount of the Series 2003 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 Bonds then are held in book-entry only form, the selection of Series 2003 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 Series 2003 Bonds to be redeemed shall be made as provided in this subsection (f). If the Port redeems at any one time fewer than all Bonds pursuant to an extraordinary optional redemption under Section 33(c), the 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 Series 2003 Bonds having the same maturity date, the particular Series 2003 Bonds or portions of Series 2003 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 Series 2003 Bond of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 2003 Bond as representing such number of separate Series 2003 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2003 Bond by \$5,000. In the event that only a portion of the principal sum of a Series 2003 Bond is redeemed, upon surrender of such Series 2003 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 Series 2003 Bond of like maturity and interest rate in any of the denominations herein authorized. The provisions of this subsection (f) and their application to Series 2003 Bonds other than the Series 2003 Bonds may be modified in a Supplemental Resolution adopted in connection with the issuance of such Bonds.

(g) *Notice of Redemption*

(i) Official Notice. Unless waived by any owner of Series 2003 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 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2003 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 redemption date,
- (B) the redemption price,
- (C) if fewer than all Outstanding Series 2003 Bonds are to be redeemed, the identification by maturity and Series (and, in the case of partial redemption, the respective principal amounts) of the Series 2003 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 Series 2003 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 Series 2003 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 redemption date, 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 Series 2003 Bonds or portions of Series 2003 Bonds which are to be redeemed on that date.

Failure to give notice as to redemption of any Series 2003 Bond or any defect in such notice shall not invalidate redemption of any other Series 2003 Bond.

Notwithstanding the foregoing, if the Series 2003 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 30 days prior to the date of redemption.

(ii) Effect of Notice; Series 2003 Bonds Due. Official notice of redemption having been given as aforesaid, the Series 2003 Bonds or portions of Series 2003 Bonds so to be redeemed shall, on the redemption date (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 Series 2003 Bonds or portions of Series 2003 Bonds shall cease to bear interest. Upon surrender of such Series 2003 Bonds for redemption in accordance with said notice, such Series 2003 Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to a mandatory redemption date shall be payable as herein provided for payment of interest. Upon surrender for partial redemption of any Series 2003 Bond, there shall be prepared for the Registered Owner a new Series 2003 Bond or Series 2003 Bonds of the same maturity in the aggregate amount of the unpaid principal. All Series 2003 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

(iii) 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 Series 2003 Bonds being redeemed; (B) the date of issue of the Series 2003 Bonds; (C) the rate of interest borne by each Series 2003 Bond being redeemed; (D) the maturity date of each Series 2003 Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Series 2003 Bonds being redeemed. Each further notice of redemption shall be sent at least 35 days before the redemption date to the 2003 Bond Insurer and to each NRMSIR, the SID, if any, and to such persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the SEC) and with such additional information as the Registrar deems appropriate, but such mailings shall not be a condition precedent to the redemption of such Series 2003 Bonds.

(iv) Use of CUSIP Numbers. Upon the payment of the redemption price of Series 2003 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Series 2003 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.

(v) 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 Series 2003 Bonds or the 2003 Bond Insurer 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 Series 2003 Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2003 Bonds shall be calculated on the basis of a 360-day year

(twelve 30-day months). For so long as all Series 2003 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 Series 2003 Bonds are no longer in fully immobilized form, interest on the Series 2003 Bonds shall be paid by check or draft mailed (or by wire transfer, without transfer fee, to a Registered Owner of such Series 2003 Bonds in aggregate principal amount of \$1,000,000 or more who so requests in writing) to the Registered Owners of the Series 2003 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 Series 2003 Bonds shall be payable upon presentation and surrender of such Series 2003 Bonds by the Registered Owners at the principal office of the Registrar.

Section 35. Registration.

(a) *Registrar/Bond Register.* The Port hereby requests that the Treasurer appoint the fiscal agency of the State of Washington as the Registrar for the Series 2003 Bonds. The Port shall cause a Bond Register to be maintained by the Registrar. So long as any Series 2003 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of Series 2003 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, the Trustee, the 2003 Bond Insurer, DTC, each NRMSIR and the SID, if any, 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 Series 2003 Bonds transferred or exchanged in accordance with the provisions of such Series 2003 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 Series 2003 Bonds.

(b) *Registered Ownership.* The Port, the Trustee and the Registrar shall deem and treat the Registered Owner of each Series 2003 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 Series 2003

Bond shall be made only as described in Section 34 hereof, but such Series 2003 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 Series 2003 Bond to the extent of the amount or amounts so paid.

If any Series 2003 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 Series 2003 Bond until such Series 2003 Bond is paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Series 2003 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 Series 2003 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 Series 2003 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 Series 2003 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 Series 2003 Bonds.

(d) *Use of Depository.*

(i) The Series 2003 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 Series 2003 Bond maturing on the maturity date of the Series 2003 Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Series 2003 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 Commission pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(ii) 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 Commission to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Commission may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Registrar shall, upon receipt of all Outstanding Series 2003 Bonds, together with a written request on behalf of the Commission, issue a single new Series 2003 Bond for each maturity of the Series 2003 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 Commission.

(iv) 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 Commission determines that it is in the best interest of the Beneficial Owners of the Series 2003 Bonds that such owners be able to obtain such bonds in the form of Series 2003 Bond certificates, the ownership of such Series 2003 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Commission shall deliver a written request to the Registrar, together with a supply of definitive Series 2003 Bonds, to issue Series 2003 Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 2003 Bonds together with a written request on behalf of the Commission to the Registrar, new Series 2003 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 Series 2003 Bond may be registered and Series 2003 Bonds

may be exchanged, but no transfer of any such Series 2003 Bond shall be valid unless such Series 2003 Bond is surrendered to the Registrar with the assignment form appearing on such Series 2003 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Series 2003 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Series 2003 Bond (or Series 2003 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 Series 2003 Bond, in exchange for such surrendered and canceled Series 2003 Bond. Any Series 2003 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Series 2003 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 Series 2003 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 Series 2003 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 Series 2003 Bonds.

(g) *Registration Covenant.* The Port covenants that, until all Series 2003 Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 2003 Bond that complies with the provisions of Section 149 of the Code.

Section 36. Tax Covenants; Rebate Fund. 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 Series 2003 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 Series 2003 Bonds. The Port shall comply with its covenants set forth in the Arbitrage 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 Arbitrage 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 Arbitrage 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.

Section 37. Lost, Stolen, Mutilated or Destroyed Series 2003 Bonds. In case any Series 2003 Bond or Series 2003 Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2003 Bond or Series 2003 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 Series 2003 Bond or filing with the Port evidence satisfactory to the Port that such Series 2003 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 Series 2003 Bonds and Registration Certificate. The Series 2003 Bonds shall be in substantially the following form:

[STATEMENT OF INSURANCE]
 UNITED STATES OF AMERICA
 NO. _____ \$ _____

STATE OF WASHINGTON
 PORT OF SEATTLE
 SPECIAL FACILITY REVENUE BOND
 (SEATAC FUEL FACILITIES LLC), SERIES 2003

Maturity Date: _____ CUSIP No. _____
 Interest Rate:
 Registered Owner: Cede & Co.
 Principal Amount:

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Special Facility Revenue Bond Account" (the "Debt Service Account") created by Resolution No. RESO#, as amended, of the Port Commission (the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Debt Service Account from _____, 2003, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each June and December 1 beginning on December 1, 2003. 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 in either Seattle, Washington, or New York, New York (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 \$140,000,000 of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to finance a fuel storage and distribution system at the Seattle-Tacoma International Airport.

The bonds of this issue shall be subject to extraordinary mandatory redemption as set forth in the Bond Resolution and to optional redemption in advance of their scheduled maturity on and after June 1, 20__ in whole or in part on any date at the following prices, expressed as a percentage of the principal amount, plus accrued interest to the date of redemption.

<u>Redemption Dates (all dates are inclusive)</u>	<u>Redemption Prices</u>
	%

Unless redeemed pursuant to the foregoing optional redemption provisions, the bonds of maturing on June 1, ____ shall be redeemed by the Port on June 1 of the following years in the following principal amounts at a price of par, plus accrued interest to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
	\$

* 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 _____, 2003.

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 Bonds (Seattle Fuel Facilities LLC), Series 2003 of the Port of Seattle dated _____, 2003.

WASHINGTON STATE FISCAL
AGENCY, Registrar

By _____
Authorized Signer

In the event any Series 2003 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 Series 2003 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 or a facsimile thereof imprinted thereon.

Only such Series 2003 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 Series 2003 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 Series 2003 Bonds shall cease to be such officer or officers of the Port before the Series 2003 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 2003 Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port as though those who signed the same had continued to be such officers of the Port. Any Series 2003 Bond may also be signed and attested on behalf of the Port by such persons as at the actual date of execution of such Series 2003 Bond shall be the proper officers of the Port although at the original date of such Series 2003 Bond any such person shall not have been such officer.

Section 40. Sale of Series 2003 Bonds. The Series 2003 Bonds shall be sold at negotiated sale to the 2003 Underwriters pursuant to the terms of the 2003 Bond Purchase Contract. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the Series 2003 Bonds and execute the 2003 Bond Purchase Contract, with such terms as are approved by the Chief Executive Officer pursuant to this section and consistent with this resolution. The 2003 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 Series 2003 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 Series 2003 Bonds in the manner provided hereafter so long as the aggregate principal amount of the Series 2003 Bonds does not exceed \$140,000,000 and so long as the true interest cost for the Series 2003 Bonds (in the aggregate) does not exceed 6.10%.

In determining the final interest rates, maturity dates, aggregate principal amounts, principal maturities, redemption provisions of the Series 2003 Bonds, the Chief Executive

Officer, in consultation with Port staff and the Port's financial advisor, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the Series 2003 Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Series 2003 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 2003 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 2003 Bond Purchase Contract, the Chief Executive Officer shall provide a report to the Commission, describing the final terms of the Series 2003 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 45 days after the date of approval of this resolution. If a 2003 Bond Purchase Contract for the Series 2003 Bonds has not been executed before May 14, 2003, the authorization for the issuance of the Series 2003 Bonds shall be rescinded, and the Series 2003 Bonds shall not be issued nor their sale approved unless such Series 2003 Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of such Series 2003 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 Series 2003 Bonds to the 2003 Underwriters thereof to purchase the 2003 Bond Insurance Policy and further to execute the 2003 Bond Purchase Contract and all closing certificates and documents required to effect the closing and delivery of the Series 2003 Bonds in accordance with the terms of the 2003 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 2003 Bond Purchase Contract) relating to the issuance and sale of the Series 2003 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 2003 Underwriters in complying with the Rule.

Section 42. Bond Insurance Policy; Provisions Relating to 2003 Bond Insurer.

(a) *Acceptance of Insurance.* In accordance with the offer of 2003 Underwriters to purchase the Series 2003 Bonds, the Port hereby approves the commitment of the 2003 Bond Insurer to provide a bond insurance policy or policies guaranteeing the payment when due of regularly scheduled principal of and interest on the Series 2003 Bonds (the "2003 Bond Insurance Policy"). The Port further authorizes and directs all proper officers, agents, attorneys and employees of the Port to cooperate with the 2003 Bond Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the Port as shall be necessary or advisable in providing for the Bond Insurance Policy.

(b) *Payments Under the Bond Insurance Policy.*

(1) In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the Series 2003 Bonds, the Trustee has not received sufficient money to pay all principal of and interest on the Series 2003 Bonds due on the second following or following, as the case may be, Business Day the Trustee shall immediately notify the 2003 Bond Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

(2) If the deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify the 2003 Bond Insurer or its designee.

(3) In addition, if the Trustee has notice that any Registered Owner of a Series 2003 Bond has been required to disgorge payments of principal or interest on the Series 2003 Bonds to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Registered Owner of a Series 2003 Bond within the meaning of any applicable bankruptcy laws, then the Trustee shall notify the 2003 Bond Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

(4) The Trustee is hereby irrevocably designated, appointed, directed and authorized to act for Owners of the Series 2003 Bonds as follows:

(i) If and to the extent there is a deficiency in amounts required to pay interest on the Series 2003 Bonds, the Trustee shall (x) execute and deliver to U.S. Bank Trust National Association, in New York, New York, or its successors under the Bond Insurance Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing the 2003 Bond Insurer as agent for such owners in any legal proceeding related to the payment of such interest and an assignment to the 2003 Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the 2003 Bond Insurer, (y) receive as designee of the respective owners (and not as Trustee) in accordance with the tenor of the 2003 Bond Insurance Policy payment from the Insurance Paying Agent with respect to the claims for interest so assigned, and (z) disburse the same to such respective owners; and

(ii) If and to the extent of a deficiency in amounts required to pay principal of the Series 2003 Bonds, the Trustee shall (A) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing the 2003 Bond Insurer as agent for such owner in any legal proceeding relating to the payment of such principal and an assignment to the 2003 Bond Insurer of any of the Series 2003 Bonds surrendered to the Insurance Paying Agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (B) receive as designee of the respective owners (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment therefore from the Insurance Paying Agent, and (C) disburse the same to such owner.

(5) Payments with respect to claims for interest on and principal of Series 2003 Bonds disbursed by the Trustee from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Port with respect to such Series 2003 Bonds, and the 2003 Bond Insurer shall become the owner of such unpaid Series 2003 Bonds and claims for the payment of interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(6) Irrespective of whether any such assignment is executed and delivered, the Port and the Trustee hereby agree for the benefit of the 2003 Bond Insurer that:

(i) They recognize that to the extent the 2003 Bond Insurer makes payments, directly or indirectly (as by paying through the Trustee or the Registrar), on

account of principal of or interest on the Series 2003 Bonds, the 2003 Bond Insurer will be subrogated to the rights of such Registered Owners to receive the amount of such principal and interest from the Port, with interest thereon as provided and solely from the sources stated in this resolution and the Series 2003 Bonds; and

(ii) They will accordingly pay to the 2003 Bond Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Bond Insurance Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this resolution and the Series 2003 Bonds, but only from sources and in the manner provided herein for the payment of principal of and interest on the Series 2003 Bonds to owners, and will otherwise treat the 2003 Bond Insurer as the owner of such rights to the amount of such principal and interest.

(c) *Rights of the 2003 Bond Insurer.*

(A) In connection with the issuance of Additional Bonds, the Port shall deliver to the 2003 Bond Insurer a copy of the disclosure document, if any, circulated with respect to such Additional Bonds.

(B) Copies of any amendments made to the documents executed in connection with the issuance of the Series 2003 Bonds which are consented to by the 2003 Bond Insurer shall be sent to Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc.

(C) The 2003 Bond Insurer shall receive notice of the resignation of the Registrar and/or the Trustee and the appointment of a successor Registrar or Trustee, other than the designated state fiscal agent.

(D) Any notices required to be given by any party under this resolution shall also be given to the 2003 Bond Insurer and sent by registered or certified mail addressed to: MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504, Attention: Insured Portfolio Management-Global Public Finance.

(E) Anything herein to the contrary notwithstanding, but nevertheless subject to the provisions of Section 11 of this resolution, if the Bond Insurance Policy is in effect with respect to the Series 2003 Bonds and provided that the 2003 Bond Insurer is not then in default of its obligations under the terms of the Bond Insurance Policy to pay a claim duly

presented under such Bond Insurance Policy (provided that all rights of the Bond Insurer shall be restored upon the cure of any such default), the 2003 Bond Insurer shall be deemed to be the sole Registered Owner of all Series 2003 Bonds for all purposes (including, without limitation, the granting of all approvals, consents, waivers, authorizations, directions, instructions, requests and the institution of any action required or permitted to be obtained, given or made under this resolution, and the Registered Owners shall have no independent right to grant, give or make or withhold such approvals, consents, waivers, authorizations, directions, instructions or requests or to institute any such action), provided that nothing in this Section 42 shall impair the rights of the Registered Owners of the Series 2003 Bonds to receive all payments due under the Series 2003 Bonds at the times and in the amounts originally specified in this resolution and its rights with respect to Supplemental Resolutions affecting payment dates, payment amounts and redemption provisions. The 2003 Bond Insurer shall have the exclusive right to exercise or direct the exercise of remedies on behalf of the Registered Owners of the Series 2003 Bonds in accordance with the terms of this resolution following a Default.

(F) While the Bond Insurance Policy is in effect, the Trustee will furnish the 2003 Bond Insurer with such information as it may reasonably request regarding the Series 2003 Bonds, as appears from the books and records under its custody and control, or as otherwise known to it. The Trustee will permit the 2003 Bond Insurer to have access to and make copies of all such books and records at any reasonable time.

(G) While the Bond Insurance Policy is in effect, the Port agrees to permit the 2003 Bond Insurer to examine, visit and inspect, at any reasonable time, upon reasonable notice, the property constituting the projects financed or refinanced with the net proceeds of the Series 2003 Bond (such right of entry to be limited to the rights of entry permitted under the Lease), and its facilities (but only to the extent that the Port retains access to such facilities), and any accounts, books, records and documents of the Port that are subject to public disclosure as the 2003 Bond Insurer may reasonably request.

(H) The 2003 Bond Insurer shall be notified by the Trustee and the Port (i) immediately upon the occurrence of a default by the Lessee to pay Facilities Rent and of any Default or Lease Default Event and of any event that with notice and/or with the lapse of time could become a Default or Lease Default Event, and (ii) of any redemption of Series 2003 Bonds at the same time that the Registered Owners of the Series 2003 Bonds to be redeemed are

notified, provided that the Trustee shall have such duty to notify the 2003 Bond Insurer of only those Defaults or other events of which the Trustee has actual notice. All notices, reports, statements, schedules and certificates to be delivered to or by the Trustee, or to a holder of a Series 2003 Bond or available from the Trustee at the request of the Registered Owners of the Series 2003 Bonds shall also be provided by the Trustee to the 2003 Bond Insurer. In addition, all opinions required by this resolution to be delivered to or by the Trustee, or to a Registered Owner of the Series 2003 Bonds shall also be addressed to the 2003 Bond Insurer.

(I) This resolution shall constitute a contract for the benefit of the Registered Owners and the 2003 Bond Insurer, and the Registered Owners and the 2003 Bond Insurer shall be entitled to enforce the provisions hereof. Notwithstanding the foregoing, the rights granted to the 2003 Bond Insurer to give consents or approvals or to direct remedies hereunder shall not be in effect during any period in which the Bond Insurer is then in default of its obligation under the terms of the Bond Insurance Policy to pay a claim duly presented, provided that all rights of the Bond Insurer shall be restored upon the cure of any such default. Notwithstanding the foregoing, the obligation to pay Reimbursement Obligations shall not be discharged or altered, and the 2003 Bond Insurer may exercise rights as a Registered Owner to the extent it is the Registered Owner of any Bond.

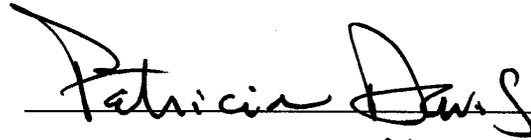
(J) All approvals, consents or waivers of the 2003 Bond Insurer hereunder shall be in writing. Unless otherwise expressly provided for herein, all approvals, consents and waivers of the 2003 Bond Insurer, shall be in the 2003 Bond Insurer's sole discretion.

(K) The Port shall not enter into any swap, hedge agreement or other derivative that requires or that could require any payment from Pledged Lease Revenue without the prior written consent of the 2003 Bond Insurer.

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.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof,
held this 22nd day of April, 2003, and duly authenticated in open session by the signatures of the
Commissioners present and voting in favor thereof.

PORT OF SEATTLE


PATRICIA DAVIS


PAIGE MILLER


CLARE NORDQUIST


LAWRENCE T. MOLLOY


BOB EDWARDS

Commissioners

COPY

EXHIBIT A
REQUISITION CERTIFICATE

TO: Wells Fargo Bank Northwest, National Association, as Trustee

SUBJECT: Resolution No. _____, as amended, of the Port of Seattle regarding
Port of Seattle Special Facility Revenue Bonds (SEATAC Fuel
Facilities LLC), Series 2003 (the "Series 2003 Bonds")

(Capitalized terms used in this Requisition Certificate, to the extent not
otherwise defined, have the meanings given such terms in Resolution
No. _____, as amended (the "Resolution")).

This represents Requisition Certificate No. _____ in the total amount of \$ _____ for
payment of [Costs of the Fuel Hydrant Project/ costs of other repair, replacement, major
maintenance addition, or improvement to or modification or extension of the Fuel System].

Amount of Requisition: _____

Payable to: _____

Account No.: _____

The undersigned does hereby represent, warrant and certify under the Resolution that:

1. The expenditures for which moneys are requested hereby represent proper [Costs
of the Fuel Hydrant Project/ other repair, replacement, major maintenance addition, or
improvement to or modification or extension of the Fuel System] incurred in accordance with
Article V of the Lease, have not been included in a previous Requisition Certificate and are
payable from the Project Fund.

2. The moneys requested hereby are not greater than those necessary to meet
obligations due and payable or to reimburse the Port for payment of costs of issuance or proper
[Costs of the Fuel Hydrant Project/ other repair, replacement, major maintenance addition, or
improvement to or modification or extension of the Fuel System] incurred in accordance with
Article V of the Lease.

3. No more than two percent of the proceeds of the Bonds have been, or will be upon
payment under this Requisition, used to pay costs of issuance of the Bonds, and substantially all
(at least 95%) of the sum of the payment herein requested and all other payments from the
proceeds of the Bonds heretofore made have been used, as required under Section 142 of the
Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations and rulings
issued thereunder, to finance Qualified Costs (as defined in the Arbitrage Certificate) of the
acquisition, construction and equipping of the [Fuel Hydrant Project/Fuel System], and no
substantial part of the sum of the payment herein requested has been or will be used, directly or
indirectly, as working capital or to finance inventory.

Terms capitalized herein have the meanings specified in the Resolution and the Lease.

Executed this ____ day of _____, 20__.

By _____
Authorized Port Representative

EXHIBIT B
COMPLETION CERTIFICATE

I, _____, DO HEREBY CERTIFY that Completion of the [Fuel Hydrant Project/
other repair, replacement, major maintenance addition, or improvement to or modification or
extension of the Fuel System], as defined in Resolution No. _____, has occurred or shall be
deemed to have occurred as of _____.

DATED this _____ day of _____, _____.

Designated Port Representative

COPY

EXHIBIT C
FINAL DISBURSEMENT CERTIFICATE

TO: Wells Fargo Bank Northwest, National Association, as Trustee

FROM: Authorized Port Representative

SUBJECT: Resolution No. RESO#, as amended, of the Port of Seattle regarding Port of Seattle Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003 (the "Bonds")

This represents Requisition Certificate No. _____ in the total amount of \$_____ for payment of [Costs of the Fuel Hydrant Project/ costs of other repair, replacement, major maintenance addition, or improvement to or modification or extension of the Fuel System], after Trustee receipt of the Completion Certificate.

Amount of Requisition: _____

Payable to: _____

Account No.: _____

Amount to be retained in the Project Fund: _____

The undersigned does hereby represent, warrant and certify under the Resolution that:

1. The expenditures for which moneys are requested hereby represent proper [Costs of the Fuel Hydrant Project/costs of other repair, replacement, major maintenance addition, or improvement to or modification or extension of the Fuel System], have not been included in a previous Requisition Certificate and are payable from the Project Fund.

2. The moneys requested hereby are not greater than those necessary to meet obligations due and payable or to reimburse the Port for payment of costs of issuance or proper [Costs of the Fuel Hydrant Project/costs of other repair, replacement, major maintenance addition, or improvement to or modification or extension of the Fuel System].

3. No more than two percent of the proceeds of the Bonds have been, or will be upon payment under this Requisition, used to pay costs of issuance of the Bonds, and substantially all (at least 95%) of the sum of the payment herein requested and all other payments from the proceeds of the Bonds heretofore made have been used, as required under Section 142 of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations and rulings issued thereunder, to finance Qualified Costs (as defined in the Arbitrage Certificate) of the acquisition, construction and equipping for the Fuel System, and no substantial part of the sum of the payment herein requested has been or will be used, directly or indirectly, as working capital or to finance inventory.

Terms capitalized herein have the meanings specified in the Resolution.

Executed this ___ day of _____, 20__.

By _____
Authorized Port Representative

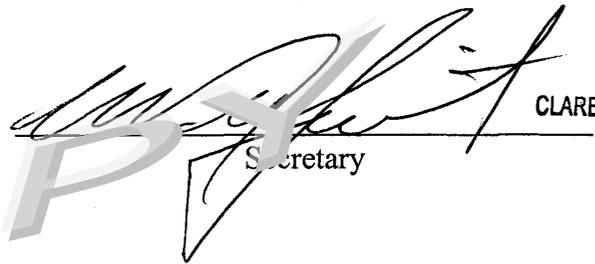
CERTIFICATE

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 3504 (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 22nd day of April, 2003, 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 22nd day of April, 2003.



CLARE NORDQUIST
Secretary

COPY

APRIL 15, 2003

**MINUTES OF THE PUBLIC HEARING/TAX EQUITY AND FISCAL
RESPONSIBILITY ACT (TEFRA) HEARING OF THE PORT COMMISSION OF
THE PORT OF SEATTLE**

1. CALL TO ORDER

Pursuant to Notice of Public Hearing published on April 1, 2003 in The Seattle Times and the Seattle Post Intelligencer, Elizabeth Morrison, Finance Manager, Corporate Finance, opened a TEFRA hearing on April 15, 2003 at 9:00 a.m. in Conference Room 3CC8, Pier 69, Seattle, WA to consider the issuance by the Port of its Special Facility Revenue Bonds (SEA TAC Fuel Facilities LLC), Series 2003 in the estimated principal amount of \$130,000,000. There were no public attendees and therefore no comment from the public.

2. ADJOURNMENT

The public hearing was closed at 9:20 a.m.

COPY

For Res. 3504
packet.

Affidavit of Publication

1979878 / 1

State of Washington,
Counties of King and Snohomish,

Daniel S. O'Neal being duly sworn, says that he/she is the Authorized Agent of Seattle Times Company, publisher of The Seattle Times and representing the Seattle Post-Intelligencer, separate newspapers published daily in King and Snohomish Counties, State of Washington; that they are newspapers of general circulation in said Counties and State; that they have been approved as legal newspapers by orders of the Superior Court of King and Snohomish Counties; that the annexed, being a classified advertisement, was published in:

Newspaper	Publication Date
The Seattle Times	04/01/03
The Seattle Post-Intelligencer	04/01/03

And not in a supplement thereof, and is a true copy of the notice as it was printed and/or distributed in the regular and entire issue of said paper or papers during all of said period, and that said newspaper or newspapers were regularly distributed to its subscribers during all of said period.

Daniel S. O'Neal

Subscribed and sworn to before me this 4th day of April, 2003

Tanya Dee Stevens

Notary Public in and for the State of Washington residing at Seattle



NOTICE OF PUBLIC HEARING

Notice is hereby given that the Commission of the Port of Seattle, (the "Port") will cause to be held an open public hearing on April 15, 2003 starting at approximately 9:00 a.m. in Conference Room 3CC8, Pier 69, 2711 Alaskan Way, Seattle, Washington to consider the issuance by the Port of its Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC), Series 2003 in the estimated principal amount of \$130,000,000 (the "Bonds"). The proceeds of the Bonds are expected to be used to provide funds for acquisition and construction (including all planning, architecture and engineering expenses) of a Fuel Hydrant System and related storage facilities for refueling aircraft (including property functionally related and subordinate to such system facilities) at the Seattle-Tacoma International Airport, 17901 Pacific Highway South, Seatac, WA 98158.

Comments will be heard from all interested parties attending the hearing. Written comments prior to the hearing may be directed to the Port of Seattle, P.O. Box 1209, Seattle, Washington 98111, Attention: Chief Executive Officer.

M.R. Dinsmore
Chief Executive Officer,
Port of Seattle