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**AMENDED AND RESTATED MASTER INDENTURE OF TRUST**

between

**METROPOLITAN WASHINGTON AIRPORTS AUTHORITY**

and

**ALLFIRST BANK,**  
as Trustee

securing

Airport System Revenue Bonds

Dated as of September 1, 2001

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**THIS AMENDED AND RESTATED MASTER INDENTURE OF TRUST**, made and entered into as of \_\_\_\_\_ by and between **METROPOLITAN WASHINGTON AIRPORTS AUTHORITY** (the "**Authority**"), a public body politic and corporate created by the Commonwealth of Virginia and the District of Columbia with the consent of the Congress of the United States of America, and **ALLFIRST BANK**, a banking corporation organized under the laws of the State of Maryland and having its principal place of business in Baltimore, Maryland, as Trustee (the "**Trustee**"),

**WITNESSETH:**

**WHEREAS**, pursuant to Chapter 598, Virginia Acts of Assembly of 1985, as amended, and the District of Columbia Regional Airports Authority Act of 1985 (D.C. Law 6-67; D.C. Code Ann. § 7-1501), as amended, the Authority is authorized to issue its revenue bonds for the purpose of financing the Cost of Authority Facilities, within the meaning of those Acts; and

**WHEREAS**, the Authority heretofore entered into a Master Indenture of Trust dated as of February 1, 1990 (the "**Original Indenture**") with The First National Bank of Maryland (now Allfirst Bank), as Trustee; and

**WHEREAS**, the Authority has issued its airport system revenue bonds (the "**Bonds**") in several series (each a "**Series of Bonds**") under Supplements to the Original Indenture to finance the Cost of certain Authority Facilities located at the Airports, as hereinafter defined; and

**WHEREAS**, (a) this Amended and Restated Master of Indenture of Trust constitutes a "Supplemental Indenture" for purposes of Article IX of the Original Indenture; (b) the Authority desires to amend and restate the Original Indenture according to the terms of this Amended and Restated Master Indenture of Trust; (c) the Trustee and the Bondholders have agreed and consented to such amendments to the extent necessary in accordance with the Original Indenture; and (d) the Trustee agrees to accept and administer the trusts created hereby;

**NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH:** In consideration of the premises, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of each Series of Bonds by the Holders thereof, and for the purpose of fixing and declaring the general terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders thereof, and to secure the payment of each Series of Bonds at any time issued and Outstanding hereunder and the interest and premium, if any, thereon according to their tenor, purport and effect, and to grant certain rights to the applicable Credit Providers, if any, as hereinafter defined, and to secure the performance and observance of all of the covenants, agreements and conditions contained therein and herein or in any Reimbursement Agreement, the Authority and the Trustee have executed this Amended and Restated Master Indenture of Trust to amend and restate the Original Indenture in full, and in furtherance thereof, the Authority does hereby grant and confirm a security interest in, and does confirm, assign, transfer, pledge and grant and convey unto the Trustee and its successors and assigns forever, for the benefit of the Bondholders and each Credit Provider, if any, until the applicable credit

enhancement or liquidity support is no longer outstanding and no amounts are due under the applicable Reimbursement Agreement, the following property:

A. Amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings thereon, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; provided, however, that there expressly is excluded from any pledge, assignment, lien or security interest created by this Indenture any amount on deposit in the Revenue Fund, the Operation and Maintenance Fund, the Federal Lease Fund, the Emergency Repair and Rehabilitation Fund, the General Purpose Fund and the Purchase Fund, if any;

B. Amounts constituting Net Revenues pledged pursuant to Section 601 hereof;

C. Any and all other property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Bonds, by the Authority or by anyone on its behalf or with its written consent in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

**TO HAVE AND TO HOLD** all said properties pledged, assigned and conveyed by the Authority hereunder, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved hereunder.

**IN TRUST NEVERTHELESS**, for the equal and proportionate benefit and security of the Holders from time to time of all Bonds issued, authenticated, delivered and outstanding hereunder, without preference, priority or distinction as to lien or otherwise of any of such Bonds over any other such Bonds except to the extent otherwise provided in Section 103 hereof.

**PROVIDED, HOWEVER**, that if the Authority shall pay fully and promptly when due all liabilities, obligations and sums at any time secured hereby or provide for the payment thereof in accordance with the provisions hereof, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein and in each Reimbursement Agreement, if any, then and in such event, except for the provisions of Article X hereof, as applicable, this Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereafter set forth.

## **ARTICLE I**

### **DEFINITIONS AND RULES OF CONSTRUCTION**

#### **Section 101. Definitions.**

The following terms, for all purposes of this Indenture, shall have the following meanings unless a different meaning clearly applies from the context:

**"Account"** shall mean any account or subaccount created in any Fund created hereunder or under a Supplemental Indenture.

**"Accreted Value"** shall mean (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Indenture as the amount representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of the discounted principal which has accreted since the date of issue; in each case the Accreted Value shall be determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds or Original Issue Discount Bonds.

**"Acts"** shall mean, collectively, Chapter 598, Virginia Acts of Assembly of 1985, as amended, and the District of Columbia Regional Airports Authority Act of 1985 (D.C. Law 6-67), as amended.

**"Airport Consultant"** shall mean a firm or firms of national recognition experienced in the field of planning the development, operation and management of airports and aviation facilities, selected and employed by the Authority from time to time.

**"Airports"** shall mean Ronald Reagan Washington National Airport, located in Arlington County, Virginia, Washington Dulles International Airport, located in Fairfax County and Loudoun County, Virginia and any other airport over which the Authority assumes ownership or operating responsibility and that the Authority designates as a part of the Airports under this Indenture; provided, however, that the requirements set forth in Section 213 hereof for the issuance of additional Bonds shall be satisfied on the date designated by the Authority for inclusion of such designated airport, assuming the issuance of additional Bonds in an amount equal to the aggregate principal of any indebtedness then outstanding issued or incurred or otherwise payable from the revenues of such airport if such indebtedness is intended to be secured on a parity basis with the Bonds by the pledge of Net Revenues hereunder (including revenues of such designated airport).

**"Annual Debt Service"** shall mean the amount of payments required to be made for principal of and interest on all Bonds, including mandatory sinking fund redemptions and Regularly Scheduled Hedge Payments to be made by the Authority, and Authority payments pursuant to Reimbursement Agreements with Credit Providers to reimburse such Credit Providers for debt service payments made, and to pay credit enhancement or liquidity support fees, in each case to the extent secured by this Indenture, scheduled to come due within a specified Fiscal Year, computed as follows:

(a) In determining the amount of principal to be funded in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds (other than Short-Term/Demand Obligations) in accordance with any amortization schedule established by the

governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such year; and in determining the amount of interest to be funded in each year, interest payable at a fixed rate shall (except to the extent any other subsection of this definition applies) be assumed to be made at such fixed rate and on the required funding dates.

(b) Except for any historical period for which the actual rate or rates are determinable and except as otherwise provided herein, Bonds that bear interest at a variable rate shall be deemed to bear interest at a fixed annual rate equal to (i) the average of the daily rates of such indebtedness during the 365 consecutive days (or any lesser period such indebtedness has been Outstanding) next preceding the date of computation; or (ii) with respect to any Bonds bearing interest at a variable rate which are being issued on the date of computation, the initial rate of such indebtedness upon such issuance.

(c) Any Bonds that bear interest at a variable rate and with respect to which there exists a Hedge Facility that obligates the Authority to pay a fixed interest rate or a different variable interest rate shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to bear interest at the effective fixed annual rate or different variable rate thereon as a result of such Hedge Facility. In the case of any Bonds that bear interest at a fixed rate and with respect to which there exists a Hedge Facility that obligates the Authority to pay a floating rate, Annual Debt Service shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to include the interest payable on such Bonds, less the fixed amounts received by the Authority under the Hedge Facility, plus the amount of the floating payments (using the convention described in (b) above) to be made by the Authority under the Hedge Facility.

(d) If all or any portion of an Outstanding Series of Bonds constitute Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations, then, for purposes of determining Annual Debt Service, each maturity that constitutes a Balloon Maturity, unissued Program Bonds or Short-Term/Demand Obligations shall, unless otherwise provided in the Supplemental Indenture pursuant to which such Bonds are authorized or unless provision (e) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Maturity, unissued Program Bonds or Short-Term/Demand Obligations were issued, and extending not later than 30 years from the date such Balloon Maturity, unissued Program Bonds or Short-Term/Demand Obligations were originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index designated by an Authority Representative, taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds only a portion of which constitutes Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable, and with respect to that portion of a Series that constitutes Balloon



Maturities, all funding requirements of principal and interest becoming due in any year other than the stated maturity of the Balloon Indebtedness shall be treated as described in (a) above or such other provision of this definition as shall be applicable.

(e) Any maturity of Bonds that constitutes a Balloon Maturity as described in provision (d) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date, and provision (d) above shall not apply thereto, unless there is delivered to the entity making the calculation of Annual Debt Service a certificate of an Authority Representative stating (i) that the Authority intends to refinance such maturity, (ii) the probable terms of such refinancing and (iii) that the debt capacity of the Authority is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Maturity shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Annual Debt Service; provided that such assumption shall not result in an interest rate lower than that which would be assumed under provision (d) above and shall be amortized over a term of not more than 30 years from the expected date of refinancing.

(f) In any computation relating to the issuance of additional Bonds required by Section 213 and any computation required by Section 604, there shall be excluded from the computation of Annual Debt Service principal of and interest on indebtedness for which funds are, or are reasonably expected to be, available for and which are irrevocably committed to make such payments, including without limitation any such funds in an escrow account or any such funds constituting capitalized interest held in any fund or account created by this Indenture.

**"Authenticating Agent"** shall mean, with respect to each Series of Bonds, the entity or entities designated as such for such Series of Bonds in the applicable Supplemental Indenture.

**"Authority"** shall mean the Metropolitan Washington Airports Authority, a public body politic and corporate created by the Commonwealth of Virginia and the District of Columbia with the consent of the Congress of the United States of America.

**"Authority Facilities"** shall have the same definition as such term has from time to time in the Acts.

**"Authority Representative"** shall mean the Chairman, Vice Chairman, President and Chief Executive Officer or Secretary of the Authority or such other person as may be designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by the Chairman or Vice Chairman.

**"Balloon Maturities"** shall mean, with respect to any Series of Bonds 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date. Commercial

paper, bond anticipation notes or other Short-Term/Demand Obligations shall not be Balloon Maturities.

**"Bond"** or **"Bonds"** shall mean any bonds or any other evidences of indebtedness for borrowed money issued from time to time pursuant to Article II hereof and the terms of the Supplemental Indentures. The term "Bond" or "Bonds" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by this Indenture; provided that Hedge Termination Payments to be made by the Authority shall not be secured by this Indenture on a parity with the Bonds. The terms "Bond" and "Bonds" shall not include Subordinated Bonds or Junior Lien Obligations.

**"Bond Authorizing Resolution"** shall mean a resolution adopted by the Authority authorizing the issuance of one or more Series of Bonds under the Indenture, authorizing the execution and delivery on behalf of the Authority of the related Supplemental Indentures and other related agreements and approving, or duly delegating the authority to approve on behalf of the Authority, the terms and details of such Series of Bonds. The term includes any resolution or other formal action taken on behalf of the Authority by any person, committee or other entity acting pursuant to a delegation from the Authority.

**"Bond Counsel"** shall mean an attorney or firm or firms of attorneys of national recognition, selected or employed by the Authority and acceptable to the Trustee, experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

**"Bond Fund"** shall mean the Metropolitan Washington Airports Authority Bond Fund created pursuant to Section 501(d) hereof.

**"Bond Payment Date"** shall mean, with respect to each Series of Bonds, each date set forth in the applicable Supplemental Indenture with respect to such Series of Bonds on which interest is payable.

**"Bond Purchase Contract"** shall mean the contract of purchase, with respect to a Series of Bonds, between the Authority and the Original Purchaser pertaining to the sale of such Series of Bonds.

**"Bond Year"** shall mean with respect to a Series of Bonds the annual period with respect to such Series of Bonds set forth in the applicable Supplemental Indenture.

**"Business Day"** shall mean, unless specified otherwise in the applicable Supplemental Indenture, any day of the week other than Saturday, Sunday or a day which shall be, in the Commonwealth of Virginia, the State of New York or in the jurisdiction in which the Corporate Trust Office of the Trustee or the principal office of the Registrar is located, a legal holiday or a day on which banking corporations are authorized or obligated by law or executive order to close.

**"Capital Appreciation Bonds"** shall mean Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Indenture and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended, including applicable Treasury Regulations, rulings and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

**"Construction Fund"** shall mean the Metropolitan Washington Airports Authority Construction Fund created pursuant to Section 501(a) hereof.

**"Corporate Trust Office"** shall mean the office of the Trustee at which its principal corporate trust business is conducted, which at the date hereof is located in Baltimore, Maryland.

**"Cost,"** when used with respect to Authority Facilities, shall have the same definition as such term has in the Acts.

**"Cost of Issuance Subaccount"** shall mean, with respect to a Series of Bonds, the subaccount of that name in the Construction Fund created for such Series of Bonds pursuant to Section 501(a) hereof.

**"Credit Facility"** or **"Credit Facilities"** shall mean, with respect to a Series of Bonds, the letter of credit, line of credit, municipal bond insurance, surety policy, or other form of credit enhancement and/or liquidity support, if any, for such Series of Bonds, provided for in the applicable Supplemental Indenture, including any alternate Credit Facility with respect to such Series of Bonds delivered in accordance with provisions of the Supplemental Indenture providing for the issuance of such Series of Bonds. Any reference in a Supplemental Indenture to a "Letter of Credit" shall be deemed to mean "Credit Facility."

**"Credit Facility - Interest Account"** shall mean, with respect to a Series of Bonds, the Account of such name in the Bond Fund created for such Series of Bonds pursuant to Section 501(d)(ii) hereof.

**"Credit Facility - Principal Account"** shall mean, with respect to a Series of Bonds, the Account of such name in the Bond Fund created for such Series of Bonds pursuant to Section 501(d)(iv) hereof.

**"Credit Provider"** shall mean, with respect to a Series of Bonds, the provider of a Credit Facility, including municipal bond insurance, letter of credit, or liquidity support, if any, for such Series of Bonds specified in the applicable Supplemental Indenture.

**"Debt Service Reserve Fund"** shall mean the Metropolitan Washington Airports Authority Debt Service Reserve Fund created pursuant to Section 501(e) hereof.

**"Emergency Repair and Rehabilitation Fund"** shall mean the Metropolitan Washington Airports Authority Emergency Repair and Rehabilitation Fund created pursuant to Section 501(g) hereof.

**"Event of Default"** shall mean any one or more of those events set forth in Section 701 hereof.

**"Federal Lease"** shall mean the Agreement and Deed of Lease, dated March 2, 1987, between the United States of America, acting through the Secretary of Transportation, and the Authority, as the same may be amended or supplemented.

**"Federal Lease Fund"** shall mean the Metropolitan Washington Airports Authority Federal Lease Fund created pursuant to Section 501(h) hereof.

**"Fiscal Year"** shall mean the fiscal year of the Authority ending as of December 31 of each year or such other date as may be designated from time to time in writing by an Authority Representative to the Trustee.

**"Fitch"** shall mean Fitch, Inc. and its successors, if any, and if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall mean any other nationally recognized rating agency designated by an Authority Representative.

**"Fund"** shall mean any fund created hereunder or under a Supplemental Indenture.

**"General Purpose Fund"** shall mean the Metropolitan Washington Airports Authority General Purpose Fund created pursuant to Section 501(i) hereof.

**"Government Certificates"** shall mean (in the case of governmental obligations) evidences of ownership of proportionate interest in future interest or principal payments of Government Obligations, including depository receipts thereof. Investments in such proportionate interest must be limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying Government Obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Government Obligations; and (iii) the underlying Government Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated. "Government Certificates" shall also mean any other type of security or obligation that the Rating Agencies then maintaining ratings on any Bonds to be defeased have determined are permitted defeasance securities and qualify the Bonds to be defeased thereby for a rating in the highest category, or are otherwise acceptable to, each of the Rating Agencies.

**"Government Obligations"** shall mean direct and general obligations of, or obligations the timely payment of principal and interest on which are unconditionally guaranteed by, the United States of America.

**"Hedge Facility"** shall mean any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction, which is intended to convert or limit the interest rate payable with respect to any Bonds, and which (a) is designated in writing to the Trustee by an Authority Representative as a Hedge Facility to relate to all or part of one or more Series of Bonds; (b) is with a Qualified Hedge Provider or an entity that has been a Qualified Hedge Provider within the 60 day period preceding the date on which the calculation of Annual Debt Service or Maximum Annual Debt Service is being made; and (c) has a term not greater than the term of the designated Bonds or a specified date for mandatory tender or redemption of such designated Bonds.

**"Hedge Termination Payment"** shall mean an amount payable by the Authority or a Qualified Hedge Provider, in accordance with a Hedge Facility, to compensate the other party to the Hedge Facility for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Hedge Facility.

**"Holder"** or **"Bondholder"** shall mean the registered owner of any Bond; provided that with respect to any Series of Bonds which is insured by a bond insurance policy, the term "Holder" or "Bondholder" for purposes of all consents, directions, and notices provided for in this Indenture and any applicable Supplemental Indenture, shall mean the issuer of such bond insurance policy as long as such policy issuer has not defaulted under its policy; provided further that unless it is actually the beneficial owner of the Bonds in respect of which consent is requested, the policy issuer shall not have the power to act on behalf of the registered owners of any Bonds to consent to changes that (a) extend the stated maturity of or time for paying the interest on such Bonds, (b) reduce the principal amount of, purchase price for, or redemption premium or rate of interest payable on such Bonds, or (c) result in a privilege or priority of any Bond over any other Bond. A Qualified Hedge Provider shall only be considered a Bondholder to the extent specified in a Supplemental Indenture.

**"Immediate Notice"** shall mean oral or telephonic notice, promptly followed by written notice by telex, telecopier or other electronic means or first class mail to such address as the addressee shall have directed in writing; provided, however, that verbal or telephonic notice shall be effective notwithstanding any failure to receive such written notice.

**"Indenture"** shall mean the Master Indenture of Trust dated as of February 1, 1990, by and between the Authority and the Trustee, as amended and restated by this Amended and Restated Master Indenture of Trust, and when amended or supplemented, such Indenture, as amended or supplemented from time to time.

**"Interest Account"** shall mean the Account of that name in the Bond Fund created pursuant to Section 501(d)(i) hereof.

**"Junior Lien Indenture"** shall mean the indenture or other documents of the Authority providing for the issuance of and securing Junior Lien Obligations.

**"Junior Lien Obligations"** shall mean the Authority's bonds, or other indebtedness or obligations subordinate to the Bonds and the Subordinated Bonds, but such term shall not include the Federal Lease or Special Facility Bonds. The term "Junior Lien Obligations" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by a Junior Lien Indenture.

**"Junior Lien Obligations Fund"** shall mean the Metropolitan Washington Airports Authority Junior Lien Obligations Fund created pursuant to Section 501(f) hereof for the purpose of providing all deposits and payments required by any Junior Lien Indenture, including reserves for debt service on Junior Lien Obligations.

**"Maximum Annual Debt Service"** shall mean the maximum Annual Debt Service with respect to any specified indebtedness for any Fiscal Year during the term of such indebtedness.

**"Moody's"** shall mean Moody's Investors Service, Inc., a corporation existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, **"Moody's"** shall mean any other nationally recognized rating agency designated by an Authority Representative.

**"Net Revenues"** shall mean Revenues, plus transfers, if any, from the General Purpose Fund to the Revenue Fund, after provision is made for the payment of Operation and Maintenance Expenses.

**"Operation and Maintenance Expenses"** shall mean for any period all expenses of the Authority paid or accrued for the operation, maintenance, administration, and ordinary current repairs of the Airports. Operation and Maintenance Expenses shall not include (a) the principal of, premium, if any, or interest payable on any Bonds, Subordinated Bonds and Junior Lien Obligations; (b) any allowance for amortization or depreciation of the Airports; (c) any other expense for which (or to the extent to which) the Authority is or will be paid or reimbursed from or through any source that is not included or includable as Revenues; (d) any extraordinary items arising from the early extinguishment of debt; (e) rentals payable under the Federal Lease; and (f) any expense paid with amounts from the Emergency Repair and Rehabilitation Fund.

**"Operation and Maintenance Fund"** shall mean the Metropolitan Washington Airports Authority Operation and Maintenance Fund created pursuant to Section 501(c) hereof.

**"Opinion of Bond Counsel"** shall mean a written opinion of Bond Counsel.

**"Opinion of Counsel"** shall mean a written opinion of an attorney or firm or firms of attorneys acceptable to the Trustee and the Authority, and who (except as otherwise expressly provided herein) may be either counsel for the Authority or for the Trustee.

**"Original Issue Discount Bonds"** shall mean Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds by the Supplemental Indenture under which such Bonds are issued.

**"Original Purchaser"** shall mean the person or entity designated in each Bond Purchase Contract as the initial purchaser or purchasers of a Series of Bonds or, if so designated in such Bond Purchase Contract, the representatives or lead or managing underwriters of such initial purchasers.

**"Outstanding,"** when used with reference to a Series of Bonds shall mean, as of any date of determination, all Bonds of such Series theretofore authenticated and delivered except: (a) Bonds of such Series theretofore cancelled by the Trustee or delivered to the Trustee for cancellation; (b) Bonds of such Series which are deemed paid and no longer Outstanding as provided in the Indenture; (c) Bonds of such Series in lieu of which other Bonds of such Series have been issued pursuant to the provisions of the Indenture relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Bond is held by a bona fide purchaser; (d) after any tender date as may be provided for in the applicable Supplemental Indenture, any Bond of such Series held by a Bondholder who has given a tender notice or was required to tender such Bond in accordance with the provisions of the applicable Supplemental Indenture and which was not so tendered and for which sufficient funds for the payment of the purchase price of which have been deposited with the Trustee or the Paying Agent, if any, or any tender agent appointed under such Supplemental Indenture; and (e) for purposes of any consent or other action to be taken under the Indenture by the Holders of a specified percentage of principal amount of Bonds of a Series or all Series, Bonds held by or for the account of the Authority.

**"Paying Agent"** shall mean, with respect to each Series of Bonds, the banks or trust companies, if any, and their successors designated in the applicable Supplemental Indenture as the paying agent for such Series of Bonds.

**"Payment of a Series of Bonds"** shall mean payment in full of all principal of, premium, if any, and interest on a Series of Bonds.

**"Permitted Investments"** shall mean and include any of the following, if and to the extent the same are at the time legal for the investment of the Authority's money:

- (a) Government Obligations and Government Certificates.
- (b) obligations issued or guaranteed by any of the following:
  - (i) Federal Home Loan Bank System;
  - (ii) Export-Import Bank of the United States;

- (iii) Federal Financing Bank;
- (iv) Government National Mortgage Association;
- (v) Farmers Home Administration;
- (vi) Federal Home Loan Mortgage Corporation;
- (vii) Federal Housing Administration;
- (viii) Private Export Funding Corp;
- (ix) Federal National Mortgage Association; and
- (x) Federal Farm Credit Bank;

or any indebtedness issued or guaranteed by any instrumentality or agency of the United States.

(c) Pre-refunded municipal obligations rated at the time of purchase in the highest rating category by, or otherwise acceptable to, the Rating Agencies and meeting the following conditions:

(i) such obligations are (a) not to be redeemed prior to maturity or the Trustee has been given irrevocable instructions concerning their calling and redemption and (b) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations or Government Certificates that may be applied only to interest, principal, and premium payments of such obligations;

(iii) the principal of and interest on such Government Obligations or Government Certificates (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations or Government Certificates serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations or Government Certificates are not available to satisfy any other claims, including those against the trustee or escrow agent.

(d) Direct and general long-term obligations of any state of the United States of America or the District of Columbia (a "**State**"), to the payment of which the full faith and credit of such State is pledged and that at the time of purchase are rated in either of the two highest rating categories by, or are otherwise acceptable to, the Rating Agencies.

(e) Direct and general short-term obligations of any State, to the payment of which the full faith and credit of such State is pledged and that at the time of purchase are rated in the highest rating category by, or are otherwise acceptable to, the Rating Agencies.

(f) Interest-bearing demand or time deposits with, or interests in money market portfolios rated AAA-m by Standard & Poor's issued by, state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation



("FDIC"). Such deposits or interests must be (i) continuously and fully insured by FDIC, (ii) if they have a maturity of one year or less, with or issued by banks that at the time of purchase are rated in one of the two highest short term rating categories by, or are otherwise acceptable to, the Rating Agencies, (iii) if they have a maturity longer than one year, with or issued by banks that at the time of purchase are rated in one of the two highest rating categories by, or are otherwise acceptable to, the Rating Agencies, or (iv) fully secured by Government Obligations and Government Certificates. Such Government Obligations and Government Certificates must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations and Government Certificates must be held by a third party (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. Such third party should have a perfected first lien in the Government Obligations and Government Certificates serving as collateral, and such collateral is to be free from all other third party liens.

(g) Eurodollar time deposits issued by a bank with a deposit rating at the time of purchase in one of the top two short-term deposit rating categories by, or otherwise acceptable to, the Rating Agencies.

(h) Long-term or medium-term corporate debt guaranteed by any corporation that is rated in one of the two highest rating categories by, or is otherwise acceptable to, the Rating Agencies.

(i) Repurchase agreements, (i) the maturities of which are 30 days or less or (ii) the maturities of which are longer than 30 days and not longer than one year provided the collateral subject to such agreements are marked to market daily, entered into with financial institutions such as banks or trust companies organized under State law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation, or with a dealer or parent holding company that is rated at the time of purchase investment grade by, or is otherwise acceptable to, the Rating Agencies. The repurchase agreement should be in respect of Government Obligations and Government Certificates or obligations described in paragraph (b) of this definition. The repurchase agreement securities and, to the extent necessary, Government Obligations and Government Certificates or obligations described in paragraph (b), exclusive of accrued interest, shall be maintained in an amount at least equal to the amount invested in the repurchase agreements. In addition, the provisions of the repurchase agreement shall meet the following additional criteria:

(A) the third party (who shall not be the provider of the collateral) has possession of the repurchase agreement securities and the Government Obligations and Government Certificates;

(B) failure to maintain the requisite collateral levels will require the third party having possession of the securities to liquidate the securities immediately; and

(C) the third party having possession of the securities has a perfected, first priority security interest in the securities.

(j) Prime commercial paper of a corporation, finance company or banking institution at the time of purchase rated in the highest short-term rating category by, or otherwise acceptable to, the Rating Agencies.

(k) Public housing bonds issued by public agencies. Such bonds must be: fully secured by a pledge of annual contributions under a contract with the United States of America; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States of America; or state or public agency or municipality obligations at the time of purchase rated in the highest credit rating category by, or otherwise acceptable to, the Rating Agencies.

(l) Shares of a diversified open-end management investment company, as defined in the Investment Company Act of 1940, or shares in a regulated investment company, as defined in Section 851(a) of the Code, that is a money market fund that at the time of purchase has been rated in the highest rating category by, or is otherwise acceptable to, the Rating Agencies.

(m) Money market accounts of any state or federal bank, or bank whose holding parent company is, at the time of purchase rated in one of the top two short-term or long-term rating categories by, or is otherwise acceptable to, the Rating Agencies.

(n) Investment agreements, the issuer of which is at the time of purchase rated in one of the two highest rating categories, by, or is otherwise acceptable to, the Rating Agencies.

(o) Any debt or fixed income security, the issuer of which is at the time of purchase rated in the highest rating category by, or is otherwise acceptable to, the Rating Agencies.

(p) Investment agreements or guaranteed investment contracts that are fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

(q) Any other type of investment consistent with Authority policy in which an Authority Representative directs the Trustee to invest and there is delivered to the Trustee a certificate of an Authority Representative stating that each of the Rating Agencies has been informed of the proposal to invest in such investment and each Rating Agency has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any of the Bonds.

**"Principal Account"** shall mean the Account of that name in the Bond Fund created pursuant to Section 501(d)(ii) hereof.

**"Program"** shall mean a financing program identified in a Supplemental Indenture, including but not limited to a bond anticipation note or commercial paper program, (a) which is authorized and the terms thereof approved by a resolution adopted by the Authority and the items required under Sections 210 and 213 hereof have been filed with the Trustee, (b) wherein the Authority has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in an authorized amount, and (c) the authorized amount of which has met the additional Bonds test set forth in Section 213 and the Outstanding amount of which may vary from time to time, but not exceed the authorized amount.

**"Projects"** shall mean the acquisition, construction or improvement of certain Authority Facilities described in the applicable Supplemental Indenture, to be financed with the proceeds of a Series of Bonds, as the same may be amended as provided in such Supplemental Indenture.

**"Purchase Fund"** shall mean, with respect to a Series of Bonds, the Fund of that name as may be created in the related Supplemental Indenture as provided in Section 516 hereof.

**"Qualified Hedge Provider"** shall mean a financial institution whose senior long-term debt obligations, or whose obligations under any Hedge Facility are (a) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least "A1," in the case of Moody's and "A+," in the case of S&P, or the equivalent thereto in the case of any successor thereto, or (b) fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% (or such lower percentage as shall be acceptable to the Rating Agencies) of the "notional amount" as defined in the Hedge Facility, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

**"Rating Agency"** or **"Rating Agencies"** shall mean, with respect to a Series of Bonds, Fitch, Moody's or Standard & Poor's or any other nationally recognized credit rating agencies specified in the related Supplemental Indenture; provided that any such rating agency shall, at the time in question, be maintaining a rating on such Series of Bonds at the request of the Authority.

**"Redemption Account"** shall mean the Account of that name in the Bond Fund created pursuant to Section 501(d)(v) hereof.

**"Register"** shall mean, with respect to each Series of Bonds, the registration books of the Authority kept to evidence the registration and registration of transfer of such Series of Bonds.

**"Registrar"** shall mean the entity set forth with respect to a Series of Bonds in the applicable Supplemental Indenture, serving as keeper of the Register for such Series of Bonds.

**"Regularly Scheduled Hedge Payments"** shall mean the regularly scheduled payments under the terms of a Hedge Facility which are due absent any termination, default or dispute in connection with such Hedge Facility.

**"Reimbursement Agreement"** shall mean, with respect to a Series of Bonds, any agreement or agreements in each case between a Credit Provider or Credit Providers and the Authority under or pursuant to which a Credit Facility for such Series of Bonds is issued, and any agreement that replaces such original agreement that sets forth the obligations of the Authority to such Credit Provider or Credit Providers and the obligations of such Credit Provider or Credit Providers to the Authority.

**"Released Revenues"** shall mean Revenues of the Authority in respect of which the Trustee has received the following:

(a) a request of an Authority Representative describing such Revenues and requesting that such Revenues be excluded from the pledge and lien of this Indenture on Net Revenues;

(b) either (i) an Airport Consultant's certificate to the effect that, based upon reasonable assumptions, projected Net Revenues after the Revenues covered by the Authority Representative's request are excluded, calculated in accordance with the additional Bonds test in Section 213 hereof for each of the three full Fiscal Years following the Fiscal Year in which such certificate is delivered, will not be less than the larger of (A) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund or (B) an amount not less than 150% of the average Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such Revenues (disregarding any Bonds that have been or will be paid or discharged); or

(ii) an independent certified public accountant's certificate to the effect that Net Revenues in the two most recently completed Fiscal Years, after the Revenues covered by the Authority Representative's request are excluded, were not less than the larger of (A) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund or (B) 135% of (1) average Annual Debt Service on all Bonds Outstanding in each such Fiscal Year (disregarding any Bonds that have been paid or discharged), plus (2) average Annual Debt Service with respect to any additional Bonds issued since the completion of such Fiscal Year or proposed to be issued at the time such certificate is delivered;

(c) an Opinion of Bond Counsel to the effect that (i) the conditions set forth herein to the release of such Revenues have been met and (ii) the exclusion of such Revenues from the

pledge and lien of this Indenture will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax;

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of such Revenues from the pledge and lien of this Indenture will not cause a withdrawal of or reduction in any unenhanced rating then assigned to the Bonds; and

(e) evidence that notice of the proposed Released Revenues was given to all current Credit Providers in respect of any Bonds at least 15 days prior to the proposed effective date of the release of such Revenues.

Upon the Trustee's receipt of such documents, the Revenues described in the Authority Representative's request shall be excluded from the pledge and lien of this Indenture, and the Trustee shall take all reasonable steps requested by the Authority Representative to evidence or confirm the release of such pledge and lien on the Released Revenues.

**"Remarketing Agent"** shall mean, with respect to a Series of Bonds, the placement or remarketing agent or agents, if any, at the time serving as such under the Remarketing Agreement and designated in a Supplemental Indenture as the Remarketing Agent with respect to such Series of Bonds for purposes of the Indenture.

**"Remarketing Agreement"** shall mean the remarketing agreement, if any, with respect to a Series of Bonds, between the Authority and the Remarketing Agent as from time to time amended and supplemented, or if such remarketing agreement shall be terminated, then such other agreement which may from time to time be entered into with any Remarketing Agent with respect to the remarketing or placement of such Series of Bonds.

**"Responsible Officer"** shall mean an officer of the Trustee assigned to the Trustee's corporate trust department, including, without limitation, any Vice-President, any Assistant Vice-President, any Trust Officer, or any other officer performing functions similar to those performed by the persons who at the time shall be such officers and also means any other officer of the Trustee to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

**"Revenue Fund"** shall mean the Metropolitan Washington Airports Authority Revenue Fund created pursuant to Section 501(b) hereof.

**"Revenues"** shall mean all revenues of the Authority received or accrued except (a) interest income on, and any profit realized from, the investment of moneys in any fund or account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or the Bond Fund; (b) interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Facility Bonds; (c) amounts received by the Authority from, or in connection with, Special Facilities, unless such funds are treated as Revenues by the Authority; (d) the proceeds of any passenger facility charge or similar charge levied by, or on behalf of, the Authority, unless such funds are treated as Revenues by the Authority; (e) grants-in-aid, donations, and/or bequests; (f) insurance proceeds which are not

deemed to be revenues in accordance with generally accepted accounting principles; (g) the proceeds of any condemnation awards; (h) the proceeds of any sale of land, buildings or equipment; and (i) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use. Unless otherwise provided in a Supplemental Indenture, there shall also be excluded from the term "Revenues" (a) any Hedge Termination Payments received by the Authority and (b) any Released Revenues in respect of which the Authority has filed with the Trustee the request of Authority Representative, Airport Consultant's or independent certified public accountant's certificate, Opinion of Bond Counsel and the other documents contemplated in the definition of the term "Released Revenues."

**"Series Debt Service Reserve Requirement"** shall mean the amount, if any, required to be on deposit in a Series Account in the Debt Service Reserve Fund specified in the Supplemental Indenture governing the issuance of and securing the related Series of Bonds.

**"Series of Bonds"** or **"Bonds of a Series"** or **"Series"** shall mean a series of Bonds issued pursuant to this Indenture and the terms of a Supplemental Indenture.

**"Short-Term/Demand Obligations"** shall mean each Series of Bonds issued pursuant to this Indenture, the payment of principal of which is either (a) payable on demand by or at the option of the Holder at a time sooner than a date on which such principal is deemed to be payable for purposes of computing Annual Debt Service, or (b) scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced for a specified period or term either (i) through the issuance of additional Short-Term/Demand Obligations pursuant to a commercial paper, auction Bond or other similar Program, or (ii) through the issuance of long-term Bonds pursuant to a bond anticipation note or similar Program.

**"Special Facility"** shall mean any facility, improvement, structure, equipment or assets acquired or constructed on any land or in or on any structure or building at the Airports, the cost of construction and acquisition, of which are paid for (a) by the obligor under a Special Facility Agreement, or (b) from the proceeds of Special Facility Bonds, or (c) both.

**"Special Facility Agreement"** shall mean an agreement entered into by the Authority and one or more other parties, relating to the design, construction, and/or financing of any facility, improvement, structure, equipment, or assets acquired or constructed on any land or in or on any structure or building at the Airports, all or a portion of the payments under which (a) are intended to be excluded from Revenues and (b) may be pledged to the payment of revenue bonds, notes, or other obligations of the Authority other than Bonds, Subordinated Bonds, or Junior Lien Obligations.

**"Special Facility Bonds"** shall mean any revenue bonds, notes, or other obligations of the Authority other than Bonds, Subordinated Bonds or Junior Lien Obligations, issued to finance any facility, improvement, structure, equipment or assets acquired or constructed on any land or in or on any structure or building at the Airports, the payment of principal of, premium, if any, and interest on which are payable from and secured by the proceeds thereof and rentals, payments, and other charges payable by the obligor under a Special Facility Agreement.

**"Standard & Poor's"** shall mean Standard & Poor's Rating Group, a corporation organized and existing under the laws of the State of New York, and its successors and assigns and, if such corporation shall no longer perform the functions of a securities rating agency, Standard & Poor's shall mean any other nationally recognized securities rating agency designated by an Authority Representative.

**"Subordinated Bond Funds"** shall mean the bond funds created pursuant to the Subordinated Indenture with respect to each series of Subordinated Bonds, held by the Subordinated Indenture Trustee, in which amounts are held to pay debt service on such series of Subordinated Bonds.

**"Subordinated Bond"** or **"Subordinated Bonds"** shall mean the Authority's general airport subordinated revenue bonds or other obligations secured by the Subordinated Indenture. The term "Subordinated Bond" or "Subordinated Bonds" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by the Subordinated Indenture.

**"Subordinated Indenture"** shall mean the Master Indenture of Trust dated as of March 1, 1988, between the Authority and the Subordinated Indenture Trustee, as supplemented and amended from time to time.

**"Subordinated Indenture Trustee"** shall mean The National Bank of Washington, or its successor as trustee, under the Subordinated Indenture.

**"Subordinated Reserve Funds"** shall mean the debt service reserve funds created pursuant to the Subordinated Indenture with respect to certain series of Subordinated Bonds, held by the trustee under the Subordinated Indenture.

**"Supplemental Indenture"** shall mean an indenture supplementing or modifying the provisions of this Indenture entered into by the Authority and the Trustee in accordance with Article IX hereof.

**"Trustee"** shall mean Allfirst Bank and any successor to its duties under this Indenture.

## **Section 102. Rules of Construction.**

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

(a) Any reference herein to the Authority, the board thereof or any officer thereof shall include any persons or entities succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) The use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine and feminine gender.

(c) Words importing the singular number shall include the plural number and vice versa.

(d) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(e) All references herein to particular articles or sections are references to articles or sections of this Indenture.

(f) The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Indenture nor shall they affect its meaning, construction or effect.

(g) All references to terms such as herein, hereunder, hereto, etc. refer to this Indenture, as amended or supplemented.

(h) All references herein to payment of Bonds are references to payment of principal of, purchase price of, if applicable, and premium, if any, and interest on Bonds.

(i) All references herein to the time of day shall mean New York, New York time.

### **Section 103. Parity as to Net Revenues; Bonds of a Series Equally and Ratably Secured.**

All Bonds issued hereunder and at any time Outstanding shall be equally and ratably secured with all other outstanding Bonds, with the same right, lien and preference with respect to Net Revenues, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds. All Bonds of a particular Series shall in all respects be equally and ratably secured and shall have the same right, lien and preference hereunder established for the benefit of such Series of Bonds, including, without limitation, rights in any related Series Account in the Construction Fund, the Bond Fund or the Debt Service Reserve Fund. Amounts drawn under a Credit Facility with respect to a particular Series and all other amounts held in accounts or funds established with respect to such Series pursuant to the provisions of Article V hereof and the Supplemental Indenture providing for the terms of such Series shall be applied solely to make payments on such Series of Bonds.



## **ARTICLE II TERMS OF BONDS**

### **Section 201. Issuance.**

The Authority may issue Bonds from time to time in one or more Series as hereinafter provided without limitation as to amount, except as may be limited by the Bond Authorizing Resolution or by Section 213 hereof, for the purpose of providing funds to aid in financing and refinancing the Cost of Authority Facilities. Unless otherwise provided in the Supplemental Indenture providing for the issuance of a Series of Bonds, the Bonds shall be designated "*Metropolitan Washington Airports Authority Airport System Revenue Bonds*" and shall bear an appropriate series designation.

### **Section 202. Terms.**

Each Series of Bonds shall bear the terms provided herein and in the Supplemental Indenture provided for the issuance thereof.

### **Section 203. Medium and Place of Payment.**

(a) The principal of, premium, if any, and interest on the Bonds shall be payable in currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal of, premium, if any, and interest on a Series of Bonds shall be payable in the manner and at the place specified in the Supplemental Indenture providing for the issuance of such Series of Bonds.

(b) In the event of a default by the Authority in the payment of interest due on a Bond on any Bond Payment Date, such defaulted interest will be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Registrar for such Bond to the registered owner thereof not less than 10 days preceding such special record date.

### **Section 204. Mutilated, Destroyed, Lost and Stolen Bonds.**

If (a) any mutilated Bond is surrendered to the Trustee or if the Authority, the Registrar and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Trustee such security or indemnity as may be required by them to hold the Authority, the Registrar and the Trustee harmless, then, in the absence of notice to the Authority, the Registrar or the Trustee that such Bond has been acquired by a *bona fide* purchaser and upon the Holder paying the reasonable expenses of the Authority, the Registrar for such Bonds, the Trustee, and the Authority shall cause to be executed and the applicable Authenticating Agent shall authenticate and deliver, in exchange for such mutilated Bond or in lieu of such destroyed, lost or stolen Bond, a new Bond of the same Series and tenor. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, then the Trustee and any Paying Agent may, in its discretion, pay such Bond when due instead of delivering a new Bond.

### **Section 205. Execution and Authentication of Bonds.**

All Bonds shall be executed for and on behalf of the Authority by its Chairman or Vice Chairman and attested by its Secretary. The signatures of the Chairman or Vice Chairman and the Secretary may be mechanically or photographically reproduced on the Bonds. If any officer of the Authority whose signature appears on any Bond ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Each Bond shall be authenticated manually by an authorized officer of the Authenticating Agent, without which authentication no Bond shall be entitled to the benefits hereof.

### **Section 206. Exchange of Bonds.**

Bonds, upon presentation and surrender thereof to the Registrar together with written instructions satisfactory to the Registrar, duly executed by the registered Holder or his attorney duly authorized in writing, may, be exchanged for an equal aggregate principal amount of fully registered Bonds of the same Series and tenor.

### **Section 207. Negotiability and Transfer of Bonds.**

(a) All Bonds issued under the Indenture shall be negotiable, subject to the provisions for registration and registration of transfer thereof contained herein or in the Bonds.

(b) The Authority shall cause the Register, with respect to each Series of Bonds, to be maintained at the offices of the Registrar therefor and shall provide for the registration and registration of transfer of any Bond of such Series under such reasonable regulations as the Authority or the Registrar may prescribe. The Registrar with respect to each Series of Bonds shall maintain the Register for purposes of exchanging and registering Bonds in accordance with the provisions hereof.

(c) Each Bond of a Series shall be registered or registered for transfer only upon the Register maintained by the Registrar, by the Holder thereof in person or by his attorney duly authorized in writing, upon presentation and surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for registration of transfer of any such Bond, the Authority shall cause to be executed and the Authenticating Agent shall authenticate and deliver, in the name of the transferee, one or more new Bonds of the same Series, interest rate, maturity, principal amount and date as the surrendered Bond, as fully registered Bonds only.

### **Section 208. Persons Deemed Owners.**

Except as provided in the applicable Supplemental Indenture, as to any Bond, the person in whose name such Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal of, premium, if any, and interest on any Bond shall be made, as provided in the applicable Supplemental Indenture, only to or upon the written order of the registered Holder thereof. Such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the amount so paid.

## **Section 209. Provisions with Respect to Transfers and Exchanges.**

(a) All Bonds surrendered in any exchange or registration of transfer of Bonds shall forthwith be cancelled by the Registrar.

(b) In connection with any such exchange or registration of transfer of Bonds the Holder requesting such exchange or registration of transfer shall as a condition precedent to the exercise of the privilege of making such exchange or registration of transfer remit to the Registrar an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer.

(c) Except with respect to Bonds of a Series that are subject to optional tender or are purchased, paid or held by a Credit Provider, neither the Authority nor the Registrar shall be obligated to register the transfer or exchange of any Bond which has been or is being called for redemption in whole or in part.

## **Section 210. Conditions for Delivery of Bonds.**

Upon the execution and delivery of a Supplemental Indenture providing for the issuance of a Series of Bonds, the Authority shall execute and deliver such Series of Bonds to the Trustee, the Trustee shall deliver such Series of Bonds to the Authenticating Agent for authentication and delivery to or for the account of the original Purchaser as directed by the Authority, and the Authenticating Agent shall authenticate such Series of Bonds; provided, however, that prior to delivery by the Trustee of such Series of Bonds there shall be delivered to the Trustee the following:

(a) A certified copy of the applicable Bond Authorizing Resolution.

(b) [Reserved]

(c) Executed or true counterparts of this Indenture, such Supplemental Indenture, such Bond Purchase Contract, such Reimbursement Agreement, if any, and the executed Credit Facility issued pursuant thereto and such Remarketing Agreement, if any.

(d) A request and authorization by the Authority to the Authenticating Agent to authenticate and deliver the Series of Bonds, describing such Bonds, designating the Original Purchaser to whom such Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Trustee for the account of the Authority.

(e) The amounts specified in the Supplemental Indenture for deposit to the credit of the applicable funds and accounts created hereunder.

(f) Any other items required by the Supplemental Indenture pursuant to which such Series of Bonds is being issued.

(g) Such other closing documents as the Authority or the Trustee reasonably may specify.

### **Section 211. Form of Bonds.**

The definitive Bonds of each Series shall be in substantially the form set forth as an exhibit to the Supplemental Indenture providing for the issuance of such Series of Bonds.

### **Section 212. Temporary Bonds.**

(a) Until definitive Bonds are prepared, the Authority may execute and, upon request by the Authority, the Authenticating Agent shall authenticate and deliver temporary Bonds which may be typewritten, printed or otherwise reproduced in lieu of definitive Bonds subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as provided in the applicable Supplemental Indenture, shall be in such denomination or denominations and shall be numbered as prepared and executed by the Authority, shall be substantially of the tenor of the definitive Bonds of such Series, but with such omissions, insertions and variations as the officers of the Authority executing the same may determine, may only be issued in fully registered form, and may be issued in the form of a single Bond.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, the Authority shall cause the definitive Bonds to be prepared, executed and delivered to the Authenticating Agent. The definitive Bonds of such Series shall be prepared in such fashion as is acceptable to the Original Purchaser. Any temporary Bonds issued shall be exchangeable for definitive Bonds of such Series upon surrender to the Registrar at its principal corporate trust office (or such other location as may be designated by it) of any such temporary Bond or Bonds, and, upon such surrender, the Authority shall execute and, upon delivery of a certificate of an Authority Representative, the Authenticating Agent shall authenticate and deliver to the Holder of the temporary Bond or Bonds, in exchange therefor, a like face amount of definitive Bonds of such Series in authorized denominations. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefits as definitive Bonds of such Series authenticated and issued pursuant hereto.

(c) Interest on temporary Bonds, when and as payable, shall be paid to the Holders thereof.

(d) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall forthwith be cancelled by the Registrar.

### **Section 213. Additional Bonds.**

The Authority shall not issue additional Bonds unless either of the following requirements is satisfied:

(a) The Authority has provided to the Trustee the following evidence indicating that, as of the date of issuance of such additional Bonds, the Authority is in compliance with Section 604 hereof: (i) the Authority's most recent audited financial statements, and its unaudited

statements for the period, if any, from the date of such audited statements through the most recently completed Fiscal Year quarter, and (ii) if applicable, evidence of compliance with Section 604(c) including the Airport Consultant's recommendation and documentation of measures taken to revise the schedule of rentals, rates, fees and charges; and either

(A) an Airport Consultant has provided to the Trustee a certificate stating that, based upon reasonable assumptions, projected Net Revenues will be sufficient to satisfy the rate covenant set forth in Section 604(a) (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of the additional Bonds proposed to be issued) for each of the next three full Fiscal Years following issuance of the additional Bonds, or each full Fiscal Year from issuance of the additional Bonds through two full Fiscal Years following completion of the Projects financed by the additional Bonds proposed to be issued, whichever is later; provided that, if Maximum Annual Debt Service with respect to all Bonds to be Outstanding following the issuance of the proposed additional Bonds in any Fiscal Year is greater than 110% of Annual Debt Service for such Bonds in any of the test years, then the last Fiscal Year of the test must use such Maximum Annual Debt Service; provided further, that if capitalized interest on any Bonds and proposed additional Bonds is to be applied in the last Fiscal Year of the period described in this sentence, the Airport Consultant shall extend the test through the first full Fiscal Year for which there is no longer capitalized interest, or

(B) an independent certified public accountant has provided to the Trustee a certificate stating that Net Revenues in the most recently completed Fiscal Year were not less than the larger of (1) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund or (2) 125% of (a) Annual Debt Service on Bonds Outstanding in such Fiscal Year (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of such additional Bonds proposed to be issued), plus (b) Maximum Annual Debt Service with respect to such additional Bonds proposed to be issued.

(b) With respect to additional Bonds proposed to be issued to refund Outstanding Bonds, either the requirement set forth in (a) is satisfied or the Authority has provided to the Trustee evidence that (i) the aggregate Annual Debt Service in each Fiscal Year with respect to all Bonds outstanding after issuance of such refunding Bonds shall be less than the aggregate Annual Debt Service in each such Fiscal Year through the last Fiscal Year in which Bonds are Outstanding prior to the issuance of such refunding Bonds and (ii) the Maximum Annual Debt Service with respect to all Bonds to be Outstanding after issuance of such refunding Bonds shall not exceed the Maximum Annual Debt Service with respect to all Bonds Outstanding immediately prior to such issuance.

### **Section 214. Non-Presentation of Bonds.**

(a) If any Bond is not presented for payment when the principal thereof becomes due (whether at maturity or call for redemption or otherwise), all liability of the Authority to the Holder thereof for the payment of such Bond shall be completely discharged if funds sufficient to pay such Bond and the interest due thereon shall be held by the Trustee for the benefit of such Bondholder, and thereupon it shall be the duty of the Trustee to hold such funds subject to subsection (b) below, without liability for interest thereon, for the benefit of such Bondholder, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature under this Indenture or on, or with respect to, such Bond.

(b) Notwithstanding any provision of this Indenture to the contrary, moneys held by the Trustee for the payment of principal of, premium, if any, or interest on the Bonds of any Series left unclaimed for five years after the date on which such payment is due shall be disposed of by the Trustee in accordance with Virginia Code § 55-210.12 or any successor provision. The Holders of such Bonds shall thereafter be entitled to look only to their remedies under Virginia Code, Title 55, Chapter 11.1 or successor provision, and all liability of the Authority and the Trustee with respect to such moneys shall cease.

## **ARTICLE III REDEMPTION OF BONDS**

### **Section 301. Right to Redeem.**

The Bonds of a Series shall be subject to redemption prior to maturity at such times, to the extent and in the manner provided herein and in the applicable Supplemental Indenture.

### **Section 302. Sinking Fund Redemption.**

Bonds of a Series shall be subject to mandatory sinking fund redemption and shall be redeemed in the amounts and on the dates and in the years set forth in the Supplemental Indenture providing for the issuance of such Bonds.

### **Section 303. Notice of Redemption.**

(a) If less than all Bonds of a Series are to be redeemed, and subject to the provisions of subsection (b) hereof, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, serial numbers and maturity date. Each notice of redemption shall specify: (i) the date fixed for redemption, (ii) the principal amount of Bonds or portions thereof to be redeemed, (iii) the applicable redemption price, (iv) the place or places of payment, (v) that payment of the principal amount and premium, if any, will be made upon presentation and surrender to the Trustee or Paying Agent, as applicable, of the Bonds to be redeemed, unless provided otherwise in the applicable Supplemental Indenture, (vi) that interest accrued to the date fixed for redemption will be paid as specified in such notice, (vii) that on and after said date interest on Bonds which have been redeemed will cease to accrue, and (viii) the designation, including Series, and the CUSIP and serial numbers, if any, of the Bonds to be redeemed and, if less than the face amount of any such Bond is to be redeemed, the principal amount to be

redeemed. Notice of redemption of any Bonds shall be mailed at the times and in the manner set forth in subsection (b) of this Section.

(b) Except as may be provided otherwise in the applicable Supplemental Indenture, any notice of redemption shall be sent by the Trustee not less than 30 nor more than 60 days prior to the date set for redemption by registered or certified mail (i) to the Holder of each such Bond to be redeemed in whole or in part at his address as it appears on the Register, (ii) to all organizations registered with the Securities and Exchange Commission as securities depositories, (iii) to the Municipal Securities Rulemaking Board, and (iv) to at least two information services of national recognition which disseminate redemption information with respect to tax-exempt securities. In preparing such notice, the Trustee shall take into account, to the extent applicable, the prevailing tax-exempt securities industry standards and any regulatory statement of any federal or state administrative body having jurisdiction over the Authority, or the tax-exempt securities industry, including without limitation Release No. 34-23856 of the Securities and Exchange Commission, or any subsequent amending or superseding release. Failure to give any notice specified in (i), or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds with respect to which no such failure has occurred and failure to give any notice specified in (ii), (iii) or (iv), or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds with respect to which the notice specified in (i) is given correctly.

(c) If at the time of notice of any optional redemption of the Bonds there have not been deposited with the Trustee moneys available for payment pursuant to this Indenture and sufficient to redeem all of the Bonds called for redemption, the notice may state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than the redemption date, and if the deposit is not timely made the notice shall be of no effect.

#### **Section 304. Selection of Bonds to be Redeemed.**

Except as provided otherwise in the applicable Supplemental Indenture: (a) if less than all Bonds of a Series are to be redeemed the maturities to be redeemed or the method of their selection shall be determined by the Authority, and (b) if less than all such Bonds of a single maturity are to be redeemed, such Bonds to be redeemed will be selected by lot in such manner as the Trustee shall determine.



## **ARTICLE IV CONSTRUCTION FUND**

### **Section 401. Construction Fund.**

Moneys, instruments and securities in each Series Account in the Construction Fund shall be held in a separate account by the Trustee or a bank or trust company selected by the Authority and meeting the requirements of Section 806 hereof for qualification as a successor trustee, as custodian and bailee (the "*Custodian*") for the Trustee, as secured party for the Holders of the Bonds of such Series pursuant to a custody agreement substantially in the form of **Exhibit A** hereto. Notwithstanding anything contained in this Indenture to the contrary, the Trustee may serve under this Indenture as Trustee and as Custodian. Upon resignation or removal of the Custodian, if the Authority has not designated any successor Custodian, the Trustee shall perform the duties as Custodian until the Authority designates a successor Custodian. The Authority covenants that the funds in such accounts shall be applied, in accordance with the provisions of this Article and the covenants contained in Section 610 hereof, to the payment of the Cost of the Authority Facilities financed by Bonds; provided, however, that costs associated with issuing such Series of Bonds shall be paid with proceeds of such Bonds only out of amounts deposited in the applicable Series Costs of Issuance Subaccount.

After payments of, and reimbursements with respect to, all costs of issuance of a Series of Bonds to be financed with proceeds of such Bonds, any amounts remaining in the applicable Series Cost of Issuance Subaccount shall be transferred to the applicable Series Account in the Construction Fund and used to pay the Cost of the Authority Facilities financed by the applicable Series of Bonds.

After payments of, and reimbursements with respect to, the Projects financed by the related Series of Bonds are completed, as certified by the Authority, and provided no Event of Default has occurred and is continuing in the payment of principal of or interest on any Bonds, surplus money in the related Account in the Construction Fund shall be applied, upon receipt by the Authority of an opinion of Bond Counsel that such use will not affect adversely the exclusion of interest on such Bonds from gross income for federal income tax purposes and, if applicable, (a) the non-tax preference status of such interest for federal alternative minimum income tax purposes, and (b) the qualification of earnings on any Funds or Accounts for treatment pursuant to Section 148(f)(4)(B) of the Code as meeting the requirement of Section 148(f)(2) to rebate amounts to the United States, (i) to eliminate any deficiency in the applicable Series Account, if any, in the Debt Service Reserve Fund, (ii) for any other Cost of Authority Facilities, or (iii) to the Redemption Account for the optional redemption, if applicable, of such Bonds at the earliest date such Bonds are subject to optional redemption without premium or for the purchase of such Bonds or (iv) to the Principal Account.

### **Section 402. Requisition from the Construction Fund.**

Payments from the Construction Fund shall be made in accordance with the provisions of this Section. Before any such payment shall be made, the Controller or the Manager of Reporting and Controls of the Authority shall prepare and file with the Chief Financial Officer or the General Counsel of the Authority, and the Chief Financial Officer or the General Counsel



shall have approved, a signed requisition in the form attached as **Exhibit B** hereto. Upon approval by the Chief Financial Officer or the General Counsel of each requisition and accompanying certificate the Authority shall retain copies of all such requisitions and shall pay the obligation set forth in such requisition out of money in the applicable Series Account in the Construction Fund. At least monthly, until all amounts in a Series Account in the Construction Fund have been expended, the Chief Financial Officer or the General Counsel shall file with the Trustee a certificate with respect to the related Series of Bonds stating such facts and estimates, if any, with respect to the expenditure of such amounts as may be necessary under the related Supplemental Indenture to demonstrate maintenance of the exclusion from gross income of interest on such Series for federal income tax purposes and, if applicable, the non-tax preference status of such interest for federal alternative minimum income tax purposes.

## **ARTICLE V REVENUES AND FUNDS**

### **Section 501. Creation of Funds and Accounts.**

There are hereby established the following Funds and Accounts:

(a) Metropolitan Washington Airports Authority Construction Fund, to be held by a custodian and bailee for the Trustee, which shall contain an Account, and Cost of Issuance Subaccount therein, with respect to each Series of Bonds.

(b) Metropolitan Washington Airports Authority Revenue Fund, to be held by the Authority.

(c) Metropolitan Washington Airports Authority Operation and Maintenance Fund, to be held by the Authority.

(d) Metropolitan Washington Airports Authority Bond Fund, to be held by the Trustee, which shall contain the following Accounts with respect to each Series of Bonds:

(i) Interest Account;

(ii) Credit Facility - Interest Account if provided for pursuant to the terms of the related Supplemental Indenture;

(iii) Principal Account;

(iv) Credit Facility - Principal Account if provided for pursuant to the terms of the related Supplemental Indenture; and

(v) Redemption Account.

(e) Metropolitan Washington Airports Authority Debt Service Reserve Fund, to be held by the Trustee, which shall contain an Account with respect to each Series of Bonds, if provided for pursuant to terms of the related Supplemental Indenture.

(f) Metropolitan Washington Airports Authority Junior Lien Obligation Fund, to be held by the Authority.

(g) Metropolitan Washington Airports Authority Emergency Repair and Rehabilitation Fund, to be held by the Authority.

(h) Metropolitan Washington Airports Authority Federal Lease Fund, to be held by the Authority.

(i) Metropolitan Washington Airports Authority General Purpose Fund, to be held by the Authority.

### **Section 502. Application of Bond Proceeds.**

All proceeds of the sale of each Series of Bonds shall be paid to the Trustee, against receipt therefor, at or prior to the delivery of such Series of Bonds and shall be deposited or delivered by the Trustee as provided by the Supplemental Indenture providing for the issuance of such Bonds.

### **Section 503. Revenue Fund.**

Commencing immediately after the issuance of the first Series of Bonds pursuant to this Indenture, the Authority shall deposit all Revenues upon receipt, and may deposit amounts from any available source, including transfers from the General Purpose Fund, if any, in the Revenue Fund. Amounts in the Revenue Fund shall not be pledged to Bondholders.

### **Section 504. Operation and Maintenance Fund.**

Amounts in the Operation and Maintenance Fund shall be used by the Authority to pay Operating and Maintenance Expenses. Amounts in the Operation and Maintenance Fund shall not be pledged to Bondholders.

### **Section 505. Bond Fund.**

Amounts in the Bond Fund shall be used by the Trustee to pay debt service on Bonds from the applicable Account therein at the times and in the amounts such debt service is due; provided, however, that while there is a Credit Facility in effect with respect to any Series of Bonds, amounts in the related Series Interest, Principal or Redemption Account in the Bond Fund may be used to reimburse the Credit Provider with respect to such Credit Facility for interest, principal or redemption payments, respectively, made to Holders of such Bonds with funds provided by such Credit Provider in accordance with the provisions of the applicable Supplemental Indenture with respect to such Series of Bonds to the extent that such reimbursement obligations of the Authority are secured by this Indenture. Amounts in the Bond Fund shall be pledged to Bondholders.

## **Section 506. Debt Service Reserve Fund.**

(a) Amounts in each Account in the Debt Service Reserve Fund shall be used to pay debt service on the related Series of Bonds on the date such debt service is due when insufficient funds for that purpose are available in the Bond Fund; provided, however, that all amounts in an Account in the Debt Service Reserve Fund shall be used, together with other amounts available for such purpose hereunder, to provide for Payment of the related Series of Bonds when the aggregate of such amounts is sufficient for such purpose. Amounts in each Account of the Debt Service Reserve Fund shall be pledged to Holders of Bonds of the related Series.

(b) In lieu of or in addition to cash or investments, at any time the Authority may cause to be deposited to the credit of a Series Account in the Debt Service Reserve Fund any form of credit facility, in the amount of the related Series Debt Service Reserve Requirement, irrevocably payable to the Trustee as beneficiary for the Holders of the related Series of Bonds, provided that the Trustee has received evidence satisfactory to it that (i) the provider of the credit facility has a credit rating in one of the two highest credit rating categories by two Rating Agencies, (ii) the obligation of the Authority to pay the fees of and to reimburse the provider of the credit facility is subordinate to its obligation to pay debt service on Bonds, (iii) the term of the credit facility is at least 24 months, (iv) except as provided in the next sentence of this subsection, the only condition to a drawing under the credit facility is insufficient amounts in the applicable Funds and Accounts held by the Trustee with respect to the related Series of Bonds when needed to pay debt service on such Series or the expiration of the credit facility, and (v) the provider of the credit facility shall notify the Authority and the Trustee at least 24 months prior to expiration of the credit facility. If (a) the Authority receives such expiration notice and the provider of such credit facility does not extend its expiration date, (b) the Authority receives notice of the termination of the credit facility or (c) the credit rating of the provider of such credit facility is no longer in the two highest credit rating categories by two Rating Agencies, the Authority shall (x) provide a substitute credit facility that meets the requirements set forth in the foregoing sentences, (y) deposit the applicable Series Debt Service Reserve Requirement to the related Account in the Debt Service Reserve Fund (1) in equal monthly installments over the next succeeding 12 months, in the case of receipt of an expiration notice, (2) prior to the termination date in the case of receipt of a termination notice, or (3) immediately in the case of such reduction in credit rating or (z) instruct the Trustee to draw on such credit facility in the amount of the related Series Debt Service Reserve Requirement (1) 12 months prior to expiration of the credit facility in the case of receipt of an expiration notice, (2) prior to the termination date in the case of receipt of a termination notice, or (3) immediately in the case of such reduction in credit rating and deposit such drawing to such Series Account in the Debt Service Reserve Fund.

(c) Amounts, if any, released from a Series Account in the Debt Service Reserve Fund upon deposit to the credit of such Account of a credit facility pursuant to subsection (b) of this Section shall, upon designation by an Authority Representative, accompanied by an Opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income of interest on the applicable Series of Bonds for federal income tax purposes and, if applicable, the non-tax preference status of such interest for federal alternative minimum income tax purposes, be transferred (i) to the Principal Account or the Redemption Account with respect to the related Series of Bonds and used to pay principal of or to redeem such Bonds or (ii) to the Account in

the Construction Fund with respect to such Series, and used for payment of Costs of the related Series Projects.

#### **Section 507. Junior Lien Obligations Fund.**

Amounts in the Junior Lien Obligations Fund shall be used solely to make all deposits and payments required by any Junior Lien Indenture. Amounts in the Junior Lien Obligations Fund shall not be pledged to Bondholders or holders of Subordinated Bonds.

#### **Section 508. Federal Lease Fund.**

Amounts in the Federal Lease Fund shall be used to make all payments required by the Federal Lease. Amounts in the Federal Lease Fund shall not be pledged to Bondholders.

#### **Section 509. Emergency Repair and Rehabilitation Fund.**

Amounts in the Emergency Repair and Rehabilitation Fund may be used to pay the costs of emergency repairs and replacements to the Airports. Amounts in the Emergency Repair and Rehabilitation Fund shall not be pledged to Bondholders.

#### **Section 510. General Purpose Fund.**

Amounts in the General Purpose Fund shall be available for use by the Authority for any lawful purpose, provided that any moneys required to be transferred to the Revenue Fund shall not be applied to any other purpose. Amounts in the General Purpose Fund shall not be pledged to Bondholders.

#### **Section 511. Flow of Funds.**

On the first Business Day of each month, (a) amounts in the Revenue Fund, excluding any transfers from the General Purpose Fund during the current Fiscal Year, and (b) 1/12 of the amount of any transfers from the General Purpose Fund during the current Fiscal Year, shall be withdrawn from the Revenue Fund and deposited or transferred in the following amounts and order of priority:

(i) To the Operation and Maintenance Fund, (a) prior to October 1991, an amount necessary to restore the balance therein to the level initially funded under the First Supplemental Indenture and (b) beginning in October 1991, an amount necessary to increase the balance therein to 25% of operation and Maintenance Expenses set forth in the Authority's current Fiscal Year budget.

(ii) To the applicable Principal Account, the Interest Account and the Redemption Account in the Bond Fund the amounts, if any, set forth in the applicable Supplemental Indentures with respect to each Series of Bonds.

(iii) To the applicable Account in the Debt Service Reserve Fund with respect to each Series of Bonds the amounts, if any, necessary to restore the amount on deposit therein to the

related Series Debt Service Reserve Requirement in accordance with the applicable Supplemental Indenture.

(iv) To the Subordinated Indenture Trustee the amount equal to the deposit to the Subordinated Bond Funds required by the Subordinated Indenture.

(v) To the Subordinated Indenture Trustee the amount required by the Subordinated Indenture to replenish any Subordinated Reserve Funds.

(vi) To the Junior Lien Obligations Fund the amount, if any, equal to the required deposits pursuant to the Junior Lien Indentures.

(vii) To the Federal Lease Fund, 1/12 of the amount required to be paid annually to the federal government under the Federal Lease plus the amount, if any, necessary to make up any prior deficiencies in such transfers.

(viii) To the Emergency Repair and Rehabilitation Fund 1/12 of the aggregate amount, if any, withdrawn from such Fund in the preceding Fiscal Year.

(ix) To the General Purpose Fund all remaining moneys required to be withdrawn from the Revenue Fund on the first Business Day of such month.

#### **Section 512. Investment of Moneys.**

(a) Moneys in all Funds and Accounts shall be invested as soon as practicable upon receipt in Permitted Investments as directed in writing by an Authority Representative, or as selected by the Trustee in the absence of direction by the Authority; provided that (i) the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof, and (ii) subject to subsection (h) of this Section, in the absence of direction from an Authority Representative, the Trustee shall select Permitted Investments in accordance with prudent investment standards.

(b) For purposes of subsection (a) of this Section, moneys in the following Funds or Accounts shall be invested in Permitted Investments maturing or redeemable at the option of the holder, including the Trustee, of such Permitted Investments not later than the respective following dates: (i) Principal Account, the last Business Day of the then current Bond Year with respect to each applicable Series of Bonds set forth in the applicable Supplemental Indenture; (ii) Interest Account, the Business Day preceding the next Bond Payment Date with respect to the applicable Series; and (iii) Redemption Account, the Business Day preceding the next date on which Bonds of the applicable Series are to be redeemed.

(c) Investment of amounts in any Fund or Account shall be made in the name of such Fund or Account.

(d) Amounts credited to a Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Permitted Investment; provided, however, that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each Fund or Account for which the joint investment is made, (ii) separate records are maintained for each Fund and Account and such investments are accurately reflected therein and (iii) amounts credited to the Construction Fund may not be invested together with amounts credited to any Funds or Accounts held by the Authority.

(e) The Trustee may make any investment permitted by this Section through or with its own commercial banking or investment departments, unless otherwise directed by the Authority.

(f) Except as otherwise specifically provided herein, in computing the amount in any Fund or Account, Permitted Investments purchased as an investment of moneys therein shall be valued at the current market value thereof or at the redemption price thereof, if then redeemable at the option of the holder, in either event inclusive of accrued interest.

(g) The holder of an investment shall sell at the market price, or present for redemption, any Permitted Investment whenever it shall be necessary to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

(h) Neither the Trustee nor the Authority shall knowingly use or direct or permit the use of any moneys of the Authority in its possession or control in any manner which would cause any Bond to be an "*arbitrage bond*" within the meaning ascribed to such term in Section 148 of the Code, or any successor section of the Code.

(i) Any transfer to or deposit in any Fund or Account required by this Indenture may be satisfied by transferring or depositing an investment with a market value equal to the required transfer or deposit in lieu of transferring or depositing cash.

(j) Notwithstanding any provision of this Indenture, the Authority and the Trustee shall observe their covenants and agreements contained herein, to the extent that and for so long as such covenants and agreements are required by law.

### **Section 513. Liability of Trustee for Investments.**

The Trustee shall not be liable for making any investment authorized by the provisions of this Article in the manner provided in this Article or for any loss resulting from any such investment so made, except for its own negligence, willful misconduct or self-dealing constituting a breach of trust under applicable law.

### **Section 514. Investment Income or Losses.**

(a) Unless otherwise specified in the applicable Supplemental Indenture, all investment income or losses on all Funds and Accounts shall be credited to the Fund or Account on which such amount was earned or lost; provided, however, that (i) prior to completion of the related Projects, to the extent not needed to maintain the balance therein equal to the Series Debt

Service Reserve Requirement, earnings on a pro-rata portion of the amount in the applicable Account in the Debt Service Reserve Fund, if any, shall be transferred immediately after each Bond Payment Date with respect to the related Series of Bonds to the related Series Account in the Construction Fund, such portion being in relation to the portion of the Projects financed with such Series of Bonds which are not yet completed, and the remainder of such earnings therein shall be transferred to the Revenue Fund, and after all such Projects are completed, all such earnings not needed to satisfy the Series Debt Service Reserve Requirement shall be transferred to the Revenue Fund, and (ii) earnings on amounts in Accounts in the Bond Fund with respect to a Series of Bonds shall be transferred to the Interest Account with respect to such Series. The Authority shall keep records of all such investment income or losses and the applicable Fund or Account which is the source of the income or losses for purposes of determining any rebate amount with respect to each Series.

(b) Investments in the Debt Service Reserve Fund shall be valued, at current market value as of the first Business Day of each Fiscal Year. Immediately after each such valuation, any excess in each Account in the Debt Service Reserve Fund shall be transferred to the Series Account in the Construction Fund prior to completion of the related Projects and thereafter to the Revenue Fund.

#### **Section 515. Funding of Other Funds.**

Except as otherwise provided herein, the Operations and Maintenance Fund, the Emergency Repair and Rehabilitation Fund, the Bond Fund, including the Accounts therein, and the applicable Series Account in the Debt Service Reserve Fund, if any, shall be funded as provided by Supplemental Indentures.

#### **Section 516. Purchase Fund.**

The Trustee shall establish a separate Purchase Fund for any Series of Bonds that, pursuant to the Supplemental Indenture providing for issuance of such Bonds, is or may be subject to redemption for purchase at the option of the Holders or mandatory tender for purchase. The Purchase Fund for a Series and the amounts deposited therein shall not be subject to the lien and pledge created by this Indenture but shall be held by the Trustee or Paying Agent, as applicable, for the benefit of tendering Holders of Bonds of such Series. Amounts in each Series Purchase Fund shall be held and disbursed as provided in the applicable Supplemental Indenture.



### **Section 517. Transfer of Excess Funds to the Authority.**

Any amounts remaining in any Account of the Bond Fund or the Debt Service Reserve Fund for a Series of Bonds, after payment of the applicable Series of Bonds and reimbursement of the Credit Provider for any drawings on or payments under any applicable Credit Facility which were used to pay principal, premium, if any, or interest on such Bonds, the fees and expenses of the Trustee, the Paying Agent, and all other amounts required to be paid hereunder, shall be paid to the Authority.

## **ARTICLE VI GENERAL COVENANTS OF THE AUTHORITY**

### **Section 601. Payment of Principal and Interest; Pledge of Net Revenues; Negative Pledge; Unrelated Bonds; Completion of Requisitions; Annual No Default Certificate.**

(a) The Authority covenants and agrees that it promptly will pay or cause to be paid the principal of, premium, if any, interest on, and other payments due with respect to each Bond issued hereunder at the place, on the dates and in the manner provided herein and in the applicable Supplemental Indenture and in said Bond according to the terms thereof but solely from the sources pledged to such payment or from such other sources or revenues as may be used for such payment.

(b) Without limiting the generality of the granting clauses set forth above, as security for the payment of the principal of, interest and any premium on, and other payments due with respect to the Bonds, the Authority hereby grants to the Trustee a pledge of and lien on Net Revenues. Such pledge shall be valid and binding from and after the date hereof and all Net Revenues shall immediately be subject to the lien of such pledge as and when received by the Authority, without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority.

(c) The Authority covenants and agrees that it will not create any pledge, lien or encumbrance upon, or permit any pledge, lien or encumbrance to be created on, Revenues or Net Revenues except for a pledge, lien or encumbrance subordinate to the pledge and lien granted hereby for the benefit of the Bonds and the pledge and lien granted by the Subordinated Indenture for the benefit of the Subordinated Bonds.

(d) Neither the Commonwealth of Virginia nor any political subdivision thereof nor the District of Columbia shall be obligated to pay the principal of or interest on the Bonds and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof nor the District of Columbia is pledged to the payment of the principal of or interest on the Bonds. The Authority has no taxing power.

(e) Except as otherwise expressly set forth herein, in addition to Bonds issued in accordance with Section 213 hereof, the Authority may issue, at any time and from time to time, in one or more series (i) Special Facility Bonds, (ii) other bonds, notes or obligations payable from and secured by revenues other than Revenues and Net Revenues and (iii) bonds, notes or



other obligations payable from Net Revenues, including revenue anticipation notes, on a basis subordinate to the Bonds and the Subordinated Bonds.

(f) The Authority covenants and agrees that it will complete requisitions pursuant to the applicable requirements of Section 402 hereof before instructing the custodian holding the Construction Fund to disburse amounts therefrom and will file the monthly certificates with the Trustee required by Section 402.

(g) The Authority shall deliver to the Trustee within 90 days after the close of each Fiscal Year, a certificate signed by an Authority Representative stating that during such Fiscal Year, and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Authority has taken, is taking or proposes to take with respect thereto.

### **Section 602. Performance of Covenants.**

The Authority covenants that it faithfully will perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Bond executed, authenticated and delivered hereunder and in all proceedings of the Authority pertaining thereto.

### **Section 603. Instruments of Further Assurance.**

The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Trustee reasonably may require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee the Authority's interest in and to the Net Revenues and all other property that is conveyed, pledged or assigned to secure or provide for the payment of the principal, premium, if any, and interest on the Bonds in the manner and to the extent contemplated herein or therein.

### **Section 604. Rate Covenant.**

(a) The Authority covenants and agrees that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airports, including services rendered by the Authority, pursuant to airport use agreements or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either:

(i) The amounts needed for making the required deposits in the Fiscal Year to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund; or

(ii) An amount not less than 125% of the Annual Debt Service with respect to Bonds for such Fiscal Year.

(b) In any computation required by this Section, there shall be excluded from Net Revenues any capital gain resulting from any sale or revaluation of Permitted Investments. Nothing contained in this Section obligates the Authority to take any action in violation of any applicable requirements imposed by law.

(c) The Authority covenants that if, upon the receipt of the audit report for a Fiscal Year, the Net Revenues in such Fiscal Year are less than the amount specified in subsection (a) of this Section, the Authority will require the Airport Consultant to make recommendations as to the revision of the Authority's schedule of rentals, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airports as may be necessary to produce Net Revenues in the amount specified in subsection (a) of this Section in the Fiscal Year following the Fiscal Year covered by such audit report.

(d) In the event that Net Revenues for any Fiscal Year are less than the amount specified in subsection (a) of this Section, but the Authority promptly has taken in the next Fiscal Year all available lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airports required by subsection (c) of this Section, there shall be no Event of Default under the provisions of Section 701(d) hereof for failure to observe or perform any covenant or agreement contained in this Section. Nevertheless, if after taking the measures required by Subsection (c) of this Section to revise the schedule of rentals, rates, fees and charges for use of the Airports, Net Revenues in the fiscal year during which such adjustments are required to be made (as evidenced by the audit report for such Fiscal Year) are less than the amount specified in subsection (a) of this Section there shall be an Event of Default pursuant to Section 701(e).

### **Section 605. Management of Airports.**

The Authority will not take, or allow any person to take, any action which would cause the Administrator of the Federal Aviation Administration, Department of Transportation, or any successor to the powers and authority of such Administrator, to suspend or revoke the Airports, operating certificates issued under the Federal Aviation Act of 1958, or any successor statute. The Authority will comply with all valid acts, including the Acts, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to the Airports and with the Federal Lease, unless the same shall be contested in good faith, all to the end that the Airports will remain in operation at all times.

### **Section 606. Operation and Maintenance of Airports.**

The Authority covenants that it will operate and maintain the Airports as a revenue producing enterprise in accordance with the Federal Lease and the Acts. The Authority will make such repairs to the Airports as shall be necessary or appropriate in the prudent management

thereof. The Authority covenants that it will operate and maintain the Airports in a manner which will entitle it at all times to charge and collect fees, charges and rentals in accordance with airport use agreements, if any, or as otherwise permitted by law, and shall take all reasonable measures permitted by law to enforce prompt payment to it of such fees, charges and rentals when and as due. The Authority will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon the Airports or upon any part thereof, or upon the revenues from the operation thereof, when the same shall become due, as well as any lawful claim for labor, materials, or supplies which, if unpaid, might by law become a lien or charge upon the Airports or such revenues, or which might impair the security of the Bonds.

#### **Section 607. Maintenance of Powers; Retention of Assets.**

(a) The Authority covenants that it will use its best efforts to keep the Airports open for landings and takeoffs of aircraft using facilities similar to those at the respective Airports and to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or any other obligation secured hereby or the performance or observance of any of the covenants herein contained.

(b) The Authority covenants that it will not dispose of assets necessary to operate the Airports in the manner and at the levels of activity required to enable it to perform its covenants contained herein, including, without limitation, the covenants contained in Section 604 hereof.

#### **Section 608. Insurance.**

The Authority shall at all times (a) carry insurance or cause insurance to be carried with a responsible insurance company or companies authorized and qualified under the laws of any state of the United States of America to assume the risk thereof, covering such properties of the Airports as are customarily insured, and against loss or damage from such causes as are customarily insured against, by enterprises engaged in a similar type of business or (b) have adopted and maintain a risk financing plan for property and casualty losses which shall address such risks in accordance with Article 20 of the Federal Lease.

#### **Section 609. Financial Records and Statements.**

The Authority shall maintain proper books of record and accounts, in which full and correct entries shall be made in accordance with generally accepted accounting principles, of all its business and affairs. The Authority shall have an annual audit made by independent certified public accountants of recognized standing and shall within 120 days after the end of each of its Fiscal Years furnish to the Trustee copies of the balance sheet of the Authority as of the end of such Fiscal Year and complete audited financial statements of the Authority for such Fiscal Year, all in reasonable detail.

### **Section 610. Tax Covenants.**

Except to the extent modified with respect to any Series of Bonds in the applicable Supplemental Indenture, the Authority covenants as follows:

(a) The Authority will make no use of the proceeds of any Series of Bonds, or permit any use of a Project, or take any action or permit any other action to be taken with respect to a Project, that would affect adversely the exclusion from gross income of interest on such Series of Bonds for federal income tax purposes and, if applicable, the non-tax preference status of such interest for federal alternative minimum income tax purposes.

(b) The Authority shall comply with covenants with respect to the use of proceeds of Bonds and the use of the Project as provided in the applicable Supplemental Indenture.

### **Section 611. Annual Budget.**

The Authority shall, for each Fiscal Year, take such actions as may be required of it to prepare and adopt an annual budget in accordance with applicable law including the Acts. If, for any reason, the Authority is prevented or precluded from adopting an annual budget it shall nonetheless take such action as may be required to permit it to obligate and expend moneys for debt service on previously authorized obligations and obligations and expenditures for previously authorized capital expenditures and Operation and Maintenance Expenses.

### **Section 612. Covenant Against Competing Facilities.**

The Authority covenants that it will not construct, operate, or enter into any agreement permitting or facilitating the construction or operation of, any facilities or structures that will compete with the operations of the Airports in a manner that would materially and adversely affect its ability to comply with the covenant set forth in Section 604(a) hereof; provided, however, that with respect to any airport designated by the Authority to be a part of the Airports, the ability to comply with the covenant set forth in Section 604(a) shall not be deemed materially and adversely affected for purposes of this Section if the Authority takes all lawful measures necessary to produce Net Revenues sufficient to satisfy the covenant set forth in Section 604(a) with respect to the first full Fiscal Year commencing after the date the Authority first assumes any responsibilities or obligations with respect to operation of such designated airport.

## **ARTICLE VII DEFAULT AND REMEDIES**

### **Section 701. Events of Default.**

Each of the following is hereby declared an "*Event of Default*" hereunder with respect to a Series of Bonds:

(a) if payment by the Authority in respect of any installment of interest on any Bond of such Series shall not be made in full when the same becomes due and payable;

(b) if payment by the Authority in respect of the principal of any Bond of such Series shall not be made in full when the same becomes due and payable, whether at maturity or by proceedings for redemption or otherwise;

(c) if payment of the purchase price of any Bond tendered for optional or mandatory tender for purchase in accordance with the provisions of the Supplemental Indenture providing for the issuance of such Bonds shall not be made in full as and when due;

(d) if the Authority shall fail to observe or perform any covenant or agreement on its part under this Indenture, other than the covenant or agreement set forth in Section 604 (a) hereof, for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the Holders of at least 25% in aggregate principal amount of Bonds of a Series then Outstanding; provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Authority has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy;

(e) if the Authority is required pursuant to Section 604(c) hereof to take measures to revise the schedule of rentals, rates, fees and changes for the use of the Airports and Net Revenues in the Fiscal Year in which such adjustments are made are less than the amount specified in Section 604(a); and

(f) if the Authority shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the federal Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Authority or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

### **Section 702. No Acceleration; No Cross Defaults.**

There shall be no rights of acceleration with respect to the Bonds. An Event of Default with respect to one Series of Bonds shall not cause an Event of Default with respect to any other Series of Bonds unless such event or condition on its own constitutes an Event of Default with respect to such other Series of Bonds pursuant to Section 701 hereof.

### **Section 703. Remedies and Enforcement of Remedies.**

(a) Subject to the provisions of Section 713 hereof, upon the occurrence and continuance of any Event of Default with respect to a Series of Bonds, the Trustee may or, upon the written request of the Holders of not less than 25% in an aggregate principal amount of the Bonds of such Series, together with indemnification of the Trustee to its satisfaction therefor shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders

hereunder and under the Acts and such Bonds by such suits, actions or proceedings, as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- (i) Civil action to recover money or damages due and owing;
- (ii) Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of such Bonds; and
- (iii) Enforcement of any other right of such Bondholders conferred by law, including the Acts, or hereby, including, without limitation, by suit, action, injunction, mandamus or other proceedings to enforce and compel the performance by the Authority of actions required by the Acts or the Indenture, including the fixing, changing and collection of fees or other charges.

(b) Subject to the provisions of Section 713, regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 25% in aggregate principal amount of the Bonds of a Series, shall upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts or omissions to act which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions hereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Bonds of each Series not making such request.

(c) Notwithstanding anything else in this Section, the remedies herein provided for with respect to reaching Funds or Accounts hereunder shall be limited to the Funds or Accounts hereunder pledged to the applicable Series of Bonds with respect to which an Event of Default exists.

#### **Section 704. Application of Revenues and Other Moneys After Default.**

During the continuance of an Event of Default with respect to any Series of Bonds, all moneys held and received by the Trustee with respect to such Series of Bonds pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings which result in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be applied according to the accrued debt service deposits or payments with respect to each such Series as follows; provided, however, that any money drawn under a Credit Facility, if any, and amounts held in Accounts in the Bond Fund and the Debt Service Reserve Fund shall be applied solely to pay interest or principal, as applicable, on the related Series of Bonds:

(a) Unless the principal of all such Outstanding Bonds shall have become due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on such Bonds in the order of 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 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 amounts of any such Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions hereof), whether at maturity or by proceedings for redemption or otherwise or upon the tender of any Bond pursuant to the terms of the Supplemental Indenture providing for the issuance of such Bond, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds of such Series due on any date, then to the payment thereof ratably, according to the principal amounts due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all such Outstanding Bonds shall have become due and payable, to the payment of the principal and interest then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine in accordance with the Indenture, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates shall cease to accrue if so paid. The Trustee shall give such notice as it may deem appropriate in accordance with the Indenture of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all installments of interest then due on the Bonds and all unpaid principal amounts of any Bonds that shall have become due have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, and each Credit Provider, if any, has been reimbursed for all amounts drawn under the applicable Credit Facility, if any, and used to pay principal, premium, if any, and interest on the Bonds, the Trustee shall resume making the transfers from the Revenue Fund in the amounts and according to the priority set forth in Section 511 hereof. If all Bonds and the interest thereon have been paid in full, together with all expenses and charges of the Trustee and amounts owing to any Credit Provider for draws under its Credit Facility, and no credit enhancement or liquidity support shall be outstanding, any balance remaining shall be paid to such Credit Provider to the extent any other amounts are then owing to such Credit Provider under the applicable Reimbursement Agreement, then the balance shall be paid by the Trustee, *first* to the extent required to be paid to the Subordinated Indenture Trustee under Section 511 hereof, *next* to the Junior Lien Obligations Fund in the amounts



required under Section 511 hereof, and any remaining balance shall be paid as otherwise required by Section 511 hereof, and if not so required, to the Authority or as a court of competent jurisdiction may direct.

#### **Section 705. Remedies Not Exclusive.**

No remedy by the terms hereof conferred upon or reserved to the Trustee or the Bondholders or any Credit Provider is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute, including the Acts, on or after the date hereof.

#### **Section 706. Remedies Vested in Trustee.**

All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee may be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 704, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

#### **Section 707. Control of Proceedings.**

(a) If an Event of Default with respect to a Series of Bonds shall have occurred and be continuing, the Holders of a majority in aggregate principal amount of Bonds of such Series then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee to direct the method and place of conducting any proceeding to be taken with respect to funds or assets solely securing such Series in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Trustee as provided herein) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders of each Series of Bonds not joining in such direction and provided further that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Bondholders.

(b) If an Event of Default with respect to all Series of Bonds shall have occurred and be continuing, the Holders of a majority in aggregate principal amount of all Bonds then outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee to direct the method and place of conducting any proceeding to be taken with respect to Net Revenues or other assets securing all Bonds in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Trustee as provided herein) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction and provided further that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action hereunder which it may deem proper in accordance with the Indenture and which is not inconsistent with such direction by Bondholders.



## **Section 708. Individual Bondholder Action Restricted.**

(a) No Holder of any Bond of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder unless:

(i) an Event of Default has occurred with respect to such Series (a) under subsection (a), (b) or (c) of Section 701 of which the Trustee is deemed to have notice, or (b) under subsection (d), (e) or (f) of Section 701 as to which a Responsible Officer has actual knowledge or as to which the Trustee has been notified in writing by the Authority;

(ii) the Holders of at least 25% in aggregate principal amount of Bonds of such Series then Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted herein or to institute such action, suit or proceeding in its own name;

(iii) such Bondholders shall have offered the Trustee indemnity as provided in Section 802 hereof;

(iv) the Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity; and

(v) during such 60-day period no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a majority in aggregate principal amount of Bonds of such Series then Outstanding in accordance with Section 707 hereof.

(b) No one or more Holders of Bonds of such Series shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds of such Series then Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond of such Series (i) to receive payment of the principal of or interest on such Bond on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond of such Series may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the moneys, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Bonds of such Series.

### **Section 709. Termination of Proceedings.**

In case any proceeding taken by the Trustee on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or to the Bondholders, then the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

### **Section 710. Waiver of Event of Default.**

(a) No delay or omission of the Trustee, of any Holder of the Bonds or, if provided by Supplemental Indenture, any Credit Provider to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee, the Holders of the Bonds and, if provided by Supplemental Indenture, any Credit Provider, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Trustee, with the consent of any Credit Provider, if provided by Supplemental Indenture (provided, however, that such Credit Provider's consent may be required only in connection with an Event of Default on a Series of Bonds with respect to which such Credit Provider is providing a Credit Facility), may waive any Event of Default with respect to the Bonds, that in its opinion, shall have been remedied at any time, regardless of whether any suit, action or proceeding has been instituted, before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) Notwithstanding anything contained herein to the contrary, the Trustee, upon the written request of the Credit Provider, if any, if provided by Supplemental Indenture, with respect to an Event of Default which applies only to the related Series of Bonds, (ii) Holders of at least a majority of the aggregate principal amount of Bonds of a Series then Outstanding with respect to any Event of Default which applies only to such Series, with the consent of the applicable Credit Provider, if any, if provided by Supplemental Indenture or (iii) Holders of at least a majority of the aggregate principal amount of Bonds then Outstanding with respect to any Event of Default which applies to all Bonds, shall waive any such Event of Default hereunder and its consequences; provided, however, that a default in the payment of the principal amount of, premium, if any, or interest on any such Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds then Outstanding of such Series to which an event of Default applies and any consent of the applicable Credit Provider, if any, if provided by Supplemental Indenture.

(d) In case of any waiver by the Trustee of an Event of Default hereunder, the Authority, the Trustee, the Bondholders and, if provided by Supplemental Indenture, the Credit Provider shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right

consequent thereon. The Trustee shall not be responsible to any one for waiving or refraining from waiving any Event of Default in accordance with this Section.

#### **Section 711. Notice of Default.**

(a) Promptly, but in any event within 30 days after (i) the occurrence of an Event of Default with respect to a Series of Bonds under Section 701 (a), (b) or (c), of which the Trustee hereby is deemed to have notice, or (ii) receipt, in writing or otherwise, by a Responsible Officer of actual knowledge or notice of an Event of Default with respect to a Series of Bonds under Section 701 (d), (e) or (f), the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Holder of Bonds of such Series then Outstanding, provided that, except in the case of a default in the payment of principal amounts, Sinking Fund installments, or the redemption price of or interest on any of the Bonds of such Series, the Trustee may withhold such notice to such Holders if, in its sole judgment in accordance with the Indenture, it determines that the withholding of such notice is in the best interest of the Holders of such Series of Bonds.

(b) The Trustee shall promptly notify the Authority, the Registrar and any Credit Provider, if provided by Supplemental Indenture, of (i) the occurrence of an Event of Default under Section 701(a), (b) or (c), and (ii) when any Responsible Officer has received actual knowledge or notice from the Authority, in writing or otherwise, of an Event of Default under Section 701(d), (e) or (f).

#### **Section 712. Limitations on Remedies.**

It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Bondholders which lawfully may be granted under the provisions of the Acts, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled as above set forth, to every other right and remedy provided in this Indenture and by law.

#### **Section 713. Credit Providers to Control Remedies.**

While a Credit Facility with respect to a Series of Bonds is in effect, notwithstanding anything else herein to the contrary, a Supplemental Indenture may provide that no right, power or remedy hereunder with respect to such Series of Bonds may be pursued without the prior written consent of such Credit Provider and a Supplemental Indenture may provide that the Credit Provider shall have the right to direct the Trustee to pursue any right, power or remedy available hereunder with respect to any assets available hereunder which secure no Bonds other than the Series of Bonds secured by such Credit Facility, including, without limitation, any right, power or remedy with respect to Net Revenues or other assets securing all Bonds.

#### **Section 714. Inconsistent or Lack of Directions in Default.**

Notwithstanding anything else herein to the contrary, if any applicable Credit Providers or Holders of separate Series in Default do not direct remedies or proceedings to be taken pursuant to this Article, the Trustee shall take whatever action, if any, pursuant to Section 706 it

deems to be in the best interest of Bondholders without regard to the existence of any Credit Facility that may exist with respect to any or all Bonds.

#### **Section 715. Funds in Event of Default.**

Upon the occurrence of an Event of Default and at all times thereafter while such default shall continue, the Trustee shall take possession of the Construction Fund.

### **ARTICLE VIII THE TRUSTEE**

#### **Section 801. Acceptance of Trust; General.**

By execution hereof or by authenticating one or more Bonds, the Trustee shall evidence its acceptance of the powers, duties and obligations of the Trustee only as are specifically set forth herein. The Trustee shall have no duty, responsibility or obligation for the issuance of Bonds or for the validity or exactness hereof, or of any other document relating to such issuance. The Trustee shall have no duty, responsibility or obligation for the payment of Bonds except for payment in accordance with the terms and provisions hereof from, and to the extent of, funds which are held in trust by the Trustee for the purpose of such payment.

Prior to an Event of Default and after the curing or waiving of all Events of Default which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. The Trustee shall have no liability for any act or omission to act hereunder, or under any other instrument or document executed pursuant hereto except for the Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Trustee shall be determined solely by the express provisions hereof, and no implied powers, duties or obligations of the Trustee shall be read into this Indenture.

During an Event of Default, the Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

Notwithstanding any other provision hereof, the Trustee shall have no liability for any (a) error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or (b) action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of Bonds then Outstanding, then existing 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 hereunder.

### **Section 802. Trustee Not Required to Take Action Unless Indemnified.**

Except as expressly required herein (including the requirements of the next sentence) the Trustee neither shall be required to institute any suit or action or other proceeding in which it may be a defendant, nor to take any steps to enforce its rights and expose it to liability, nor shall the Trustee be deemed liable for failure to take any such action, unless and until it shall have been indemnified, to its satisfaction, against any and all reasonable costs, expenses, outlays, counsel and other fees, other disbursements including its own reasonable fees and against all liability and damages. The Trustee nevertheless, may begin suit, or appear in and defend suit, or do anything else which in its judgment is proper to be done by it as the Trustee, without prior assurance of indemnity, and in such case the Authority shall reimburse the Trustee for all reasonable costs, expenses, outlays, counsel and other fees, and other reasonable disbursements including its own fees, and for all liability and damages suffered by the Trustee in connection therewith, except for the Trustee's own negligent action, its own negligent failure to act, its own willful misconduct or self-dealing constituting a breach of trust under applicable law. If the Trustee begins, appears in or defends such a suit, the Trustee shall give reasonably prompt notice of such action to the Authority and shall give such notice prior to taking such action if possible. If the Authority shall fail to make reimbursement, the Trustee may reimburse itself for any such costs and expenses in accordance with Section 704 hereof.

### **Section 803. Employment of Experts.**

The Trustee is hereby authorized to employ as its agents such attorneys at law, and other qualified independent consultants (who are not employees of the Trustee), as it may deem necessary to carry out any of its obligations hereunder, and shall be reimbursed by the Authority for all reasonable expenses and charges in so doing. The Trustee shall not be responsible for any misconduct or negligence of any such agent appointed with due care by the Trustee.

### **Section 804. Enforcement of Performance by Others.**

It shall not be the duty of the Trustee, except as herein specifically provided, to seek the enforcement of any duties and obligations herein imposed upon the Authority.

### **Section 805. Right to Deal in Bonds and Take Other Actions.**

The Trustee may in good faith buy, sell or hold and deal in any Bonds with like effect as if it were not such Trustee and may commence or join in any action which a Holder is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof is to be construed to limit or restrict the right of the Trustee to engage in such business with the Authority or any Holder. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required hereby, constitute a breach of trust on the part of the Trustee.

### **Section 806. Removal and Resignation of Trustee.**

The Trustee may resign at any time. Written notice of such resignation shall be given to the Authority and such resignation shall take effect upon the appointment and qualification of a

successor Trustee. In the event a successor Trustee has not been appointed and qualified within 60 days after the date notice of resignation is given, the Trustee or the Authority may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

In addition, the Trustee may be removed at any time by the Authority but only for cause by Supplemental Indenture so long as (a) no Event of Default shall have occurred and be continuing and (b) the Authority determines, in such Supplemental Indenture, that the removal of the Trustee shall not have an adverse effect upon the rights or interests of the Bondholders.

In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the Authority shall be entitled to appoint a successor Trustee. In such event, the successor Trustee shall cause notice to be mailed to the Holders of all Bonds then outstanding in such manner deemed appropriate by the Authority. If the Trustee resigns, the resigning Trustee shall pay for such notice. If the Trustee is removed, is dissolved, or otherwise becomes incapable of acting as Trustee, the Authority shall pay for such notice.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall be a trust company or bank having the powers of (a) a trust company as to trusts, qualified to do and doing trust business within or without the Commonwealth of Virginia and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least \$25,000,000, or (b) a subsidiary trust company under the Trust Subsidiary Act, Title 6.1, Article 3.1, of the Virginia Code, whose parent Virginia bank holding company has undertaken to be responsible for the acts of such subsidiary trust company pursuant to the provisions of Virginia Code Section 6.1-32.7(a) or any successor provision of law, and whose combined capital, surplus and undivided profits, together with that of its parent Virginia bank or bank holding company, as in the case may be, aggregate not less than \$25,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee promptly shall deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Each successor Trustee, not later than 10 days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Holder of a registered Bond.

### **Section 807. Proof of Claim.**

The Trustee shall have the right and power to act in its name or in the name and place of the Authority or Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered by the Trustee as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all the Holders of Bonds Outstanding.

### **Section 808. Trustee's Fees and Expenses.**

The Authority hereby agrees to pay fees to and expenses of the Trustee for its services hereunder as agreed to by the Authority and the Trustee pursuant to the terms of a separate agreement. Any provision hereof to the contrary notwithstanding, if the Authority fails to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any surplus moneys on hand in any Fund or Account held by it, other than any amounts in the Bond Fund.

### **Section 809. Reliance Upon Documents.**

In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon and shall be protected in acting or refraining from acting in reliance upon any document, including but not limited to any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper officials of the Authority, the Holders or agents or attorneys of the Holders; provided, in the case of any such document specifically required to be furnished to the Trustee hereby, the Trustee shall be under a duty to examine the same to determine whether it conforms to the requirements hereof. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document submitted to the Trustee; provided, however, the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may deem prudent. Whenever in the administration hereof, the Trustee shall deem it desirable that a matter be provided or established prior to taking or not taking any action hereunder, the Trustee (unless other evidence be specifically prescribed herein) may rely upon any document provided for in the Indenture.

Except where other evidence is required hereby, any request or direction of the Authority mentioned herein shall be sufficiently evidenced by a certified copy of such request executed by an Authority Representative.

### **Section 810. Recitals and Representations.**

The recitals, statements and representations contained herein or in any Bond shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the



Trustee neither assumes nor shall be under any responsibility for the correctness of the same other than the Trustee's certification of authentication of any Bonds as to which it is Authenticating Agent.

The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. The Trustee shall not be responsible or liable for any loss suffered in connection with the investment of any funds made by it in accordance with the provisions hereof. Except with respect to Events of Default described in Section 701(a) and (b) hereof, the Trustee shall have no duty of inquiry with respect to any default which constitutes or with notice or lapse of time or both would constitute an Event of Default without actual knowledge of a Responsible Officer or receipt by the Trustee of written notice of a default which constitutes or with notice or lapse of time or both would constitute an Event of Default from the Authority or any Holder.

#### **Section 811. Destruction of Bonds.**

Upon payment of or surrender to the Trustee for cancellation of any Bond, the Trustee shall destroy or register the cancellation of such Bond. At least annually the Trustee shall deliver a certificate of such destruction or cancellation to the Authority. Upon surrender of any Bond to a Paying Agent for payment, such Bond shall be cancelled by the Paying Agent and delivered to the Trustee for destruction or register of cancellation.

#### **Section 812. Reports.**

The Trustee monthly shall prepare and submit to the Authority reports covering all moneys received and all payments, expenditures and investments made as the Trustee hereunder since the last previous such report.

#### **Section 813. Paying Agent, Authenticating Agent and Registrar.**

The Authority may appoint a Paying Agent, an Authenticating Agent and a Registrar with respect to a Series of Bonds in the Supplemental Indenture pursuant to which such Series is issued. Each Paying Agent, Authenticating Agent and Registrar shall (i) designate to the Trustee its principal office and (ii) signify its acceptance of the duties and obligations imposed upon it hereunder and under such Supplemental Indenture by written instrument of acceptance delivered to the Authority and the Trustee. The Trustee is, in addition, authorized and directed to enter into an agreement with each Paying Agent as to such Paying Agent's rights and duties (the "*Paying Agent Agreement*").

Each Paying Agent shall exercise its duties in accordance with the terms of and shall have the protection provided to the Trustee in this Indenture.



If any Paying Agent, Authenticating Agent or Registrar shall resign or be removed, the Authority shall designate a successor. If the Authority shall designate a successor, then, upon the Trustee's receipt of the written designation and the written acceptance of such designated successor, such entity shall thereupon, without further action by the Authority, be appointed as successor Paying Agent, Authenticating Agent and Registrar.

In the event that any Paying Agent, Authenticating Agent or Registrar shall resign or be removed, or be dissolved, or if the property or affairs of any Paying Agent, Authenticating Agent or Registrar shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and no successor shall have been appointed, the Trustee shall, *ipso facto* be deemed to be any Paying Agent, Authenticating Agent or Registrar, until the appointment of a successor.

Any corporation into which any Paying Agent, Authenticating Agent or Registrar may be merged or converted or with which it may be consolidated, or any corporation resulting from any such merger, consolidation or conversion, or succeeding to the corporate trust business of Paying Agent, Authenticating Agent or Registrar, shall be the successor of the Paying Agent, the Authenticating Agent and the Registrar if such successor corporation is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Trustee or the entity serving as Paying Agent, the Authenticating Agent and the Registrar or such successor corporation.

#### **Section 814. Merger, Conversion, Consolidation or Succession to Business.**

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

### **ARTICLE IX SUPPLEMENTAL INDENTURES**

#### **Section 901. Supplemental Indentures Not Requiring Consent of Bondholders.**

The Authority and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more Supplemental Indentures for one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission herein;
- (b) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder that shall not materially adversely affect the interests of the Holders;

(c) to grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(d) to secure additional revenues or provide additional security or reserves for payment of the Bonds;

(e) to preserve the excludibility of interest on any Bonds from gross income for purposes of federal income taxes, or to change the tax covenants set forth in Section 510 or 610 hereof, pursuant to an Opinion of Bond Counsel that such action will not affect adversely such excludibility;

(f) to provide for the issuance of, and to set the terms and details of, each Series of Bonds hereunder, including covenants and provisions included therein which do not violate the terms of this Indenture;

(g) to remove the Trustee in accordance with the second paragraph of Section 806 hereof;

(h) to add requirements the compliance with which is required by a Rating Agency in connection with issuing a rating with respect to any Series of Bonds;

(i) to accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate bond anticipation notes, commercial paper, auction Bonds, Hedge Facilities, Short-Term/Demand Obligations and other variable rate or adjustable rate Bonds, Capital Appreciation Bonds, Original Issue Discount Bonds and other discounted or compound interest Bonds or other forms of indebtedness which the Authority from time to time deems appropriate to incur;

(j) to accommodate the use of a Credit Facility for specific Bonds or a specific Series of Bonds; and

(k) to comply with the requirements of the Code as are necessary, in the Opinion of Bond Counsel, to prevent the federal income taxation of the interest on any of the Bonds, including, without limitation, the segregation of Revenues into different funds.

## **Section 902. Supplemental Indentures Requiring Consent of Bondholders.**

(a) Other than Supplemental Indentures referred to in Section 901 hereof and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding may consent to or approve, from time to time, which consent or approval shall be in writing and shall not be withheld unreasonably, anything contained herein to the contrary notwithstanding, the execution by the Authority and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture; provided, that if any Supplemental Indenture modifying, altering, amending, adding to or

rescinding any of the terms and provisions of this Indenture contains provisions which affect the rights and interests of less than all Series of Bonds and Section 901 is not applicable, then such Supplemental Indenture shall require the consent only of the Holders of a majority in Outstanding principal amount of the Series of Bonds so affected; and provided further, that nothing in this Section shall permit or be construed as permitting a Supplemental Indenture which would:

(i) extend the stated maturity of or time for paying the interest on any Bond or reduce the principal amount of or the redemption premium or rate of interest payable on any Bond without the consent of the Holder of such Bond;

(ii) prefer or give a priority to any Bond over any other Bond without the consent of the Holder of each Bond then Outstanding not receiving such preference or priority; or

(iii) reduce the aggregate principal amount of Bonds then Outstanding the consent of the Holders of which is required to authorize such Supplemental Indenture without the consent of the Holders of all Bonds then Outstanding.

(b) If at any time the Authority shall request the Trustee to enter into a Supplemental Indenture pursuant to this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Indenture to be mailed by first class mail, postage prepaid, to all Holders of Bonds of any affected Series then outstanding at their addresses as they appear on the registration books herein provided for. The Trustee, however, shall not be subject to any liability to any Bondholder by reason of its failure to mail, or the failure of such Bondholder to receive, the notice required by this Section, and any such failure shall not affect the validity of any Supplemental Indenture when consented to and approved as provided in this Section. Such notice shall set forth briefly the nature of the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Indenture and shall state that copies thereof are on file at the office of the Trustee for inspection by all Bondholders. It shall not be required that Bondholders approve the final form of such Supplemental Indenture, but it shall be sufficient if such Bondholders approve the substance thereof.

(c) If within such period as shall be prescribed by the Authority, following the first giving of a notice as provided in subsection 902(b) above, the Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate principal amount or number of Bonds specified in subsection 902(a) for the Supplemental Indenture in question which instrument or instruments shall refer to the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Indenture described in such notice and shall specifically consent to and approve the execution of a Supplemental Indenture or Supplemental Indentures effecting such changes, thereupon, the Trustee may execute any such Supplemental Indenture without liability or responsibility to any Holder of any Bond, regardless of whether such Holder shall have consented thereto.

(d) Any such consent shall be irrevocable for a period of one year (or such longer period as shall be set forth in such consent) and shall be binding upon the Holder of the Bond giving such consent and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (regardless of whether such subsequent Holder thereof has notice thereof), unless after such one year (or longer) period, such consent is revoked in writing by the Holder of such Bond giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the execution by the Trustee of such Supplemental Indenture, such revocation. At any time after the Holders of the required principal amount or number of Bonds shall have filed their consents to the execution of such a Supplemental Indenture, the Trustee shall make and file with the Authority a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required principal amount or number of the Bonds Outstanding shall have consented to and approved the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Indenture and the execution of such Supplemental Indenture as herein provided, no Holder of any Bond shall have any right to object to the execution thereof, 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 thereof or to enjoin or restrain the Trustee or the Authority from executing the same or taking any action pursuant to the provisions thereof.

### **Section 903. Execution and Effect of Supplemental Indentures.**

(a) In executing any Supplemental Indenture permitted by this Article, the Trustee shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Supplemental Indenture is authorized or permitted hereby. The Trustee may but shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplemental Indenture in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplemental Indenture shall form a part hereof for all purposes and every Holder of a Bond theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Bond authenticated and delivered after the execution and delivery of any Supplemental Indenture in accordance with this Article may, and if required by the Authority or the Trustee shall, bear a notation in form approved by the Authority and Trustee as to any matter provided for in such Supplemental Indenture. If the Authority shall so determine, new Bonds so modified as to conform in the opinion of the Trustee and the Authority to any such Supplemental Indenture may be prepared and executed by the Authority and authenticated and delivered by the Trustee in exchange for and upon surrender of the Bonds then Outstanding.

**ARTICLE X**  
**SATISFACTION AND DISCHARGE**

**Section 1001. Discharge.**

If payment of all principal of, premium, if any, and interest on a Series of Bonds in accordance with their terms and as provided herein is made, or is provided for in accordance with this Article, and if all other sums payable by the Authority hereunder with respect to such Series of Bonds shall be paid or provided for, then the liens, estates and security interests granted hereby shall cease with respect to such Series; provided, however, that the rebate provisions, if any, of the related Supplemental Indenture shall survive so long as there is any amount due to the federal government pursuant to the provisions of such Supplemental Indenture. Thereupon, upon the request of the Authority, and upon receipt by the Trustee of an Opinion of Counsel stating that all conditions precedent to the satisfaction and discharge as provided above of the lien hereof have been satisfied with respect to such Series of Bonds, the Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien hereof with respect to such Series of Bonds. If the lien hereof has been discharged with respect to all Series of Bonds, the Trustee shall transfer all property held by it hereunder, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the Bonds to the Authority or such other person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection herewith.

The Authority may at any time surrender to the Trustee for cancellation any Bonds previously authenticated and delivered which the Authority at its option may have acquired in any manner whatsoever and such Bond upon such surrender and cancellation shall be deemed to be paid and retired.

**Section 1002. Providing for Payment of Bonds.**

Payment of the Bonds or any Series of Bonds may be provided for by the deposit with the Trustee of moneys, noncallable Governmental Obligations, noncallable Government Certificates or pre-refunded municipal obligations described in paragraph (c) of the definition of Permitted Investments in Section 101 hereof, or any combination thereof. Payment of the Bonds or any Series of Bonds shall be so provided for when the aggregate of amounts in the applicable Account of the Debt Service Reserve Fund together with other amounts available for such purpose hereunder is sufficient to so provide. The moneys and the maturing principal and interest income on such Government Obligations, noncallable Government Certificates or pre-refunded municipal obligations, if any, shall be sufficient and available to pay when due the principal of, whether at maturity or upon fixed redemption dates, and premium, if any, and interest on such Bonds. The moneys, Government Obligations, noncallable Government Certificates and pre-refunded municipal obligations shall be held by the Trustee irrevocably in trust for the Holders of such Bonds solely for the purpose of paying the principal or redemption price of, including premium, if any, and interest on such Bonds as the same shall mature or become payable upon prior redemption, and, if applicable, upon simultaneous direction,

expressed to be irrevocable, to the Trustee as to the dates upon which any such Bonds are to be redeemed prior to their respective maturities.

The Trustee shall receive an accountant's verification report as to the sufficiency of moneys and investments to provide for payment of a Series of Bonds in the case of a defeasance thereof.

If payment of a Series of Bonds is so provided for, the Trustee shall mail a notice so stating to each Holder of such Bond.

Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed Outstanding hereunder. The obligation of the Authority in respect of such Bonds shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the moneys, Government Obligations, Government Certificates and pre-refunded municipal obligations deposited with the Trustee to provide for the payment of such Bonds.

No Bond may be so provided for if, as a result thereof or of any other action in connection with which the provision for payment of such Bond is made, the interest payable on any Bond with respect to which an opinion of Bond Counsel has been rendered that such interest is excluded from gross income for federal income tax purposes is made subject to federal income taxes. The Trustee shall receive and may rely upon an opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Bonds.

### **Section 1003. Payment of Bonds After Discharge.**

Notwithstanding the discharge of the lien hereof as in this Article, the Trustee nevertheless shall retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds, including pursuant to any sinking fund redemptions, and the registration, transfer, exchange and replacement of Bonds as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of, premium, if any, or interest on any Bond remaining unclaimed for five years after such payment has become due and payable, or such other period provided by law, whether at maturity or upon proceedings for redemption, shall be disposed of pursuant to the provisions of Section 214 hereof. After discharge of the lien hereof, but prior to payment of such amounts to Holders or as provided pursuant to Section 214 hereof, the Trustee shall invest such amounts in Government Obligations, Government Certificates or pre-refunded municipal obligations described in paragraph (c) of the definition of Permitted Investments in Section 101 at the direction of and for the benefit of the Authority.

## **ARTICLE XI MISCELLANEOUS**

### **Section 1101. Evidence of Acts of Bondholders.**

Any request, direction, consent or other instrument provided hereby to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and

may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Trustee and the Authority with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) The ownership of all Bonds shall be proved by the Register.

Nothing in this Section shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient.

Any action taken or suffered by the Trustee pursuant to any provision hereof, upon the request or with the assent of any person who at the time is the Holder of any Bond or Bonds shall be conclusive and binding upon all future Holders of the same Bond or Bonds.

#### **Section 1102. Limitation of Rights.**

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Holders of the Bonds and any Paying Agents, Registrars, Authenticating Agents and Credit Providers, if any, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Holders of the Bonds and any Paying Agents, Registrars, Authenticating Agents and Credit Providers, if any, as herein provided.

#### **Section 1103. Notice to Rating Agencies.**

The Trustee hereby agrees that if at any time (a) the Authority shall redeem the entire principal amount of the Bonds Outstanding hereunder prior to maturity, (b) a successor Trustee is appointed hereunder, or (c) the Bondholders shall consent to any amendment to this Indenture or shall waive any provision of this Indenture then, in each case, the Trustee promptly will give notice of the occurrence of such event to each Rating Agency rating the Bonds, which notice in the case of an event referred to in clause (c) hereof shall include a copy of such amendment or waiver.



#### **Section 1104. Severability.**

If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Bonds issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

#### **Section 1105. Holidays.**

When the date on which principal of or interest or premium on any Bond is due and payable is a day which is not a Business Day, payment may be made on Bonds on the next Business Day with effect as though payment were made on the due date, and, if such payment is made, no interest shall accrue from and after such due date. When any other action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next Business Day with effect as though performed on the appointed day or within the specified period.

#### **Section 1106. Governing Law.**

This Indenture and the Bonds are contracts made under the laws of the Commonwealth of Virginia and shall be governed and construed in accordance with such laws.

#### **Section 1107. Notices.**

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to the Authority, addressed to:

Metropolitan Washington Airports Authority  
1 Aviation Circle  
Washington, DC 20001  
(Attention: President and Chief Executive Officer)

(ii) If to the Trustee, sent by registered or certified mail addressed to:

Allfirst Bank  
25 South Charles Street  
Baltimore, Maryland 21201  
(Attention: Jacob Smith)

(iii) If to the registered Holder of a Bond, addressed to such Holder at the address shown on the books of the Registrar kept pursuant hereto.



(b) The Authority and the Trustee may from time to time by notice in writing to all parties to the Indenture designate a different address or addresses for notice hereunder.

**Section 1108. Counterparts.**

This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

**Section 1109. Immunity of Individuals.**

No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future member, officer, employee, agent or consultant of the Authority, whether directly or indirectly and all liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for execution hereof and the issuance of the Bonds.

**Section 1110. Binding Effect.**

This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein.

**IN WITNESS WHEREOF**, the Authority has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers, and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

**[SEAL]**

**METROPOLITAN WASHINGTON AIRPORTS  
AUTHORITY**

Attest:

\_\_\_\_\_  
Gregory Wolfe, Secretary

By: \_\_\_\_\_  
Carolyn Boone Lewis, Chairman

**ALLFIRST BANK, as Trustee**

By: \_\_\_\_\_  
Vice-President

**SECURED CUSTODIAL AGREEMENT**

This Agreement made as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of \_\_\_\_\_ and having its principal office at \_\_\_\_\_, as Custodian (the "**Custodian**"), **METROPOLITAN WASHINGTON AIRPORTS AUTHORITY**, having its principal place of business at 1 Aviation Circle, Washington, DC 20001 (the "**Authority**") and **ALLFIRST BANK**, a banking association organized and existing under the laws of the State of Maryland, having its principal place of business at 25 South Charles Street, Baltimore, Maryland 21201, as Trustee (the "**Trustee**") under an Amended and Restated Master Indenture of Trust, as supplemented by a \_\_\_\_\_ Supplemental Indenture of Trust, dated \_\_\_\_\_, 20\_\_, between it and the Authority (collectively, the "**Indenture**") with respect to the Authority's \$ \_\_\_\_\_ Airport System Revenue Bonds, Series \_\_\_\_ (the "**Series \_\_\_\_ Bonds**").

The parties agree as follows:

**1. Appointment and Acceptance.** The Trustee designates the Custodian, and the Custodian agrees to act, as custodian for the safekeeping of certain bond proceeds, constituting the Series \_\_\_\_ Account in the Construction Fund, as defined in the Indenture, generated from the sale of the Series \_\_\_\_ Bonds, in the form of moneys, instruments, securities, securities accounts, security entitlements and other investment property (the "**Investments**") deposited from time to time in an account or accounts (the "**Custodial Account**"). The Custodian shall hold and maintain possession, or otherwise maintain "control" (as defined in Section 8.8A 106 of the Virginia Uniform Commercial Code), of the Investments for the benefit of the Trustee as bailee and custodian for the Trustee on behalf of the Series \_\_\_\_ Bondholders. This Agreement is intended to effectuate, perfect and maintain the security interest created by the Indenture for the benefit of the Series \_\_\_\_ Bondholders in accordance with, among others, (a) Titles 8.8A and 8.9 of the Virginia Uniform Commercial Code, (b) the United States Treasury Department book entry regulation codified at 31 C.F.R. Part 357, as modified by the amendments promulgated at 61 Fed. Rg 43.626-638 (Aug. 23, 1996) and any and all corresponding book-entry regulations of other government entities and governmental-sponsored enterprises, or (c) other state or federal law, including, if applicable, Section 6.1-81 of the Virginia Code, in the Investments in the Custodial Account so long as such Investments are held in such account, are registered in the name of the custodian, or are delivered for transfer pursuant to Section 8.8A-401 through 407 to the extent covered by that section. No Investment deposited under the terms of this Agreement shall be transferable by negotiation or assignment of the receipt issued therefor. The Custodian shall have authority to deposit any part or all of such Investments, in physical or book-entry form, with any centralized securities depository system with which the Custodian deposits its own customer securities, whether now or hereafter organized.

**2. Ownership of Investments.** The Authority warrants and represents that the Trustee, on behalf of the Series \_\_\_\_ Bondholders, is the rightful owner of all bearer

Investments deposited in the Custodial Account. Ownership of registered investments is unaffected by this representation; provided, however, any Investments to be registered (other than Investments held through a securities intermediary in the name of the Custodian as custodian under this Agreement).

3. **Authorization and Withdrawal.** Except for the purposes of paying requisitions and making or liquidating investments provided in paragraph 4 below, any and all Investments may be withdrawn from custody hereunder at any time only by delivery to the Trustee, upon the instruction of the Trustee, in accordance with the Indenture. The Authority shall furnish the Custodian a certified copy of a resolution authorizing this Agreement and specimen signatures of each officer authorized to sign on behalf of the Authority as designated by the Chairman or Vice Chairman or President and Chief Executive Officer of the Authority in a written certificate delivered to the Custodian.

4. **Scope of Services; Delivery.** It is agreed that the Custodian shall hold and safely keep the Investments, provide for the physical safety of such Investments (other than Investments in the form of security entitlements or securities accounts) and guard them against theft or other disappearance. It is agreed that the Custodian does not assume any obligation to advise or recommend to the Authority or the Trustee the purchase, retention, sale, exchange or deposit in reorganization or otherwise of any Investments and other property at any time unless provided for by a separate written agreement between the parties. Pursuant to their general undertaking, the Custodian will (i) deliver any Investments held under this Agreement, or proceeds therefrom, to a transfer agent designated by the Authority, (ii) execute purchase or sell instructions as designated by the Authority, (iii) collect interest and other income accruing with respect to Investments held in the account and promptly invest the same in Investments designated by the Authority, and (iv) promptly liquidate Investments and pay drafts or orders drawn against the Custodial Account by an Authority Representative, as defined in the Indenture. Such instructions may, at the Custodian's discretion, be written, oral, by telephone, or other means which the Custodian believes to be genuine, but the Custodian shall not be liable for executing, failing to execute or for any mistake in the execution of any such order, except for negligence or willful misconduct in any case. Treasury Bonds, Notes and Bills and government agencies securities shall be purchased using the delivery vs. payment (DVP) procedure. Notwithstanding anything contained in this Agreement, upon receipt of written notice from the Trustee to the Custodian, attention: \_\_\_\_\_ or such other officer of the Custodian designated in writing by the Custodian to the Trustee, the Custodian immediately shall stop honoring Authority drafts or orders against the Custodial Account or Authority investment instructions and shall act only in accordance with instructions given by the Trustee with regard to any Investments held under this Agreement, including instructions to transfer such Investments to the Trustee.

5. **Fees and Expenses.** For the Custodian's service hereunder the Authority agrees to pay the Custodian its reasonable fees, as the same may be determined by the Custodian and agreed to by the Authority from time to time, together with its costs and expenses incurred, including reasonable attorneys' fees. The Authority hereby authorizes the Custodian to charge the Custodial Account as specified herein with the amount of any-and all fees, costs and charges.

6. **Conversion; Dividends; Etc.** The Custodian shall advise the Authority of its knowledge concerning any rights, calls, exchange or conversion privileges and matters of similar nature affecting the Investments, shall collect the income and dividends on the Investments accruing from time to time, and shall credit the Custodial Account as specified herein, and will as and when the same mature, surrender matured Investments for payment, and, when requested in writing by the Authority, forward Investments for exchange or conversion; provided, however, the Custodian shall have no liability for failure to inform the Authority of the maturity or calling for payment of such Investments, nor be responsible for the failure to present such Investments for payment. The Custodian shall not be obligated to credit or pay such proceeds until such time as finally collected funds are received by the Custodian.

7. **Failed Transactions.** The Custodian shall assume that every delivery will be accomplished on a timely basis and will adjust its balances at its centralized securities depository, as well as the Custodial Account at the Custodian, to reflect such a scheduled delivery. If the Custodian shall deliver an Investment against payment and is not timely paid therefor, due to negligence on the Authority's part, the Custodian may charge the Authority an amount equal to a reasonable rate of interest on the sums due for the period of delay of payment. The Custodian shall not be obligated to advance funds to the Authority where delivery fails to occur due to transmission delays of a third party or other circumstances beyond the Custodian's control.

8. **Proxies, Notices, Etc.** The Custodian will endeavor to forward to the Authority any proxies, financial statements, or other literature received by it in connection with or relating to Investments so held by it as required by applicable law, but the Custodian shall be under no obligation to forward such proxies, financial statements or other literature.

9. **Books, Records and Accounts.** The Custodian will (i) furnish the Authority or the Authority's auditors, upon written request of the Authority, a list of the Investments then held in the Custodial Account and (ii) will permit inspection at all reasonable times by the Authority (or by the Authority's auditors, when requested in writing by the Authority) of the Investments held in this Custodian for the Custodial Account and the records of the Custodian relating to the Custodial Account. The same rights shall be afforded the Trustee.

10. **Responsibility.** Notwithstanding any of the provisions of this Agreement, the Custodian shall not be responsible for (i) the proper application of the funds in the Custodial Account to the Cost of Authority Facilities, as defined in the Indenture, (ii) the compliance of Investments with the definition of the Permitted Investments under the Indenture, or (iii) the security interests intended to be created by this Agreement. It shall be responsible solely for holding the Investments for safekeeping, following the investment instructions of the Authority and paying the drafts on the orders of the Authority and the payment instructions of the Trustee according to the terms of this Agreement and shall not be liable except for its negligence or willful misconduct in any case. The Custodian shall be entitled to rely on the opinion of its counsel. The Authority agrees with the Trustee that it will instruct the Custodian (i) to pay drafts or orders against the Custodial Account only for which it has filed a requisition as provided in the Indenture, and (ii) to invest amounts in the Custodial Account only in Permitted Investments, as defined in the Indenture.

11. **Authorization.** The Custodian is authorized to sign in its own name or in the name of the Authority any declarations, affidavits, certificates of ownership or other documents which are now or may hereafter be required with respect to all coupons, interest or other income on Investments now or hereafter held or received for the Custodial Account, and the Authority and the Trustee hereby appoint the Custodian as their respective attorney-in-fact for such purposes and agree to reimburse and the Authority agrees to hold the Custodian harmless of and from any liability, loss, claim, damage or expense (including reasonable attorney's fees) which may arise or to which the Custodian may be subjected by reason of, related to or growing out of the execution of any such documents.

12. **Adverse Claims.** Should any adverse or conflicting claims with respect to Investments in the Custodial Account be made or should the Custodian be served with or have notice of any legal process affecting or which, in the judgment of the Custodian, purports to affect such Investments, the Custodian may refuse to deliver such Investments.

13. **Governing Law; Termination.** This Agreement shall be governed by the laws of the Commonwealth of Virginia and shall be binding upon the Authority and the Custodian and upon their successors and assigns and shall be deemed continuing until terminated by either the Authority, with written consent of the Trustee, or the Custodian upon written notice.

14. **Headings.** The headings in this Agreement are solely for convenience of reference and shall not affect its interpretation.

15. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized representatives (attach resolutions), as of the day and year first written above.

**METROPOLITAN WASHINGTON AIRPORTS  
AUTHORITY**

Taxpayer Identification Number:  
52-1513553

By: \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Type or Print Name and Title

**ALLFIRST BANK, as Trustee**

By: \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Type or Print Name and Title

\_\_\_\_\_, as **Custodian**

By: \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Type or Print Name and Title

**CONSTRUCTION FUND REQUISITION AND CERTIFICATE**

The undersigned Controller or Manager of Reporting and Controls of the Metropolitan Washington Airports Authority (the "**Authority**") hereby certifies, in connection with a requisition for payment from the Account in the Construction Fund with respect to the Authority's Airport System Revenue Bonds, Series of \_\_\_\_\_ (the "**Bonds**"), as follows:

(a) the names of the persons, firms or corporations to whom each such payment is due, including the Authority in the case of reimbursements or the Trustee in the case of payments of capitalized interest, is \_\_\_\_\_.

(b) the respective amounts to be paid or reimbursed to such entities are \_\_\_\_\_.

(c) the purpose by general classification for which each such obligation to be paid or reimbursed was incurred, is \_\_\_\_\_.

(d) that obligations in the stated amounts have been incurred by the Authority and presently are due and payable (except with respect to requisitions for capitalized interest, in which case amounts requisitioned, together with expected earnings from investment thereof in the Interest Account, do not exceed amounts properly capitalizable as interest related to projects prior to their completion), or properly are reimbursable to the Authority, and that each item thereof is a Cost of Authority Facilities financed by the Bonds is a proper charge against the applicable Account in the Construction Fund, has not been paid or reimbursed previously and is in compliance, except to the extent the applicable Supplemental Indenture relating to the Bonds provides otherwise, with the certificate as to expected use of proceeds delivered at closing of the Bonds unless the Authority has received an opinion of Bond Counsel that payment of any item not in such certificate or that amendment of such certificate and compliance with such amendment will not affect adversely the exclusion from gross income of interest on the Bonds for federal income tax purposes and, if applicable, the non-tax preference status of such interest for federal alternative minimum income tax purposes, and

(e) that there has not been filed with or served on the Authority any notice of lien, right of lien, or attachment upon or claim affecting the right of any person, firm or corporation named in such requisition to receive payment of any amounts which has not been released or will not be released simultaneously with the payment of such obligation.

Dated: \_\_\_\_\_, 19

Prepared and certified,

By: \_\_\_\_\_  
Controller or Manager of Reporting & Controls



The undersigned Chief Financial Officer or General Counsel of the Authority, having reviewed the tax covenants made by the Authority in connection with the Bonds, the Authority's certificate as to expected use of proceeds of the Bonds delivered at closing of the Bonds, and Opinions of Bond Counsel, if any, subsequently delivered addressing permissible changes in such use and concluding that such changes will not affect adversely the exclusion from gross income of interest on the Bonds for federal income tax purposes and, if applicable, the non-tax preference status of such interest for federal alternative minimum income tax purposes, has confirmed (a) that payment in accordance with the directions set forth above in this requisition is authorized under the applicable Supplemental Indenture relating to the Bonds and is in compliance with such certificates as to expected use delivered at closing or such subsequent Opinions of Bond Counsel, and (b) that the figures and percentages set forth below as to use of proceeds of the Bonds excluding costs of issuance with respect to the Bonds, to date are accurate.

Dated: \_\_\_\_\_, 19

Confirmed,

By: \_\_\_\_\_  
Chief Financial Officer or General Counsel

	Potential Non-Qualified Cost of Facilities	Potential Qualified Cost of Facilities	Potential Construction Costs	Potential Non- Construction Costs	Total Draws
This Requisition (\$)	_____	_____	_____	_____	_____
Cumulative Requisitions Related to the Bonds (\$)	_____	_____	_____	_____	_____
Cumulative (%)	_____	_____	_____	_____	_____