



March 28, 2024

CALL AND NOTICE OF A REGULAR MEETING
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, April 1, 2024, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

In addition to attending the meeting in person, members of the public may observe the meeting telephonically and may offer comment in real time through the following number:

Dial in: (818) 862-3332

Terri Williams, Board Secretary
Burbank-Glendale-Pasadena Airport Authority

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Regular Meeting of April 1, 2024

9.00 A.M.

The public comment period is the opportunity for members of the public to address the Commission on agenda items and on airport-related non-agenda matters that are within the Commission's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.



Members in-person attendance or participation at meeting of the Commission is allowed, members of the public are requested to observe the following rules of decorum:

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Commission during the public comment period, fill out a speaker request card and present it to the Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Commission's subject matter jurisdiction.*
- *Limit comments to three minutes or to such other period of time as may be specified by the presiding officer.*



The following activities are prohibited:

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*



Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 N. Hollywood Way, Burbank) in the administrative office during normal business hours.



In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

AGENDA

Monday, April 1, 2024

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT (Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)
5. CONSENT CALENDAR (Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)
 - a. Committee Minutes
(For Note and File)
 - 1) Operations and Development Committee
 - (i) January 16, 2024 **[See page 1]**
 - 2) Legal, Government and Environmental Affairs Committee
 - (i) February 20, 2024 **[See page 3]**
 - 3) Finance and Administration Committee
 - (i) February 20, 2024 **[See page 5]**
 - (ii) February 29, 2024 **[See page 8]**
 - b. Commission Minutes
(For Approval)
 - 1) March 4, 2024 **[See page 9]**
 - 2) March 18, 2024 **[See page 12]**
 - c. Treasurer's Report
 - 1) December 2023 **[See page 20]**
 - d. Airport Noise and Operations Management System Service Agreement **[See page 50]**
 - e. Annual Review and Adjustment of Noise Violation Fines **[See page 52]**

- f. Second Amendment to Aviation Hangar Lease Consent to Sublease ***[See page 54]***

- 6. ITEMS FOR COMMISSION APPROVAL
 - a. Amended and Restated Master Indenture of Trust ***[See page 56]***

- 7. ITEMS PULLED FROM CONSENT CALENDAR

- 8. EXECUTIVE DIRECTOR COMMENTS

- 9. COMMISSIONER COMMENTS
(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for future meeting.)

- 10. PUBLIC COMMENT

- 11. ADJOURNMENT

COMMISSION NEWSLETTER

Monday, April 1, 2024

[Regarding agenda items]

5. CONSENT CALENDAR

(Consent Calendar items may be enacted by one motion. There will be no separate discussion on these items unless a Commissioner so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.)

- a. COMMITTEE MINUTES. Approved minutes of the Operations and Development Committee special meeting of January 16, 2024; approved minutes of the Legal, Government and Environmental Committee special meeting of February 20, 2024; and approved minutes of the Finance and Administration Committee special meeting of March 4, 2024, and regular meeting of March 18, 2024, are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. A draft copy of the minutes of the Commission special meeting of March 4, 2024 and the regular meeting of March 18, 2024, are included in the agenda packet for Commission review and approval.
- c. TREASURER'S REPORT. The Treasurer's Report for December 2023 is included in the agenda packet. At its meeting on March 18, 2024, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission note and file this report.
- d. AIRPORT NOISE AND OPERATIONS MANAGEMENT SYSTEM SERVICE AGREEMENT. A staff report is included in the agenda packet. At its meeting on March 18, 2024, the Legal, Government and Environmental Affairs Committee voted (2-0, 1 absent) to recommend that the Commission award an Airport Noise and Operations Management System Service Agreement ("Agreement") to EMS Bruel & Kjaer Inc. D.B.A. Envirosuite, Inc., for continued maintenance and support services of the Airport Noise and Operations Management System. The proposed Agreement is for a period of five years, from April 15, 2024, to April 14, 2029 .
- e. ANNUAL REVIEW AND ADJUSTMENT OF NOISE VIOLATION FEES. A staff report is included in the agenda packet. At its meeting on March 18, 2024, the Legal, Government and Environmental Affairs Committee voted (2-0, 1 absent) to recommend the Commission authorize an increase to the noise fines associated with certain restricted operations as detailed in Airport Noise Rules 8 and 9, in accordance with the annual adjustment of noise violation fines required by Resolution No. 382.
- f. SECOND AMENDMENT TO AVIATION HANGAR LEASE – CONSENT TO SUBLEASE. A staff report is included in the agenda packet. At its meeting on March 18, 2024, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve a proposed Second Amendment to the Aviation Hangar Lease between Avalon Capital Group, Inc. and a Consent to Sublease between Avalon and Thornton Aircraft, LLC, a tenant in Hangar 89.

6. ITEMS FOR COMMISSION APPROVAL

- a. AMENDED AND RESTATED MASTER INDENTURE OF TRUST. A staff report is included in the agenda packet. At its meeting on March 18, 2024, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve an Amended and Restated Master Indenture of Trust substantially in the form presented.

**MINUTES OF THE SPECIAL MEETING OF THE
OPERATIONS AND DEVELOPMENT COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

TUESDAY, JANUARY 16, 2024

A special meeting of the Operations and Development Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:31 a.m., by Commissioner Hampton.

1. ROLL CALL

Present:

Commissioners Hampton, Devine and Talamantes

Absent:

None

Also Present:

John Hatanaka, Senior Deputy Executive Director; Edward B. Skvarna, Chief of Police, Director of Public Safety; Scott Kimball, Deputy Executive Director, Operations, Business and SMS

2. Approval of Agenda

Motion

Commissioner Devine moved approval of the agenda; seconded by Commissioner Talamantes.

Motion Approved

The agenda was approved (3-0).

3. Public Comment

There were no public comments.

4. Approval of Minutes

a. December 18, 2023

A draft copy of the December 18, 2023 Committee meeting minutes was included in the agenda packet for review and approval.

Motion

Commissioner Devine moved approval of the minutes; seconded by Commissioner Talamantes.

Motion Approved

There being no objection, the motion was approved (3-0).

John Hatanaka, Senior Deputy Executive Director, left the meeting at 8:33 a.m. and returned at 8:45 a.m., to participate in the Legal Committee meeting.

5. Items for Information

a. Transportation Network Company Holding Lot Investigation Update

APD and staff updated the Committee on the on-going investigation and information available to date.

b. Committee Pending Items

Staff presented pending items to the Committee members.

6. Adjournment

There being no further business to discuss, the meeting was adjourned at 8:56 a.m.

**MINUTES OF THE SPECIAL MEETING OF THE
LEGAL, GOVERNMENT AND ENVIRONMENTAL AFFAIRS COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

FEBRUARYY 20, 2024

A special meeting of the Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 8:30 a.m., by Commissioner Gabel-Luddy.

1. ROLL CALL

Present: Commissioners Gabel-Luddy, Najarian, and Williams (Arrived at 8:34 a.m.)

Absent: None

Also Present: Frank Miller, Executive Director;
Maggie Martinez, Director, Noise and Environmental Affairs

Terence R. Boga, Airport Authority Counsel;
Richards, Watson, Gershon

2. Approval of Agenda

Commissioner Najarian moved approval of the agenda; seconded by Commissioner Gabel-Luddy. The agenda was approved (2-0, 1 absent).

3. Public Comment

There were no public comments.

4. Approval of Minutes

a. January 16, 2024

Commissioner Najarian moved approval of the January 16, special Committee meeting minutes; seconded by Commissioner Gabel-Luddy.

There being no objection, the motion was approved (2-0, 1 absent).

5. Items for Approval

a. Approval Amendment No. 1 to Professional Services Agreement Polytechnique Environmental, Inc.

Staff sought a recommendation from the Legal, Government and Environmental Affairs Committee to the Commission for approval of the proposed Amendment No. 1 ("Amendment") to the Professional Services Agreement ("PSA") with Polytechnique Environmental, Inc. ("Polytechnique"), for additional scope and cost of services for Level 2 Airport Carbon Accreditation support in the amount of \$4,930.

On December 19, 2022, the Commission awarded a PSA to Polytechnique to support the Authority's effort in obtaining an Airport Council - International ("ACI") Level 2 Airport Carbon Accreditation ("ACA") certification for reducing the carbon emissions footprint at the Airport. The PSA also provides four one-year extension options for Polytechnique to continue support service to the Authority with this program. In October 2023, the Airport received its Level 2 Reduction certification.

The ACA program was developed and launched by ACI Europe in 2009 and continues to be expanded through ACI regions worldwide. Currently, there are 420 accredited airports with 59 of them in North America. This program, developed according to International Standards, promotes efficiency, sustainability, encourages standardization and benchmarking, increases awareness, and works to reduce regulatory risk.

The proposed Amendment will authorize Polytechnique to provide payment of the annual ACA application fee via wire transfer to the ACI Accounting offices based in the United Kingdom. By including this service in the PSA, Polytechnique can remit both the application and associated fee together.

Additionally, the proposed Amendment provides for Polytechnique to support the Authority with the annual benchmarking energy use report required by the California Energy Commission.

Motion

Commissioner Najarian moved approval; seconded by Commissioner Williams.

Motion Approved

There being no objection, the motion was approved (3-0).

6. Items for Information

a. Sustainable Aviation Fuel Update

Staff discussed the near and medium-term strategy for reducing the aviation's carbon footprint by expanding the use of Sustainable Aviation Fuel.

b. Committee Pending Items

This item was deferred to the next Committee meeting due to time constraints.

7. Adjournment

There being no further business, the meeting was adjourned at 9:02 a.m.

**MINUTES OF THE SPECIAL MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

TUESDAY, FEBRUARY 20, 2024

A special meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 10:08 a.m., by Commissioner Wilson.

1. ROLL CALL

Present: Commissioners Wilson, Quintero and Ovrom

Absent: None

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Scott Kimball, Deputy Executive Director, Operations, Business and SMS; David Kwon, Director, Financial Services

Also Present:
David Bullock, Partner, Macias Gini & O'Connell LLP
Louis Choi, Public Resources Advisory Group
Mr. Geoff Wheeler, Ricondo & Associates

2. Staff Announcement: AB 23

The Senior Deputy Executive Director announced that, as a result of the convening of this meeting of the Finance and Administration Committee, each Committee member in attendance is entitled to receive and shall be provided \$200.

3. Approval of Agenda

The agenda was approved as presented.

Motion

Commissioner Ovrom moved approval; seconded by Commissioner Quintero.

Motion Approved

The motion was approved (3–0).

4. Public Comment

There were no public comments.

5. Approval of Minutes

a. January 16, 2024

A draft copy of the minutes of the meeting of December 18, 2023, were included in the agenda packet for review and approval.

Motion

Commissioner Quintero moved approval of the minutes; seconded by Commissioner Ovrom.

Motion Approved

The minutes were unanimously approved (3–0).

The next item was taken out of order.

7. Items for Approval

a. Presentation of Fiscal Year 2023 Financial Statements and Summary of Audit Results

David Bullock, Partner at Macias Gini O’Connell LLP (“MGO”), the Authority’s auditor, provided the Committee with a summary of MGO’s audit and unmodified opinion of the Authority’s financial statements for FY 2023.

Motion

Commissioner Ovrom moved approval to note and file the reports; seconded by Commissioner Quintero.

Motion Approved

The motion was unanimously approved (3–0).

6. Treasurer’s Report

a. November 2023

A copy of the November 2023 Treasurer’s Report was included in the agenda packet for the Committee’s review.

Motion

Commissioner Quintero moved approval to recommend that the Commission note and file this report; seconded by Commissioner Ovrom.

Motion approved

The motion was approved (3–0).

7. Items for Approval (continued)

b. Award of Month-to-Month Lease – Unifi Aviation, LLC

Staff presented to the Committee for recommendation to the Commission an award of a month-to-month lease to Unifi Aviation, LLC.

The proposed space to be leased to Unifi was previously occupied by Avelo Airlines (“Avelo”) and is contingent upon an amendment to the Airport Use Agreement with Avelo to return this space.

MOTION

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

MOTION APPROVED

The motion was approved unanimously (3–0).

c. Authorization to Engage Rating Agencies for Replacement Passenger Terminal Project Bonds

Staff presented to the Committee for a recommendation to the Commission to: 1) approve the engagement of S&P Global Ratings (“S&P”), Moody’s Investors Services (“Moody’s”), and Fitch Ratings, Inc. (“Fitch”) for the assignment of bond credit ratings for the Replacement Passenger Terminal project bonds; and (2) authorize the Executive Director to execute agreements for such engagements and for the maintenance of the ratings through the term of such bonds.

Each agency’s fee for a rating assignment will depend on the principal amount of the 2024 Bonds, and whether the 2024 Bonds consist of more than one series.

The Authority also has to pay an annual fee to each rating agency to maintain the rating assignment. The Authority already pays an annual fee for its outstanding bonds.

MOTION

Commissioner Quintero moved approval; seconded by Commissioner Ovrom

MOTION APPROVED

The motion was approved unanimously (3–0).

8. Items for Discussion

a. Replacement Passenger Terminal – Financial Update

Louis Choi of Public Resources Advisory Group provided the Committee with an update on the project status and activity timelines for the Replacement Passenger Terminal Project.

b. Responses to Request for Qualifications (“RFQ’s”); Pool Services Underwriters

Louis Choi provided an update to the Committee on the responses received on the RFQ for underwriter pool services in support of the upcoming bond issue for the Replacement Passenger Terminal.

9. Items for Information

a. Proposed FY 2025 Budget Development Schedule

Staff presented to the Committee a proposed schedule for the development of the FY 2025 budget.

10. Adjournment

There being no further business to discuss, the meeting was adjourned at 11:25 a.m.

**MINUTES OF THE SPECIAL MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

THURSDAY, FEBRUARY 29, 2024

A special meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:05 a.m., by Commissioner Wilson.

1. ROLL CALL

Present: Commissioners Wilson, Quintero and Ovrom

Absent: None

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director;

Also Present:
Mr. Louis Choi, Public Resources Advisory Group

2. Approval of Agenda

The agenda was approved as presented.

Motion

Commissioner Ovrom moved approval; seconded by Commissioner Quintero.

Motion Approved

The motion was approved (3-0).

3. Public Comment

There were no public comments.

7. Items for Approval

a. Selection of Underwriting Pool for Airport Revenue Bonds for Replacement Passenger Terminal Project and 2024 Bonds Underwriting Syndicate

Staff presented to the Committee for recommendation for the Commission to accept the recommendations from Public Resources Advisory Group ("PRAG"), the Authority's independent Municipal Advisor, regarding the selection of 1) Firms that will be part of the pool of potential underwriters (the "Pool") for the General Airport Revenue Bonds ("GARBS") that the Authority will issue for the Replacement Passenger Terminal Project, and (2) Firms to be selected, from the Pool, that will form the underwriting syndicate for the initial GARBS that the Authority plans to issue in 2024.

MOTION

Commissioner Quintero moved approval; seconded by Commission Ovrom.

MOTION APPROVED

The motion was approved unanimously (3-0).

10. Adjournment

There being no further business to discuss, the meeting was adjourned at 9:09 a.m.

**MINUTES OF THE SPECIAL MEETING OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, MARCH 4, 2024

A special meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:10 a.m., by President Williams.

1. ROLL CALL

Present: Commissioners Williams, Najarian, Talamantes (arrived 9:30 a.m.) Quintero, Ovrom, Hampton, Devine

Absent: Commissioners Gabel-Luddy and Wilson

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director

Also Present:
Mr. Louis Choi, Public Resources Advisory Group

2. PLEDGE OF ALLEGIANCE

Commissioner Quintero led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

MOTION

Commissioner Quintero moved approval of the agenda; seconded by Commissioner Devine.

4. PUBLIC COMMENT

(Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)

There were no public comments.

5. ITEMS FOR COMMISSION APPROVAL

a. Revised Amendment to Airport Use Agreement and Replacement Airport Use Agreement Templates

Staff presented to the Commission for approval revised templates for an Amendment to Airport Use Agreement (“AUA”) and replacement Airport Use Agreement, and authorization for the Executive Director to execute the AUA Amendment and the Replacement AUA with participating airlines subject to any clerical revisions deemed

necessary or appropriate by Authority General Counsel.

MOTION

Commissioner Quintero moved approval; seconded by Commission Ovrom.

MOTION APPROVED

The motion was approved (6–0, 3 absent)

AYES: Commissioners Williams, Najarian, Quintero, Ovrom, Hampton, Devine

NOES: NONE

ABSENT: Commissioners Talamantes, Gabel-Luddy and Wilson

b. Selection of Underwriting Pool for Airport Revenue Bonds for Replacement Passenger Terminal Project and 2024 Bonds Underwriting Syndicate

At its special meeting on February 29, 2024, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission accept the recommendations from Public Resources Advisory Group , the Authority’s independent Municipal Advisor, regarding the selection of 1) Firms that will be part of the pool of potential underwriters for the General Airport Revenue Bonds (“GARBS”) that the Authority will issue for the Replacement Passenger Terminal Project; and 2) Firms to be selected from the Pool, that will form the underwriting syndicate for the initial GARBS that the Authority plans to issue in 2024.

MOTION

Commission Quintero moved approval; seconded by Commission Ovrom.

MOTION APPROVED

The motion was approved (7–0, 2 absent)

AYES: Commissioners Williams, Najarian, Talamantes (arrived 9:30 a.m.), Quintero, Hampton, Ovrom, Devine

NOES: NONE

ABSENT: Commissioners Gabel-Luddy and Wilson

6. COMMISSIONER COMMENTS (Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a

Commissioner Willilams requested that the Executive Director give comments prior to the Commissioners giving their comments.

future meeting.)

The Executive Director informed the Commission that he would be appearing on National Public Radio's "Air Talk with Larry Mantle" at 10:00 a.m., on Tuesday, March 4, 2024.

Commissioner Hampton requested that Staff research including hyperlinks in the agenda to facilitate ease in locating agenda items. Commissioner Talamantes concurred.

Commissioner Najarian commented on the termination of the merger between JetBlue Airways and Spirit Airlines.

Commissioner Ovrom requested that the PowerPoint from the meeting be posted on the Airport Commission website.

7. PUBLIC COMMENT

There were no public comments.

8. ADJOURNMENT

The meeting was adjourned at 9:47 a.m.

Felicia Williams, President

Jess Talamantes, Secretary

Date

Date

**MINUTES OF THE REGULAR MEETING OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, MARCH 18, 2024

A regular meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:06 a.m., by President Williams.

1. ROLL CALL

Present: Commissioners Williams, Najarian, Talamantes, Hampton (arrived 9:15 a.m.) Devine, Ovrom, Wilson, Quintero

Absent: Commissioner Gabel-Luddy

Also Present: Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Patrick Lammerding, Deputy Executive Director, Planning and Development; Edward B. Skvarna, Chief of Police/ Director of Public Safety

Perry Martin, Senior Program Manager, Jacobs Program Management Co.;
Cliff Garten, Artist

2. PLEDGE OF ALLEGIANCE

Commissioner Devine led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

MOTION

Commissioner Hampton moved approval of the agenda; seconded by Commissioner Wilson.

MOTION APPROVED

The motion was approved (8–0, 1 absent).

AYES: Williams, Najarian, Talamantes, Quintero, Ovrom, Hampton, Devine, Wilson (via teleconference),

NOES: None

ABSENT: Commissioner Gabel-Luddy

Commissioner Williams announced that Item 7.a. and 7.b. would be presented before Item 4.

7. ITEMS FOR COMMISSION INFORMATION

- a. Airport Police Officer of the Year Award** Edward B. Skvarna, Chief of Police/Director of Public Safety introduced the recipient of the 2024 Airport Police Officer of the Year Award is Officer Sean Toth.
- b. Airport Firefighter of the Year Award** Lewis Pianka, Assistant Fire Chief, introduced the recipient of the 2024 Firefighter of the Year Award is Firefighter Romeo Jauregui.

4. PUBLIC COMMENT

(Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)

Justin, Studio City; Laura Ioanou, Burbank; Kim, Studio City; Karen, Studio City; David Kimball, Studio City; Lynn Birtles, Studio City; Julie, Studio City

5. CONSENT CALENDAR

(Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)

a. Committee Minutes (For Note and File)

1) Executive Committee

- (i) January 24, 2024** Approved minutes of the January 24, 2024, Executive Committee special meeting were included in the agenda packet for information purposes.

2) Legal, Government and Environmental Affairs Committee

- (i) January 16, 2024** Approved minutes of the January 16, 2024, Legal, Government and Environmental Affairs Committee special meeting were included in the agenda packet for information purposes.

3) Finance and Administration Committee

- (i) January 16, 2024** Approved minutes of the January 16, 2024, Finance and Administration Committee special meeting were included in the agenda packet for information purposes.

b. Commission Minutes (For Approval)

1) February 20, 2024

A copy of the draft minutes of the February 20, 2024, Commission special meeting were included in the agenda packet for review and approval.

c. Treasurer's Report

1) November 2023

At its special meeting on February 20, 2024, the Finance and Administration Committee reviewed the November 2023 Treasurer's Report and voted unanimously (3-0) to accept the report and recommend to the Commission for note and file.

d. Presentation of Fiscal Year 2023 Financial Statements and Summary of Audit Results

This item was pulled by Commissioner Ovrom for discussion under Item No. 10

Staff presented to the Commission for approval to note and file the reports of the Fiscal Year 2023 Financial Statements and Summary of Audit Results.

At its special meeting on February 20, 2024, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission note and file these documents.

e. Award of Month-to-Month Lease Unifi Aviation, LLC

At its special meeting on February 20, 2024, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve the award of a month-to-month Lease to Unifi Aviation, LLC.

The space to be leased to Unifi was previously occupied by Avelo Airlines and is contingent upon an amendment to the Airport Use Agreement with Avelo to return this space.

f. Authorization to Engage Rating Agencies for Replacement Passenger Terminal Project Bonds

At its special meeting on February 20, 2024, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve 1) the engagement of S&P Global Ratings, Moody's Investors Services and Fitch Ratings, Inc., for the assignment of bond credit ratings for the Replacement Passenger Terminal project bonds; and (2) authorize the Executive Director to execute agreements for such

engagements and for the maintenance of the ratings through the term of such bonds.

Each agency's fee for a rating assignment will depend on the principal amount of the 2024 Bonds, and whether the 2024 Bonds consist of more than one series.

g. Approval of Amendment 1 to Professional Services Agreement Polytechnique Environmental, Inc.

At its special meeting on February 20, 2024, the Legal, Government and Environmental Affairs Committed voted unanimously (3–0) to recommend that the Commission approve Amendment No. 1 to the Professional Services Agreement with Polytechnique Environmental, Inc., for additional scope and cost of services for Level 2 Airport Carbon Accreditation support in the amount of \$4,930.

Appropriations for the Amendment are included in the FY 2024 adopted budget for a total not-to-exceed amount of \$24,740. Requests for additional option periods of the PSA will be included in subsequent fiscal years.

h. Award of Professional Services Agreement – Data Reporting System – Airport Workers Screening Program

At its meeting held immediately preceding the Commission meeting, the Operations and Development Committee voted unanimously (3–0) to recommend that the Commission approve the award of a Professional Services Agreement to JMA Strategy Group for development of a data reporting system to comply with Airport Workers Screening Program requirements imposed by the Transportation Security Administration (“TSA”). The TSA initiated random checks effective September 2023. This Agreement has a not-to-exceed contract price of \$256,317.36 during the base term, with a first-year annual cost of \$105,510 and an annual cost of \$75,403.68 for the next two years.

i. Award of Contract – Fleet Maintenance Services Agreement

At its meeting held immediately preceding the Commission meeting, the Operations and Development Committee voted unanimously (3–0) to recommend that the Commission approve the award of a Fleet Maintenance Services Agreement with Keolis Transit Services, LLC (“Keolis”) for a three-year period, with two one-year extension options. This agreement is for time and materials services, with an expected first year total cost

of approximately \$400,000 based on an average annual price of \$250,000 for labor and \$150,000 for parts (including a 15% markup on parts ordered through Keolis). Services received are to be billed monthly.

j. Federal Transit Administration Recipient Title VI Program

At its meeting held immediately preceding the Commission meeting, the Legal, Government and Environmental Affairs Committee voted (2-0, 1 absent) to recommend that the Commission approve a Federal Transit Administration (“FTA”) Recipient Title VI Program. As a recipient of an FTA grant that was utilized in conjunction with the development of the Regional Intermodal Transportation Center, the Authority is required to submit this document to the Los Angeles County Metropolitan Transportation Authority, which is the administrator of the grant.

MOTION

Commissioner Quintero moved approval of the Consent Calendar with the exception if Item 5.d., which wall pulled for further discussion; seconded by Commissioner Ovrrom.

MOTION APPROVED

The motion was approved (8-0, 1 absent).

AYES: Williams, Najarian, Talamantes, Quintero, Ovrrom, Hampton, Devine, Wilson (via teleconference),

NOES: None

ABSENT: Commissioner Gabel-Luddy

6. ITEMS FOR COMMISSION APPROVAL

a. Approval of Task Order 5 and Appropriation of Owner’s Contingency Funds - Replacement Passenger Terminal Project

At its meeting on March 6, 2023, the Executive Committee voted unanimously (3-0) to recommend that the Commission approve issuance of a proposed Task Order 5 to Holder, Pankow, TEC - A Joint Venture in the amount of \$74,290,109 to fund the following Component Guaranteed Maximum Price (“CGMP”) items related to the construction of the Replacement Passenger Terminal Project:

- 1) CGMP – 06, Terminal Building Mechanical, Electrical, and Special Systems (“MEP”) (Pt2 – Team Approach Controls & Long Lead

Equipment (“LLE”)) \$16,088,114; 2) CGMP – 07, Terminal Structure (Pt2 – Balance of Trades) \$27,879,874; 3) CGMP – 08, Interior Public Art \$799,268; 4) CGMP – 09, Phase 2 Design Services \$29,522,853

Additionally, the Committee voted unanimously to recommend that the Commission approve partial authorization of Owner’s Contingency in the amount \$5 million.

MOTION

Commissioner Quintero moved approval; seconded by Commissioner Talamantes.

MOTION APPROVED

The motion was approved (8–0, 1 absent)

AYES: Williams, Najarian, Talamantes, Quintero, Ovrorn, Hampton, Devine, Wilson (via teleconference),

NOES: None

ABSENT: Commissioner Gabel-Luddy

b. Citizen’s Advisory Committee Reestablishment

At its special meeting on January 16, 2024, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission adopt a resolution to modify the Citizen’s Advisory Committee parameter set forth in Resolution No. 488 to reduce the CAC’s membership to nine members representing the Cities of Burbank, Glendale, and Pasadena.

MOTION

Commissioner Hampton moved approval; seconded by Commissioner Ovrorn.

MOTION APPROVAL

The motion was approved (8–0, 1 absent)

AYES: Williams, Najarian, Talamantes, Quintero, Ovrorn, Hampton, Devine, Wilson (via teleconference),

NOES: None

ABSENT: Commissioner Gabel-Luddy

7. ITEMS FOR COMMISSION INFORMATION (Continued)

- | | |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| c. FY 2024 Mid-Year Financial Performance Update | Staff updated the Commission with information regarding the fiscal year 2024 mid-year financial performance. |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|

8. ITEMS FOR COMMISSION DISCUSSION

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Replacement Passenger Terminal Program Art in Public Places Requirement Exterior Sculpture Update and Direction to Program Management Team | Perry Martin, Senior Program Manager, Jacobs Program Management Co. introduced Cliff Garten, the artist whose work entitled "The Two Electras," was selected as the exterior sculpture for the Replacement Passenger Terminal. Mr. Garten gave a presentation to the Commission to clarify issues regarding the sculpture. |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

After the presentation and discussion, the Commission gave directions to Staff and the Program Management Team indicating their desire to proceed with the installation and to return to the Executive Committee with a proposed CGMP for exterior art.

9. CLOSED SESSION

The meeting convened to Closed Session at 11:18 a.m.

a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(California Government Code Section 54956.9(d)(1))

Name of Case: City of Los Angeles v. FAA et. al. (Case No. 21-71170)(9th Cir. 2021)

Meeting reconvened to Open Session

The meeting was reconvened to open session at 11:27 a.m. with 7 Commissioners present.

Closed Session Report

There was nothing to report from Closed Session.

10. ITEMS PULLED FROM CONSENT CALENDAR

5.d. Presentation of Fiscal Year 2023 Financial Statements and Summary of Audit Results

Staff presented to the Commission for approval the Fiscal Year 2023 Financial Statements and Summary of Audit Results.

At its special meeting on February 20, 2024, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission note and file the reports.

MOTION

Commissioner Ovrom moved approval to note and file the reports; seconded by Commissioner Quintero.

MOTION

The motion was approved (8–0, 1 absent)

AYES: Williams, Najarian, Talamantes, Quintero, Ovrom, Hampton, Devine, Wilson (via teleconference),

NOES: None

ABSENT: Commissioner Gabel-Luddy

11. EXECUTIVE DIRECTOR COMMENTS

The Senior Executive Deputy Director informed the Commission that the Airport’s Vaccine Clinic was being ended due to decreased demand.

The Senior Executive Deputy Director also informed the Commission of a Notice to be posted regarding a potential Bond Sale coming up in May 2024. The posting of this notice is a requirement of the Municipal Rule Making Board.

**12. COMMISSIONER COMMENTS
(Commissioners may make a brief announcement, report on their activities, and request an agenda item for a future meeting.)**

There were no Commissioner comments.

13. PUBLIC COMMENT

There were no public comments.

14. ADJOURNMENT

The meeting was adjourned at 11:30 a.m.

Felicia Williams, President

Jess Talamantes, Secretary

Date

Date



April 1, 2024

Burbank-Glendale-Pasadena Airport Authority
2627 Hollywood Way
Burbank, CA 91505

Dear Commissioners:

The attached report, covering the month of December 2023, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six month period following the date of the attached report.

Sincerely,

[To be signed]

Tyron Hampton
Treasurer

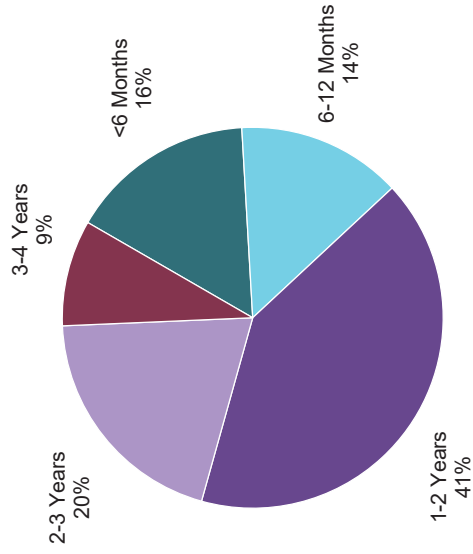
Attachments

Operating Portfolio investment guidelines conformance

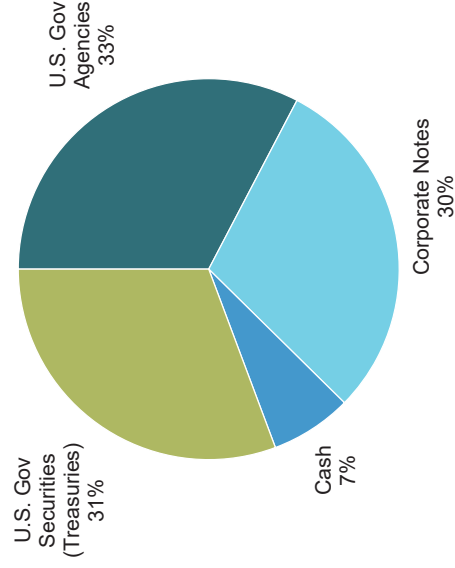
As of December 31, 2023

	Legal max maturity	Actual max maturity	Policy maximum	Policy actual
U.S. Gov Agencies	5 Years	2.95 Years	70%	33%
Corporate Notes	5 Years	3.80 Years	30%	30%
LAIF	N/A	N/A	\$20mil	N/A
Bankers Acceptance	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	7%
U.S. Gov Securities (Treasury)	5 Years	3.50 Years	No limit	31%

Maturity distribution



Sector allocation

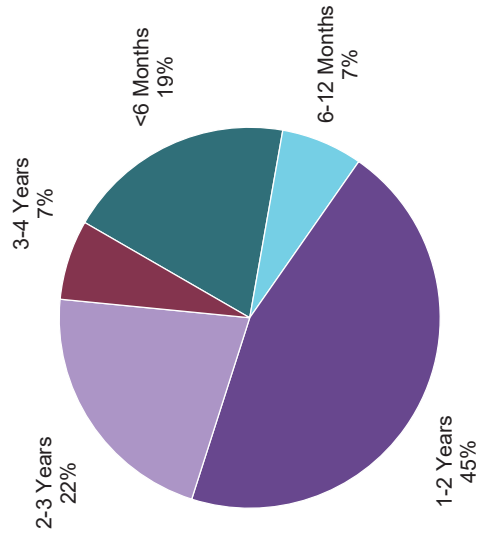


Source: Aladdin
There is no guarantee that the investment objective will be achieved or that return expectations will be met.

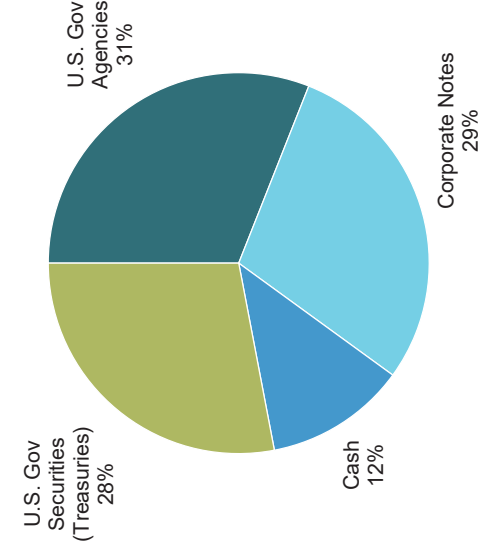
PFC Portfolio investment guidelines conformance As of December 31, 2023

	Legal max maturity	Actual max maturity	Policy maximum	Policy actual
U.S. Gov Agencies	5 Years	2.95 Years	70%	31%
Corporate Notes	5 Years	3.80 Years	30%	29%
LAIF	N/A	N/A	\$20mil	N/A
Bankers Acceptance	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	12%
U.S. Gov Securities (Treasuries)	5 Years	3.50 Years	No limit	28%

Maturity distribution



Sector allocation



Source: Aladdin
There is no guarantee that the investment objective will be achieved or that return expectations will be met.

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 12/31/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
12/31/23	Dreyfus Treasury	BAX9MM47	0.000	12/31/23	12/31/23	\$ 17,413,599	\$ 17,413,599	100.00	\$ 17,413,599	\$ -	5.35%	0	7.13%
01/11/23	Bank of America Corp	06051GLA5	4.830	07/22/26	01/22/24	2,300,000	2,271,572	99.28	2,283,346	11,774	6.00%	22	0.93%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	2,250,000	2,321,258	99.89	2,247,633	(73,625)	5.15%	23	0.92%
03/03/22	Truist Financial Corp	89788MAF9	5.320	06/09/25	01/31/24	2,100,000	2,089,173	98.35	2,065,286	(23,887)	7.08%	31	0.85%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	02/04/24	2,625,000	2,344,402	91.90	2,412,495	68,093	5.44%	35	0.99%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	1,750,000	1,882,594	99.76	1,745,757	(136,837)	5.59%	43	0.71%
02/24/22	3M Co	88579YBE0	5.930	02/14/24	02/14/24	1,625,000	1,628,055	99.98	1,624,729	(3,326)	6.02%	45	0.67%
12/10/21	Treasury Note	91282CBM2	0.130	02/15/24	02/15/24	5,500,000	5,355,021	99.37	5,465,410	110,389	4.98%	46	2.24%
06/27/23	FHLB	3130ARHG9	2.130	02/28/24	02/28/24	3,850,000	3,766,506	99.49	3,830,406	63,900	5.22%	59	1.57%
04/10/21	Mettlife Inc	59156RBH0	3.600	04/10/24	04/10/24	1,750,000	1,897,945	99.40	1,739,435	(158,510)	5.74%	101	0.71%
06/22/20	Comcast Corporation	20030NCR0	3.700	04/15/24	04/15/24	1,800,000	1,972,081	99.45	1,790,056	(182,025)	5.56%	106	0.73%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	04/18/24	2,300,000	2,354,302	101.83	2,342,141	(12,161)	5.77%	109	0.96%
03/16/21	Bank Of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	2,000,000	2,144,538	99.19	1,983,788	(160,750)	5.57%	136	0.81%
01/18/22	Target Corporation	87612EBD7	3.500	07/01/24	07/01/24	1,750,000	1,831,278	99.06	1,733,567	(97,711)	5.41%	183	0.71%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	1,900,000	2,025,714	98.61	1,873,589	(152,125)	5.38%	208	0.77%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	1,600,000	1,646,699	98.17	1,570,778	(75,921)	5.29%	228	0.64%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	13,000,000	13,567,227	97.92	12,729,844	(837,383)	5.06%	244	5.21%
05/20/21	United Parcel Service	911312BT2	2.200	09/01/24	09/01/24	1,571,000	1,637,949	97.86	1,537,414	(100,535)	5.48%	245	0.63%
06/20/23	FFCB	3133EPDE2	5.380	09/09/24	09/09/24	6,500,000	6,511,850	100.03	6,501,878	(9,972)	5.32%	253	2.66%
02/12/20	PNC Funding Corp	69353REF1	3.300	10/30/24	10/30/24	2,000,000	2,150,631	98.23	1,964,645	(185,986)	5.49%	304	0.80%
01/27/22	FHLB	3130A3GE8	2.750	12/13/24	12/13/24	2,200,000	2,281,046	98.09	2,158,077	(122,969)	4.81%	348	0.88%
01/27/22	Treasury Note	91282CDN8	1.000	12/15/24	12/15/24	2,000,000	1,977,266	96.43	1,928,594	(48,672)	4.84%	350	0.79%
06/25/20	Wisconsin Electric Power Company	976656CLO	2.050	12/15/24	12/15/24	1,450,000	1,518,887	97.10	1,407,920	(110,967)	5.18%	350	0.58%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	1,540,000	1,536,535	96.40	1,484,625	(51,910)	4.78%	372	0.61%
12/10/21	Federal National Mortgage Assoc	3135G0X24	1.630	01/07/25	01/07/25	1,500,000	1,527,600	96.90	1,453,553	(74,047)	4.76%	373	0.60%
05/11/22	Apple Inc	037833DF4	2.750	01/13/25	01/13/25	1,700,000	1,691,920	97.99	1,665,816	(26,104)	4.76%	379	0.68%
03/29/21	US Bank NA/Cincinnati	90331HPL1	2.050	01/21/25	01/21/25	2,000,000	2,069,895	96.72	1,934,396	(135,499)	5.27%	387	0.79%
09/15/22	Merck & Co Inc	58933YAR6	2.750	02/10/25	02/10/25	1,825,000	1,770,464	97.79	1,784,616	14,152	4.81%	407	0.73%
10/01/20	FHLMC Reference Note	3137EAEP0	1.500	02/12/25	02/12/25	7,000,000	7,082,816	96.55	6,758,766	(324,050)	4.69%	409	2.77%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,750,000	1,753,833	96.59	1,690,323	(63,510)	4.82%	422	0.69%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	1,825,000	1,939,204	97.74	1,783,666	(155,538)	4.69%	431	0.73%
08/05/20	FHLB	3130A4CH3	2.380	03/14/25	03/14/25	250,000	273,060	97.29	243,214	(29,846)	4.71%	439	0.10%
08/05/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	1,875,000	2,048,908	97.83	1,834,357	(214,551)	5.01%	440	0.75%
05/12/20	Intel Corp	458140BP4	3.400	03/25/25	03/25/25	1,000,000	1,106,180	98.33	983,254	(122,926)	4.80%	450	0.40%
09/30/21	Treasury Note	912828ZF0	0.050	03/31/25	03/31/25	2,300,000	2,287,242	95.08	2,186,887	(100,355)	4.58%	456	0.90%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 12/31/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
05/05/20	Florida Power & Light Company	341081FZ5	2.850	04/01/25	04/01/25	1,000,000	1,086,930	97.63	976,254	(110,676)	4.82%	457	0.40%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	250,000	274,895	98.04	245,111	(29,784)	4.87%	457	0.10%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	7,000,000	7,032,434	94.99	6,649,341	(383,093)	4.54%	470	2.72%
05/04/22	Home Depot Inc	437076CM2	2.700	04/15/25	04/15/25	1,800,000	1,770,312	97.61	1,756,956	(13,356)	4.62%	471	0.72%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	9,500,000	9,317,379	95.00	9,024,806	(292,573)	4.59%	478	3.69%
06/06/22	Caterpillar Financial Services	14913R2V8	3.400	05/13/25	05/13/25	1,800,000	1,801,335	98.29	1,769,209	(32,126)	4.70%	499	0.72%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	1,400,000	1,514,257	98.26	1,375,698	(138,559)	4.81%	501	0.56%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	1,700,000	1,751,887	98.26	1,670,405	(81,482)	4.76%	506	0.68%
12/15/21	Pfizer Inc	717081EX7	0.800	05/28/25	05/28/25	2,000,000	1,956,882	94.67	1,893,349	(63,533)	4.74%	514	0.78%
06/15/22	Cisco Systems Inc	17275RAW2	3.500	06/15/25	06/15/25	1,400,000	1,388,338	98.63	1,380,832	(7,506)	4.48%	532	0.57%
08/05/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	10,000,000	9,874,566	93.93	9,392,969	(481,597)	4.46%	547	3.85%
09/30/22	Treasury Note	91282CEY3	3.000	07/15/25	07/15/25	5,000,000	4,843,262	97.82	4,891,211	47,949	4.47%	562	2.00%
11/19/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	625,000	690,233	98.44	615,262	(74,971)	4.73%	576	0.25%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	2,000,000	2,225,136	98.17	1,963,432	(261,704)	4.72%	596	0.80%
09/25/20	FNMA Benchmark Note	3135G05X7	0.375	08/25/25	08/25/25	3,500,000	3,493,350	93.57	3,274,845	(218,505)	4.45%	603	1.34%
06/14/22	Burlington Northern Santa Fe LLC	12189LAY7	3.650	09/01/25	09/01/25	1,375,000	1,360,702	98.26	1,351,033	(9,669)	4.74%	610	0.55%
09/08/22	John Deere Capital Corp	24422EWJ4	4.050	09/08/25	09/08/25	1,900,000	1,899,060	99.13	1,883,491	(15,569)	4.59%	617	0.77%
09/29/22	FFCB	3133ENP95	4.250	09/30/25	09/30/25	7,000,000	6,978,380	99.59	6,971,559	(6,821)	4.49%	639	2.85%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	12,000,000	11,848,980	93.19	11,183,218	(665,762)	4.36%	677	4.58%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	1,784,000	1,840,277	98.25	1,752,785	(87,492)	4.45%	746	0.72%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,750,000	1,582,610	92.69	1,622,012	39,402	4.42%	759	0.66%
12/23/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	10,000,000	9,073,164	92.41	9,241,406	168,242	4.19%	790	3.78%
01/19/23	FHLB	3130ALHH0	0.960	03/05/26	03/05/26	3,900,000	3,541,043	92.94	3,624,738	83,695	4.38%	795	1.48%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	1,975,000	1,990,956	93.32	1,843,016	(147,940)	4.74%	800	0.75%
02/17/23	FHLB	3130AUU36	4.130	03/13/26	03/13/26	7,250,000	7,189,318	99.62	7,222,327	33,009	4.31%	803	2.96%
05/17/23	Loews Corporation	540424AS7	3.750	04/01/26	04/01/26	1,500,000	1,470,312	97.49	1,462,312	(8,000)	4.94%	822	0.60%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	1,625,000	1,672,301	95.22	1,547,294	(125,007)	4.78%	852	0.63%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	1,000,000	1,051,761	94.28	942,836	(108,925)	4.13%	985	0.39%
05/16/23	Public Service Electric And Gas	74456QBR6	2.250	09/15/26	09/15/26	1,225,000	1,140,325	94.30	1,155,215	14,890	4.50%	989	0.47%
03/01/23	Pepsico Inc	713448DN5	2.380	10/06/26	10/06/26	1,100,000	1,012,440	95.08	1,045,845	33,405	4.28%	1010	0.43%
02/09/23	Treasury Note	912828U24	2.000	11/15/26	11/15/26	10,000,000	9,353,945	94.59	9,458,594	104,649	4.01%	1050	3.87%
06/28/23	Duke Energy Carolinas	26442CAS3	2.950	12/01/26	12/01/26	1,000,000	944,819	96.61	966,108	21,289	4.19%	1066	0.40%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	3,800,000	3,910,845	94.37	3,586,097	(324,748)	4.17%	1076	1.47%
01/31/23	Treasury Note	912828ZE3	0.630	03/31/27	03/31/27	10,000,000	8,842,265	89.91	8,991,406	149,141	3.96%	1186	3.68%
05/11/23	Chevron Corp	166764BX7	2.300	05/11/27	05/11/27	2,000,000	1,844,151	92.92	1,858,347	14,196	4.28%	1227	0.76%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 12/31/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
03/15/23	Treasury Note	912828ZV5	0.500	06/30/27	06/30/27	10,000,000	8,761,015	88.87	8,886,718	125,703	3.93%	1277	3.64%
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	2,000,000	1,863,019	95.14	1,902,782	39,763	4.35%	1384	0.78%
	Subtotal					\$ 248,958,599	\$ 245,870,134		\$ 239,532,679	\$ (6,337,455)	4.74%	526	98.07%
	Local Agency Investment Fund (L.AIF)					4,744,724	4,744,724	99.35	4,714,088	(30,636)	3.93%	230	1.93%
	Subtotal					\$ 253,703,323	\$ 250,614,858		\$ 244,246,767	\$ (6,368,091)	4.72%	520	100.00%
	Operating Bank Balance						10,538,764						
	TOTAL						\$ 261,153,622						

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
12/01/23-12/31/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrft For Period	Adjusted Total Int. Earned
FIXED INCOME										
Citibank NA	NOTE	3.650	01/23/24	29,200.00	-	-	36,043.75	6,843.75	(1,508.54)	5,335.21
IBM Corp	NOTE	3.625	02/12/24	19,207.47	-	-	24,493.92	5,286.45	(3,947.44)	1,339.01
3M Co	NOTE	5.930	02/14/24	4,557.55	-	-	12,868.38	8,310.83	(147.75)	8,163.08
Treasury Note	NOTE	0.130	02/15/24	2,017.66	-	-	2,596.81	579.15	17,249.95	17,829.10
FHLB	NOTE	2.130	02/28/24	21,134.90	-	-	27,952.60	6,817.70	10,436.81	17,254.51
Metlife Inc	NOTE	3.600	04/10/24	8,925.00	-	-	14,175.00	5,250.00	(4,306.21)	943.79
Comcast Corporation	NOTE	3.700	04/15/24	8,510.00	-	-	14,060.00	5,550.00	(3,917.51)	1,632.49
Bank Of New York Mellon Corp	NOTE	3.400	05/15/24	3,022.22	-	-	8,688.89	5,666.67	(4,010.27)	1,656.40
Target Corporation	NOTE	3.500	07/01/24	25,520.83	30,625.00	-	-	5,104.17	(2,754.44)	2,349.73
Bristol-Myers Squibb Co	NOTE	2.900	07/26/24	19,131.94	-	-	23,723.61	4,591.67	(2,860.90)	1,730.77
Honeywell International Inc	NOTE	2.300	08/15/24	10,835.56	-	-	13,902.22	3,066.66	(920.81)	2,145.85
Treasury Note	NOTE	1.875	08/31/24	61,607.14	-	-	82,366.07	20,758.93	(15,197.95)	5,560.98
United Parcel Service	NOTE	2.200	09/01/24	8,640.50	-	-	11,520.67	2,880.17	(1,779.13)	1,101.04
FFCB	NOTE	5.380	09/09/24	79,579.86	-	-	108,694.44	29,114.58	(811.65)	28,302.93
PNC Funding Corp	NOTE	3.300	10/30/24	5,683.33	-	-	11,183.33	5,500.00	(3,534.55)	1,965.45
FHLB	NOTE	2.750	12/13/24	28,233.33	30,250.00	-	3,025.00	5,041.67	(2,349.15)	2,692.52
Treasury Note	NOTE	1.000	12/15/24	9,234.97	10,000.00	-	928.96	1,693.99	669.93	2,363.92
Wisconsin Electric Power Company	NOTE	2.050	12/15/24	13,706.53	14,862.50	-	1,321.11	2,477.08	(1,336.93)	1,140.15
FFCB	NOTE	1.130	01/06/25	6,978.13	-	-	8,421.88	1,443.75	96.70	1,540.45
Federal National Mortgage Assoc	NOTE	1.630	01/07/25	9,750.00	-	-	11,781.25	2,031.25	(750.00)	1,281.25
Apple Inc	NOTE	2.750	01/13/25	17,920.83	-	-	21,816.67	3,895.84	252.50	4,148.34
US Bank NA/Cincinnati	NOTE	2.050	01/21/25	14,805.56	-	-	18,222.22	3,416.66	(1,582.58)	1,834.08
Merck & Co Inc	NOTE	2.750	02/10/25	15,474.48	-	-	19,656.77	4,182.29	1,900.21	6,082.50
FHLMC Reference Note	NOTE	1.500	02/12/25	31,791.67	-	-	40,541.67	8,750.00	(2,042.08)	6,707.92
FFCB	NOTE	1.750	02/25/25	8,166.67	-	-	10,718.75	2,552.08	(107.65)	2,444.43
Exxon Mobil Corp	NOTE	2.709	03/06/25	11,673.16	-	-	15,793.09	4,119.93	(2,315.40)	1,804.53
FHLB	NOTE	2.380	03/14/25	1,269.97	-	-	1,764.76	494.79	(417.25)	77.54
Ace InA Holdings Inc	NOTE	3.150	03/15/25	12,468.75	-	-	17,390.63	4,921.88	(3,304.31)	1,617.57
Intel Corp	NOTE	3.400	03/25/25	6,233.33	-	-	9,066.67	2,833.34	(1,810.58)	1,022.76
Treasury Note	NOTE	0.050	03/31/25	1,948.09	-	-	2,922.13	974.04	309.70	1,283.74
Florida Power & Light Company	NOTE	2.850	04/01/25	4,750.00	-	-	7,125.00	2,375.00	(1,471.36)	903.64
General Dynamics Corporation	NOTE	3.250	04/01/25	1,354.17	-	-	2,031.25	677.08	(502.51)	174.57
Federal Home Loan Banks	NOTE	0.500	04/14/25	4,569.44	-	-	7,486.11	2,916.67	(603.36)	2,313.31

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
12/01/23-12/31/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrft For Period	Adjusted Total Int. Earned
Home Depot Inc	NOTE	2.700	04/15/25	6,210.00	-	-	10,260.00	4,050.00	874.48	4,924.48
FNMA	NOTE	0.630	04/22/25	6,432.29	-	-	11,380.21	4,947.92	5,075.00	10,022.92
Caterpillar Financial Services	NOTE	3.400	05/13/25	3,060.00	-	-	8,160.00	5,100.00	(22.84)	5,077.16
General Dynamics Corporation	NOTE	3.500	05/15/25	2,177.78	-	-	6,261.11	4,083.33	(2,327.83)	1,755.50
Qualcomm Incorporated	NOTE	3.450	05/20/25	1,792.08	-	-	6,679.58	4,887.50	(1,297.51)	3,589.99
Pfizer Inc	NOTE	0.800	05/28/25	133.33	-	-	1,466.67	1,333.34	1,121.44	2,454.78
Truist Financial Corp	NOTE	5.320	06/09/25	28,768.55	30,527.28	-	7,376.39	9,135.12	461.95	9,597.07
Cisco Systems Inc	NOTE	3.500	06/15/25	22,594.44	24,500.00	-	2,177.78	4,083.34	338.12	4,421.46
Treasury Note	NOTE	0.250	06/30/25	10,461.96	12,500.00	-	68.68	2,106.72	4,249.16	6,355.88
Treasury Note	NOTE	3.000	07/15/25	56,657.61	-	-	69,293.48	12,635.87	5,241.91	17,877.78
Intel Corp	NOTE	3.700	07/29/25	7,836.81	-	-	9,763.89	1,927.08	(1,231.79)	695.29
State Street Corporation	NOTE	3.550	08/18/25	20,313.89	-	-	26,230.56	5,916.67	(3,993.26)	1,923.41
FNMA Benchmark Note	NOTE	0.375	08/25/25	3,500.00	-	-	4,593.75	1,093.75	112.90	1,206.65
Burlington Northern Santa Fe LLC	NOTE	3.650	09/01/25	12,546.88	-	-	16,729.17	4,182.29	379.08	4,561.37
John Deere Capital Corp	NOTE	4.050	09/08/25	17,741.25	-	-	24,153.75	6,412.50	46.39	6,458.89
FFCB	NOTE	4.250	09/30/25	50,409.72	-	-	75,201.39	24,791.67	606.26	25,397.93
FNMA Benchmark Note	NOTE	0.500	11/07/25	4,000.00	-	-	9,000.00	5,000.00	(3,189.17)	1,810.83
Lockheed Martin Corporation	NOTE	3.550	01/15/26	23,925.42	-	-	29,203.09	5,277.67	(979.50)	4,298.17
FHLB	NOTE	0.700	01/28/26	4,185.42	-	-	5,206.25	1,020.83	4,615.53	5,636.36
Treasury Note	NOTE	0.500	02/28/26	12,637.36	-	-	16,895.60	4,258.24	27,765.46	32,023.70
FHLB	NOTE	0.960	03/05/26	8,944.00	-	-	12,064.00	3,120.00	9,572.19	12,692.19
Prudential Financial Inc	NOTE	1.500	03/10/26	6,665.63	-	-	9,134.38	2,468.75	(185.28)	2,283.47
FHLB	NOTE	4.130	03/13/26	64,796.88	-	-	89,718.75	24,921.87	1,651.97	26,573.84
Loews Corporation	NOTE	3.750	04/01/26	9,375.00	-	-	14,062.50	4,687.50	873.02	5,560.52
Sierra Pacific Power	NOTE	2.600	05/01/26	3,520.83	-	-	7,041.67	3,520.84	(841.90)	2,678.94
Bank of America Corp	NOTE	4.830	07/22/26	39,782.53	-	-	49,034.28	9,251.75	728.81	9,980.56
FHLB	NOTE	1.880	09/11/26	4,166.67	-	-	5,729.17	1,562.50	(864.12)	698.38
Public Service Electric And Gas	NOTE	2.250	09/15/26	5,818.75	-	-	8,115.63	2,296.88	2,122.83	4,419.71
Pepsico Inc	NOTE	2.380	10/06/26	3,991.32	-	-	6,168.40	2,177.08	2,031.55	4,208.63
Morgan Stanley	NOTE	6.140	10/16/26	17,646.75	-	-	29,411.25	11,764.50	(1,273.91)	10,490.59
Treasury Note	NOTE	2.000	11/15/26	8,791.21	-	-	25,824.18	17,032.97	15,173.30	32,206.27
Duke Energy Carolinas	NOTE	2.950	12/01/26	-	-	-	2,458.33	2,458.33	1,344.76	3,803.09
FHLB	NOTE	2.130	12/11/26	38,131.94	40,375.00	-	4,486.11	6,729.17	(1,881.94)	4,847.23
JP Morgan Chase & CO	NOTE	1.040	02/04/27	8,872.50	-	-	11,147.50	2,275.00	6,078.65	8,353.65

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
12/01/23-12/31/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrft For Period	Adjusted Total Int. Earned
Treasury Note	NOTE	0.630	03/31/27	10,587.43	-	-	15,881.15	5,293.72	24,443.73	29,737.45
Chevron Corp	NOTE	2.300	05/11/27	2,216.67	-	-	5,541.67	3,325.00	3,299.45	6,624.45
Treasury Note	NOTE	0.500	06/30/27	20,923.91	25,000.00	-	137.36	4,213.45	25,052.17	29,265.62
Unitedhealth Group Inc	NOTE	2.950	10/15/27	7,538.89	-	-	12,455.56	4,916.67	2,527.50	7,444.17
Subtotal				\$ 1,065,058.74	\$ 218,639.78	\$ -	\$ 1,240,796.85	\$ 394,377.89	\$ 94,324.05	\$ 488,701.94
CASH EQUIVALENTS										
Dreyfus Treasury				-	57,075.24	-	-	57,075.24	-	57,075.24
Subtotal				\$ -	\$ 57,075.24	\$ -	\$ -	\$ 57,075.24	\$ -	\$ 57,075.24
LAIF										
Local Agency Investment Fund				53,050.90	-	-	69,290.52	16,239.62	-	16,239.62
TOTAL				\$ 1,118,109.64	\$ 275,715.02	\$ -	\$ 1,310,087.37	\$ 467,692.75	\$ 94,324.05	\$ 562,016.80

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 12/31/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
12/31/23	Dreyfus Trisy Sec CM Investor	09248U718	0.000	12/31/23	12/31/23	\$ 6,479,482	\$ 6,479,482	100.00	\$ 6,479,482	\$ -	5.35%	0	11.04%
01/11/23	Bank of America Corp	06051GLA5	4.830	07/22/26	01/22/24	495,000	490,179	99.28	491,416	1,237	6.00%	22	0.84%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	550,000	557,000	99.89	549,421	(7,579)	5.15%	23	0.94%
03/03/22	Truist Financial Corp	89788MAF9	2.280	06/09/25	01/31/24	500,000	497,792	98.35	491,735	(6,057)	7.08%	31	0.84%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	02/04/24	600,000	533,574	91.90	551,427	17,853	5.44%	35	0.94%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	410,000	441,862	99.76	409,006	(32,856)	5.59%	43	0.70%
02/24/22	3M Co	88579YBE0	1.710	02/14/24	02/14/24	375,000	375,705	99.98	374,938	(767)	6.02%	45	0.64%
04/30/21	Treasury Note	91282CBM2	0.125	02/15/24	02/15/24	1,750,000	1,737,221	99.37	1,738,994	1,773	4.98%	46	2.96%
04/26/21	Metlife Inc	59156RBH0	3.600	04/10/24	04/10/24	425,000	460,084	99.40	422,434	(37,650)	5.74%	101	0.72%
09/25/20	Comcast Corporation	20030NCR0	3.700	04/15/24	04/15/24	425,000	465,452	99.45	422,652	(42,800)	5.56%	106	0.72%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	04/18/24	525,000	538,418	101.83	534,619	(3,799)	5.77%	109	0.91%
03/16/21	Bank Of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	475,000	510,244	99.19	471,150	(39,094)	5.57%	136	0.80%
01/18/22	Target Corporation	87612EBD7	3.500	07/01/24	07/01/24	425,000	446,008	99.06	421,009	(24,999)	5.41%	183	0.72%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	450,000	480,768	98.61	443,745	(37,023)	5.38%	208	0.76%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	390,000	399,138	98.17	382,877	(16,261)	5.29%	228	0.65%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	1,600,000	1,669,813	97.92	1,566,750	(103,063)	5.06%	244	2.67%
05/20/21	United Parcel Service	911312BT2	2.200	09/01/24	09/01/24	374,000	391,124	97.86	366,004	(25,120)	5.48%	245	0.62%
02/12/20	PNC Funding Corp	69353REF1	3.300	10/30/24	10/30/24	325,000	345,449	98.23	319,255	(26,194)	5.49%	304	0.54%
09/24/20	Wisconsin Electric Power Company	976656CL0	2.050	12/15/24	12/15/24	350,000	368,382	97.10	339,843	(28,539)	5.18%	350	0.58%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	460,000	458,965	96.40	443,459	(15,506)	4.78%	372	0.76%
12/10/21	Federal National Mortgage Assoc	3135GDX24	1.630	01/07/25	01/07/25	1,750,000	1,782,200	96.90	1,695,812	(86,388)	4.76%	373	2.89%
05/11/22	Apple Inc	037833DF4	2.750	01/13/25	01/13/25	425,000	422,980	97.99	416,454	(6,526)	4.76%	379	0.71%
02/17/22	US Bank NA/Cincinnati	90331HPL1	2.050	01/21/25	01/21/25	475,000	475,751	96.72	459,419	(16,332)	5.27%	387	0.78%
09/15/22	Merck & Co Inc	58933YAR6	2.750	02/10/25	02/10/25	434,000	421,031	97.79	424,396	3,365	4.81%	407	0.72%
01/06/22	FHLMC Reference Note	3137EAEPO	1.500	02/12/25	02/12/25	1,750,000	1,765,705	96.55	1,689,691	(76,014)	4.69%	409	2.88%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,250,000	1,252,738	336.59	4,207,373	2,954,635	4.82%	422	7.17%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	450,000	474,519	97.74	439,808	(34,711)	4.69%	431	0.75%
11/03/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	435,000	474,791	97.83	425,571	(49,220)	5.01%	440	0.73%
09/30/21	Treasury Note	912828ZF0	0.050	03/31/25	03/31/25	1,600,000	1,591,125	95.08	1,521,313	(69,812)	4.58%	456	2.59%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	50,000	54,979	98.04	49,022	(5,957)	4.87%	457	0.08%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	1,450,000	1,453,984	94.99	1,377,364	(76,620)	4.54%	470	2.35%
05/04/22	Home Depot Inc	437076CM2	2.700	04/15/25	04/15/25	425,000	418,714	97.61	414,837	(3,877)	4.62%	471	0.71%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	1,225,000	1,190,032	95.00	1,163,725	(26,307)	4.59%	478	1.98%
06/06/22	Caterpillar Financial Services	14913R2V8	3.400	05/13/25	05/13/25	425,000	426,632	98.29	417,730	(8,902)	4.70%	499	0.71%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	350,000	380,073	98.26	343,925	(36,148)	4.81%	501	0.59%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	400,000	412,594	98.26	393,036	(19,558)	4.76%	506	0.67%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 12/31/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
12/15/21	Pfizer Inc	717081EX7	0.800	05/28/25	05/28/25	475,000	466,704	94.67	449,670	(17,034)	4.74%	514	0.77%
06/15/22	Cisco Systems Inc	17275RAW2	3.500	06/15/25	06/15/25	400,000	397,604	98.63	394,523	(3,081)	4.48%	532	0.67%
09/01/22	Treasury Note	91282CEU1	2.875	06/15/25	06/15/25	1,600,000	1,571,813	97.74	1,563,875	(7,938)	4.49%	532	2.67%
11/17/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	1,750,000	1,710,434	93.93	1,643,770	(66,664)	4.46%	547	2.80%
09/30/22	Treasury Note	91282CEY3	3.000	07/15/25	07/15/25	1,200,000	1,162,125	97.82	1,173,891	11,766	4.47%	562	2.00%
09/25/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	400,000	447,035	98.44	393,767	(53,268)	4.73%	576	0.67%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	475,000	531,317	98.17	466,315	(65,002)	4.72%	596	0.79%
06/14/22	Burlington Northern Santa Fe LLC	12189LAY7	3.650	09/01/25	09/01/25	325,000	322,095	98.26	319,335	(2,760)	4.74%	610	0.54%
09/08/22	John Deere Capital Corp	24422EWJ4	4.050	09/08/25	09/08/25	425,000	425,519	99.13	421,307	(4,212)	4.59%	617	0.72%
10/11/22	FFCB	3133ENP95	4.250	09/30/25	09/30/25	1,000,000	995,940	99.59	995,937	(3)	4.49%	639	1.70%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	3,155,000	3,140,117	93.19	2,940,254	(199,863)	4.36%	677	5.01%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	415,000	432,814	98.25	407,739	(25,075)	4.45%	746	0.69%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,050,000	949,566	92.69	973,207	23,641	4.42%	759	1.66%
12/06/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	1,400,000	1,269,855	92.41	1,293,797	23,942	4.19%	790	2.20%
06/20/23	FFCB	3133EPCF0	4.500	03/02/26	03/02/26	2,000,000	2,003,788	100.36	2,007,220	3,432	4.32%	792	3.42%
01/19/23	FHLB	3130ALHH0	0.960	03/05/26	03/05/26	900,000	817,164	92.94	836,478	19,314	4.38%	795	1.43%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	450,000	455,338	93.32	419,928	(35,410)	4.74%	800	0.72%
02/17/23	FHLB	3130AUJ36	4.130	03/13/26	03/13/26	1,250,000	1,239,538	99.62	1,245,229	5,691	4.31%	803	2.12%
05/17/23	Loews Corporation	540424AS7	3.750	04/01/26	04/01/26	300,000	294,711	97.49	292,462	(2,249)	3.75%	822	0.50%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	375,000	389,284	95.22	357,068	(32,216)	4.78%	852	0.61%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	300,000	315,528	94.28	282,851	(32,677)	4.13%	985	0.48%
05/16/23	Public Service Electric And Gas	74456QBR6	2.250	09/15/26	09/15/26	300,000	279,263	94.30	282,910	3,647	4.50%	989	0.48%
03/01/23	Pepsico Inc	713448DN5	2.380	10/06/26	10/06/26	450,000	414,179	95.08	427,846	13,667	4.28%	1010	0.73%
05/09/23	Treasury Note	912828U24	2.000	11/15/26	11/15/26	2,100,000	1,986,468	94.59	1,986,305	(163)	4.01%	1050	3.39%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	700,000	720,418	94.37	660,597	(59,821)	4.17%	1076	1.13%
01/31/23	Treasury Note	912828ZE3	0.630	03/01/27	03/01/27	2,250,000	1,984,481	89.91	2,023,066	38,585	3.96%	1156	3.45%
05/11/23	Chevron Corp	166764BX7	2.000	05/11/27	05/11/27	475,000	442,085	92.92	441,358	(727)	4.28%	1227	0.75%
03/15/23	Treasury Note	912828ZV5	0.500	06/30/27	06/30/27	1,000,000	875,741	88.87	888,671	12,930	3.93%	1277	1.51%
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	450,000	416,654	95.14	428,126	11,472	4.35%	1384	0.73%
	Subtotal					\$ 57,647,482	\$ 57,102,086		\$ 58,677,194	\$ 1,575,108	4.75%	497	100.00%
	PFC Bank Balance						17,118,503						
	TOTAL						\$ 74,220,589						

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
12/01/23-12/31/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FIXED INCOME										
Citibank NA	NOTE	3.650	01/23/24	7,137.78	-	-	8,810.69	1,672.91	(104.45)	1,568.46
IBM Corp	NOTE	3.625	02/12/24	4,500.03	-	-	5,738.58	1,238.55	(980.71)	257.84
Treasury Note	NOTE	0.125	02/15/24	641.98	-	-	826.26	184.28	450.62	634.90
3M Co	NOTE	1.710	02/14/24	1,051.74	-	-	2,969.63	1,917.89	(34.10)	1,883.79
Metlife Inc	NOTE	3.600	04/10/24	2,167.50	-	-	3,442.50	1,275.00	(1,031.18)	243.82
Comcast Corporation	NOTE	3.700	04/15/24	2,009.31	-	-	3,319.72	1,310.41	(1,025.64)	284.77
Bank Of New York Mellon Corp	NOTE	3.400	05/15/24	717.78	-	-	2,063.61	1,345.83	(988.67)	357.16
Target Corporation	NOTE	3.500	07/01/24	6,197.92	7,437.50	-	-	1,239.58	(719.16)	520.42
Bristol-Myers Squibb Co	NOTE	2.900	07/26/24	4,531.25	-	-	5,618.75	1,087.50	(734.97)	352.53
Honeywell International Inc	NOTE	2.300	08/15/24	2,641.17	-	-	3,388.67	747.50	(194.99)	552.51
Treasury Note	NOTE	1.875	08/31/24	7,582.42	-	-	10,137.36	2,554.94	(1,870.52)	684.42
United Parcel Service	NOTE	2.200	09/01/24	2,057.00	-	-	2,742.67	685.67	(478.18)	207.49
PNC Funding Corp	NOTE	3.300	10/30/24	923.54	-	-	1,817.29	893.75	(359.06)	534.69
Wisconsin Electric Power Company	NOTE	2.050	12/15/24	3,308.47	3,587.50	-	3,18.89	597.92	(377.41)	220.51
FFCB	NOTE	1.130	01/06/25	2,084.38	-	-	2,515.63	431.25	28.88	460.13
Federal National Mortgage Assoc	NOTE	1.630	01/07/25	11,375.00	-	-	13,744.79	2,369.79	(875.00)	1,494.79
Apple Inc	NOTE	2.750	01/13/25	4,480.21	-	-	5,454.17	973.96	63.13	1,037.09
US Bank NA/Cincinnati	NOTE	2.050	01/21/25	3,516.32	-	-	4,327.78	811.46	(21.46)	790.00
Merck & Co Inc	NOTE	2.750	02/10/25	3,679.96	-	-	4,674.54	994.58	451.89	1,446.47
FHLMC Reference Note	NOTE	1.500	02/12/25	7,947.92	-	-	10,135.42	2,187.50	(423.98)	1,763.52
FFCB	NOTE	1.750	02/25/25	5,833.33	-	-	7,656.25	1,822.92	(76.90)	1,746.02
Exxon Mobil Corp	NOTE	2.709	03/06/25	2,878.31	-	-	3,894.19	1,015.88	(476.78)	539.10
Ace InA Holdings Inc	NOTE	3.150	03/15/25	2,892.75	-	-	4,034.63	1,141.88	(796.61)	345.27
Treasury Note	NOTE	0.050	03/31/25	1,355.19	-	-	2,032.79	677.60	215.45	893.05
General Dynamics Corporation	NOTE	3.250	04/01/25	270.83	-	-	406.25	135.42	(100.50)	34.92
Federal Home Loan Banks	NOTE	0.500	04/14/25	946.53	-	-	1,550.69	604.16	(74.30)	529.86
Home Depot Inc	NOTE	2.700	04/15/25	1,466.25	-	-	2,422.50	956.25	178.07	1,134.32
FNMA	NOTE	0.630	04/22/25	829.43	-	-	1,467.45	638.02	1,029.98	1,668.00
Caterpillar Financial Services	NOTE	3.400	05/13/25	722.50	-	-	1,926.67	1,204.17	(46.43)	1,157.74
General Dynamics Corporation	NOTE	3.500	05/15/25	544.44	-	-	1,565.28	1,020.84	(635.58)	385.26
Qualcomm Incorporated	NOTE	3.450	05/20/25	421.67	-	-	1,571.67	1,150.00	(318.41)	831.59
Pfizer Inc	NOTE	0.800	05/28/25	31.67	-	-	348.33	316.66	204.10	520.76
Truist Financial Corp	NOTE	2.280	06/09/25	6,849.65	7,268.40	-	1,756.28	2,175.03	95.62	2,270.65
Cisco Systems Inc	NOTE	3.500	06/15/25	6,455.56	7,000.00	-	622.22	1,166.66	66.68	1,233.34

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
12/01/23-12/31/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Treasury Note	NOTE	2.875	06/15/25	21,240.44	23,000.00	-	2,136.61	3,896.17	859.21	4,755.38
Treasury Note	NOTE	0.250	06/30/25	1,830.84	2,187.50	-	12.02	368.68	933.67	1,302.35
Treasury Note	NOTE	3.000	07/15/25	13,597.83	-	-	16,630.43	3,032.60	1,155.63	4,188.23
Intel Corp	NOTE	3.700	07/29/25	5,015.56	-	-	6,248.89	1,233.33	(837.37)	395.96
State Street Corporation	NOTE	3.550	08/18/25	4,824.55	-	-	6,229.76	1,405.21	(1,012.80)	392.41
Burlington Northern Santa Fe LLC	NOTE	3.650	09/01/25	2,965.63	-	-	3,954.17	988.54	75.47	1,064.01
John Deere Capital Corp	NOTE	4.050	09/08/25	3,968.44	-	-	5,402.81	1,434.37	(14.46)	1,419.91
FFCB	NOTE	4.250	09/30/25	7,201.39	-	-	10,743.06	3,541.67	114.04	3,655.71
FNMA Benchmark Note	NOTE	0.500	11/07/25	1,051.67	-	-	2,366.25	1,314.58	311.02	1,625.60
Lockheed Martin Corporation	NOTE	3.550	01/15/26	5,565.61	-	-	6,793.32	1,227.71	(343.47)	884.24
FHLB	NOTE	0.700	01/28/26	2,511.25	-	-	3,123.75	612.50	2,769.32	3,381.82
Treasury Note	NOTE	0.500	02/28/26	1,769.23	-	-	2,365.38	596.15	3,731.37	4,327.52
FFCB	NOTE	4.500	03/02/26	22,250.00	-	-	29,750.00	7,500.00	(117.03)	7,382.97
FHLB	NOTE	0.960	03/05/26	2,064.00	-	-	2,784.00	720.00	2,208.97	2,928.97
Prudential Financial Inc	NOTE	1.500	03/10/26	1,518.75	-	-	2,081.25	562.50	(98.18)	464.32
FHLB	NOTE	4.130	03/13/26	11,171.88	-	-	15,468.75	4,296.87	284.82	4,581.69
Loews Corporation	NOTE	3.750	04/01/26	1,875.00	-	-	2,812.50	937.50	153.75	1,091.25
Sierra Pacific Power	NOTE	2.600	05/01/26	812.50	-	-	1,625.00	812.50	(264.67)	547.83
Bank of America Corp	NOTE	4.830	07/22/26	8,561.89	-	-	10,553.03	1,991.14	117.99	2,109.13
FHLB	NOTE	1.880	09/11/26	1,250.00	-	-	1,718.75	468.75	(259.24)	209.51
Public Service Electric And Gas	NOTE	2.250	09/15/26	1,425.00	-	-	1,987.50	562.50	519.84	1,082.34
Pepsico Inc	NOTE	2.380	10/06/26	1,632.81	-	-	2,523.44	890.63	831.09	1,721.72
Morgan Stanley	NOTE	6.140	10/16/26	4,028.06	-	-	6,713.44	2,685.38	(312.24)	2,373.14
Treasury Note	NOTE	2.000	11/15/26	1,846.15	-	-	5,423.08	3,576.93	2,738.89	6,315.82
FHLB	NOTE	2.130	12/11/26	7,024.31	7,437.50	-	826.39	1,239.58	(346.67)	892.91
JP Morgan Chase & CO	NOTE	1.040	02/04/27	2,028.00	-	-	2,548.00	520.00	1,377.18	1,897.18
Treasury Note	NOTE	0.630	03/01/27	2,382.17	-	-	3,573.26	1,191.09	5,418.73	6,609.82
Chevron Corp	NOTE	2.000	05/11/27	526.46	-	-	1,316.15	789.69	688.84	1,478.53
Treasury Note	NOTE	0.500	06/30/27	2,092.39	2,500.00	-	13.74	421.35	2,458.20	2,879.55
Unitedhealth Group Inc	NOTE	2.950	10/15/27	1,696.25	-	-	2,802.50	1,106.25	596.16	1,702.41
Subtotal				\$ 255,777.85	\$ 60,418.40	\$ -	\$ 283,829.38	\$ 88,469.93	\$ 13,777.49	\$ 102,247.42
CASH EQUIVALENTS										
Dreyfus Trsy Sec CM Investor				-	30,401.01	-	-	30,401.01	-	30,401.01
Subtotal				\$ -	\$ 30,401.01	\$ -	\$ -	\$ 30,401.01	\$ -	\$ 30,401.01

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
12/01/23-12/31/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
TOTAL				\$ 255,777.85	\$ 90,819.41	\$ -	\$ 283,829.38	\$ 118,870.94	\$ 13,777.49	\$ 132,648.43

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND SIX MONTHS ENDED DECEMBER 31, 2023 & 2022

		December 2023						Fiscal YTD Performance (July 2023 - December 2023)					
		Monthly Performance			Fiscal YTD Performance			Fiscal YTD Performance			Fiscal YTD Performance		
	A	B	C	D	E	F	G	H	I	J			
	Actual \$ Dec 2023	Budget Dec 2023	Actual \$ Prior Year Dec 2022	Note	Variance Actual Vs. Budget	Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget			
1	\$382,556	\$420,333	\$403,133	(2)	(\$37,777)	\$2,409,234	\$2,570,500	\$2,694,225	(2)	(\$161,266)			
2	2,076,829	2,411,336	2,291,321	(3)	(334,507)	14,983,765	14,589,533	15,646,442	(3)	394,232			
3	1,473,396	1,351,203	1,883,137	(4)	122,193	8,810,063	8,239,587	9,330,833	(4)	570,476			
4	1,247,745	1,367,389	1,334,601	(5)	(119,644)	8,139,839	8,204,335	8,031,873	(5)	(64,496)			
5	353,614	302,417	320,785	(6)	51,197	2,005,374	1,849,251	1,886,597	(6)	156,123			
6	456,114	88,834	97,690	(7)	367,280	971,883	543,252	873,725	(7)	428,631			
7	275,715	454,167	271,714	(8)	(178,452)	2,457,035	2,725,002	2,480,449	(8)	(267,967)			
8	\$6,265,969	\$6,395,679	\$6,602,381	(1)	(\$129,710)	\$39,777,193	\$38,721,460	\$40,944,144	(1)	\$1,055,733			
9	(\$96,770)	(\$128,763)	(\$137,627)	(10)	\$31,993	(\$700,167)	(\$779,309)	(\$581,369)	(10)	\$79,142			
10	(188,300)	(404,933)	(334,515)	(11)	216,633	(2,273,122)	(2,458,647)	(2,049,421)	(11)	185,525			
11	(3,676,818)	(4,823,560)	(2,979,783)	(12)	1,146,742	(16,259,962)	(18,390,759)	(15,655,666)	(12)	2,130,797			
12	(407,848)	(519,200)	(606,357)	(13)	111,352	(4,050,643)	(5,025,200)	(3,435,353)	(13)	974,557			
13	(554,053)	(654,910)	(529,187)	(14)	100,857	(3,443,456)	(3,933,251)	(3,525,803)	(14)	489,795			
14	(110,594)	(116,428)	(4,093)	(15)	5,834	(620,282)	(698,568)	(351,188)	(15)	78,286			
15	(380,625)	(380,625)	(380,375)	(16)	0	(2,283,750)	(2,283,750)	(2,282,250)	(16)	0			
16	0	0	0	(16)	0	(1,578,858)	(1,558,768)	(1,611,637)	(16)	(20,090)			
17	(\$5,415,008)	(\$7,028,419)	(\$4,971,937)	(9)	\$1,613,411	(\$31,210,240)	(\$35,128,252)	(\$29,492,687)	(9)	\$3,918,012			
18	\$850,961	(\$632,740)	\$1,630,444		\$1,483,701	\$8,566,953	\$3,593,208	\$11,451,457		\$4,973,745			
19	\$0	\$0	\$0	(17)	\$0	\$0	(\$100,000)	\$0	(17)	\$100,000			
20	(325,937)	(942,083)	(2,951,139)	(18)	616,146	(3,707,193)	(2,278,098)	(4,434,531)	(18)	(1,429,095)			
21	(\$325,937)	(\$942,083)	(\$2,951,139)		\$616,146	(\$3,707,193)	(\$2,378,098)	(\$4,434,531)		(\$1,329,095)			
22	\$0	\$0	\$0	(17)	\$0	\$0	\$80,590	\$0	(17)	(\$80,590)			
23	0	0	0	(19)	0	142,738	0	113,340	(19)	142,738			
24	0	0	430,739	(20)	0	535,041	19,410	2,462,800	(20)	515,631			
25	0	0	0	(21)	0	0	250,000	0	(21)	(250,000)			
26	\$0	\$0	\$430,739		\$0	\$677,779	\$350,000	\$2,576,140		\$327,779			
27	(\$325,937)	(\$942,083)	(\$2,520,400)		\$616,146	(\$3,029,414)	(\$2,028,098)	(\$1,858,391)		(\$1,001,316)			
28	\$0	\$0	\$2,282,250	(22)	\$0	\$733,646	\$0	\$3,377,364	(22)	\$733,646			
29	\$525,024	(\$1,574,823)	\$1,392,294		\$2,099,847	\$6,271,185	\$1,565,110	\$12,970,430		\$4,706,075			

OPERATING ACTIVITY
CASH RECEIPTS FROM OPERATIONS

Landing/Fuel Fees
 Parking Fees
 Rental/Concession Receipts - Terminal Building
 Rental Receipts - Other Buildings
 Ground Transportation
 Other Receipts
 Investment Receipts - Treasurer/Other Interest Earned

CASH DISBURSEMENTS FROM OPERATIONS

Administrative Supplies & Costs
 Operating Supplies & Maintenance
 Contractual Operating Costs
 Contractual Professional Services
 Wages & Benefits
 Other Operating Costs
 Bond Debt Service - 2015 Bonds
 Parking Tax

INCREASE (DECREASE) IN CASH FROM OPERATIONS

FACILITY IMPROVEMENT TRANSACTIONS

CASH DISBURSEMENTS

Noise Mitigation Program Costs
 Other Facility Improvement Program Project Costs

CASH RECEIPTS FROM FUNDING SOURCES

FAA Grants - Noise Mitigation Program
 FAA Grants - Facility Improvement Program
 Passenger Facility Charge Receipts/Reserves
 Customer Facility Charge Reserves

INCREASE (DECREASE) - FACILITY / NOISE MITIGATION TRANSACTIONS

FEDERAL RELIEF GRANT FUNDS

ARPA Grant Funds

NET INCREASE (DECREASE) IN CASH FROM OPERATIONS

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND SIX MONTHS ENDED DECEMBER 31, 2023 & 2022

		December 2023				Fiscal YTD Performance (July 2023 - December 2023)			
		Monthly Performance				Fiscal YTD Performance			
A	B	C	D	E	F	G	H	I	J
Actual \$ Dec 2023	Budget Dec 2023	Actual \$ Prior Year Dec 2022	Note	Variance Actual Vs. Budget	Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
29	\$525,024	(\$1,574,823)	\$1,392,294	\$2,099,847	\$6,271,185	\$1,565,110	\$12,970,430		\$4,706,075
NET INCREASE (DECREASE) IN CASH FROM OPERATIONS									
REPLACEMENT PASSENGER TERMINAL PROJECT									
<i>CASH DISBURSEMENTS</i>									
30	(\$1,055,597)	(\$5,520,458)	(\$858,928) (23)	\$4,464,861	(\$25,582,714)	(\$27,573,495)	(2,323,939)	(23)	\$1,990,781
NET INCREASE (DECREASE) IN CASH - TOTAL									
31	(\$530,573)	(\$7,095,281)	\$533,366	\$6,564,708	(\$19,311,529)	(\$26,008,385)	\$10,646,491		\$6,696,856

Note 1 - Due to timing of invoices and payments thereof, the cash to budget analysis may not fully reflect current status of the project. Reimbursement pending for eligible expenditures from awarded BIL grants and FAA approved use of PFC fees (design costs).

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND SIX MONTHS ENDED DECEMBER 31, 2023 & 2022

General Comments

The Schedule of Cash Receipts and Disbursements ("Schedule") represents the cash basis activity for the month and fiscal year-to-date ("FYTD") compared to the allocation of the annual adopted budget.

The Schedule consists of two sections: Operating Activity and Facility Improvement Transactions. Receipts are shown as positive amounts and disbursements as negative amounts. Favorable budget variances are shown as positive amounts and unfavorable variances as negative amounts. Because this Schedule is on a cash basis, cash timing differences may contribute to budget variances.

The Operating Activity receipts include charges for services (parking, landing fees and concessions), tenant rents, fuel flowage fees, other revenues and investment receipts. The Operating Activity disbursements include costs of services, materials, contracts, personnel and debt service.

Facility Improvement Transactions represent the activity for the Authority's capital program, which consists of Other Facility Improvement Program Projects and the Noise Mitigation Program.

FY 2024 Replacement Passenger Terminal ("RPT") Project expenditures are programmed to be initially funded through the Bipartisan Infrastructure Law grants and commercial paper program ("CP") pending issuance of the construction financing scheduled for late spring of 2024. In addition, design costs are programmed to be funded through FAA-approved use of Passenger Facility Charge ("PFC") fees.

The FY 2024 Non-RPT Capital Program expenditures are primarily funded through the following sources:

- FAA-approved PFC program receipts/reserves;
- Grants; and
- Operating Revenues

The notes below provide additional information regarding the performance results detailed in the "Schedule of Cash Receipts and Disbursements."

A Supplemental Schedule of Cash Receipts and Disbursements reflecting the activities related to the 2012 Bond debt service for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

FY 2024 projected operational activity has been based essentially flat to FY 2023 levels. The Authority's Adopted FY 2024 budget is based on the following quarterly activity assumptions to reflect seasonal fluctuations:

- Q1 (July - September): 1,620,000 (represents 27% of total)
- Q2 (October - December): 1,560,000 (represents 26% of total)
- Q3 (January - March): 1,200,000 (represents 20% of total)
- Q4 (April - June): 1,620,000 (represents 27% of total)

Passengers increased by 1.94% FYTD December when compared to the same period in FY 2023, and favorable to the budget assumption by 0.69%. Overall financial performance FYTD December remains positive to the budget.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND SIX MONTHS ENDED DECEMBER 31, 2023 & 2022

NOTE (1) – Cash Receipts from Operations

Cash receipts from operations exceed the budget in FYTD December. On an accrual basis, operating revenues exceed the budget in FYTD December by \$2,526,691. See notes 2 through 8 for additional information regarding operating receipts.

NOTE (2) – Landing/Fuel Fees

Landing Fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. On an accrual basis, Landing Fees combined with Fuel Flowage Fees exceed the budget by \$32,747 FYTD December.

NOTE (3) – Parking Fees

Parking fee revenues performed above the budget forecast FYTD December. Accrual basis Parking Fees exceed the budget by \$340,408 FYTD December.

NOTE (4) – Rental/Concession Receipts - Terminal Building

Terminal Building rental/concession receipts exceed the budget FYTD December partially due to the timing of receipts. Accrual basis Terminal Building rents/concessions exceed the budget by \$306,051 FYTD December.

NOTE (5) – Rental Receipts - Other Buildings

Other Buildings rental receipts are slightly below the budget FYTD December primarily due to the timing of receipts. Accrual basis Other Building rents are \$145,131 above budget expectations FYTD December due to CPI adjustments.

NOTE (6) – Ground Transportation

This category consists of off-airport access fees and TNC activity. Accrual basis Ground Transportation receipts exceed the budget by \$170,382 FYTD December.

NOTE (7) – Other Receipts

FYTD December Other Receipts consist primarily of ground handling and airfield access fees. Accrual basis Other Receipts are \$532,784 ahead of budget FYTD December primarily due to a settlement payment received in December.

NOTE (8) – Investment Receipts - Treasurer

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes, the timing of coupon payments and individual investment maturities. Accrual basis investment income exceeds the budget by \$999,188 FYTD December.

NOTE (9) – Cash Disbursements from Operations

Overall operating disbursements on a cash basis and accrual basis are favorably under the budget FYTD December. See additional information on operating disbursement in notes 10 through 16.

NOTE (10) – Administrative Supplies & Costs

This line item includes office supplies, printing, postage and delivery, office equipment service and lease, recruiting, membership, uniform, Commission meeting, conference and training costs.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND SIX MONTHS ENDED DECEMBER 31, 2023 & 2022

NOTE (11) – Operating Supplies & Maintenance

This line item includes utilities, fuel, general repairs and maintenance, landscaping, supplies and telephone costs.

NOTE (12) – Contractual Operating Costs

This line item includes various contractual operating costs such as ARFF services, janitorial services, systems and vehicle repair, parking operations and the TBI Airport Management contract costs. Contractual Operating Costs are below budget FYTD December primarily due to timing of payments to the new parking and janitorial service operators. Reimbursement of the Common Use Passenger Processing System ("CUPPS") upgrade defined in note 18 is reflected in this line item to offset operating costs of the CUPPS system.

NOTE (13) – Contractual Professional Services

This line item includes various professional services such as legal, auditing, noise, financial and insurance.

NOTE (14) – Wages and Benefits

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the Memorandum of Understanding effective February 2023. Wages and Benefits include overtime for film location services which are recovered through the related film revenue.

NOTE (15) – Other Operating Costs

This line item primarily includes public relations/advertising, air service retention, and license/permit fees.

NOTE (16) – Parking Tax

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. The next remittance, covering the months of October, November and December 2023, is due January 2024.

NOTE (17) – Noise Mitigation Program

FAA Grants are budgeted to partially fund the multi-year Part 150 Update project. A RFP for the Part 150 Update was issued in 3rd Quarter of FY 2023 and a contract is scheduled for award in 3rd Quarter of FY 2024.

NOTE (18) – Other Facility Improvement Program Projects

Other Facility Improvement Program Project costs on a cash basis exceed the budget FYTD December primarily due to payments of FY 2023 costs for the completion of the Airfield Lighting Vault replacement and the development of Parking Lot F, and expenditures related to the CUPPS upgrade, which is to be fully reimbursed by the airlines over a 12-month period.

NOTE (19) – FAA Grants – Facility Improvement Program Projects

FAA Grants are budgeted to partially fund a new ARFF vehicle.

NOTE (20) – Passenger Facility Charge Receipts/Reserves

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges, including the completion of the Runway 8 PAPI relocation, Runway and Taxiway Shoulder Rehabilitation, a new ARFF vehicle, and the Part 150 Update project.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

MONTH AND SIX MONTHS ENDED DECEMBER 31, 2023 & 2022

NOTE (21) – Customer Facility Charge Reserves

The Regional Intermodal Transportation Center ("RITC") Art in Public Places capital project is budgeted to be funded by Customer Facility Charge Reserves.

NOTE (22) – Federal Relief Grant Funds

All available non-concessionaire awarded federal relief funds were utilized towards FY 2023 bond debt service and personnel costs. The remaining concessionaire relief funds (\$2,560,425) apply only as direct payments to qualifying concessionaires and will be utilized once approved by the FAA.

NOTE (23) – Replacement Passenger Terminal Project

The Authority programmed appropriations in the amount of \$158,579,049 for development of the multi-year RPT program. RPT costs on a cash basis exceeds the budget FYTD December by \$1,990,781 primarily due to the timing of payments. The majority of cash expenditures for FYTD December are related to Holder, Pankow, TEC JV (\$19,376,883).

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS
MONTH AND SIX MONTHS ENDED DECEMBER 31, 2023 & 2022

		December 2023				Fiscal YTD Performance (July 2023 - December 2023)									
		Monthly Performance		E		F		G		H		I		J	
A	B	C	D	Actual \$	Prior Year	Variance	Actual \$	Fiscal	YTD Budget	Fiscal	Prior Year	Variance	Actual \$	Fiscal	YTD Budget
Actual \$	Budget	Actual \$	Note	Actual Vs.	Actual Vs.	Actual Vs.	Fiscal	YTD Budget	Fiscal	Fiscal	Fiscal YTD	Note	Actual Vs.	Fiscal	YTD Budget
Dec 2023	Dec 2023	Dec 2022	Note	Budget	Budget	Budget	YTD	Budget	YTD	YTD	YTD	Note	Budget	YTD	Budget
35	\$617,257	\$383,333	\$404,820	(1)	\$233,924	Customer Facility Charge Receipts	\$2,693,949	\$2,299,998	\$2,601,732	(1)	\$393,951				
36	0	0	0	(2)	0	Federal Relief Grant Funds - 2012 Bond Debt Service	859,449	0	1,426,999	(2)	859,449				
37	109,798	102,703	83,588	(3)	7,095	Facility Rent	635,247	616,218	513,866	(3)	19,029				
38	(486,036)	(486,036)	(486,325)	0	0	Payments to Bond Trustee for 2012 Bond Debt Service	(2,916,216)	(2,916,216)	(2,917,946)	(4)	0				
39	\$241,019	\$0	\$2,083	(4)	\$241,019		\$1,272,429	\$0	\$1,624,651	(4)	\$1,272,429				

General Comments

The debt service on the 2012 Revenue Bonds and the repayment to the Authority of the loans to the Rent-A-Car Companies ("RACs") is payable from Customer Facility Charges ("CFCs") and Facility Rents. Under the terms of the Bond Indenture, as amended, all CFCs collected subsequent to July 1, 2014 are remitted to the Bond Trustee for the 2012 Bond debt service.

On July 1, 2014, the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the respective Rent-A-Car Companies became effective, including the collection of Facility Rent.

Note (1) – Customer Facility Charge ("CFC") Receipts

CFCs of \$6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond debt service.

Note (2) – Federal Relief Grant Funds

All available awarded federal relief funds were utilized towards FY 2023 Bond debt service costs and no further drawdowns will be applied to FY 2024 debt service.

Note (3) – Facility Rent

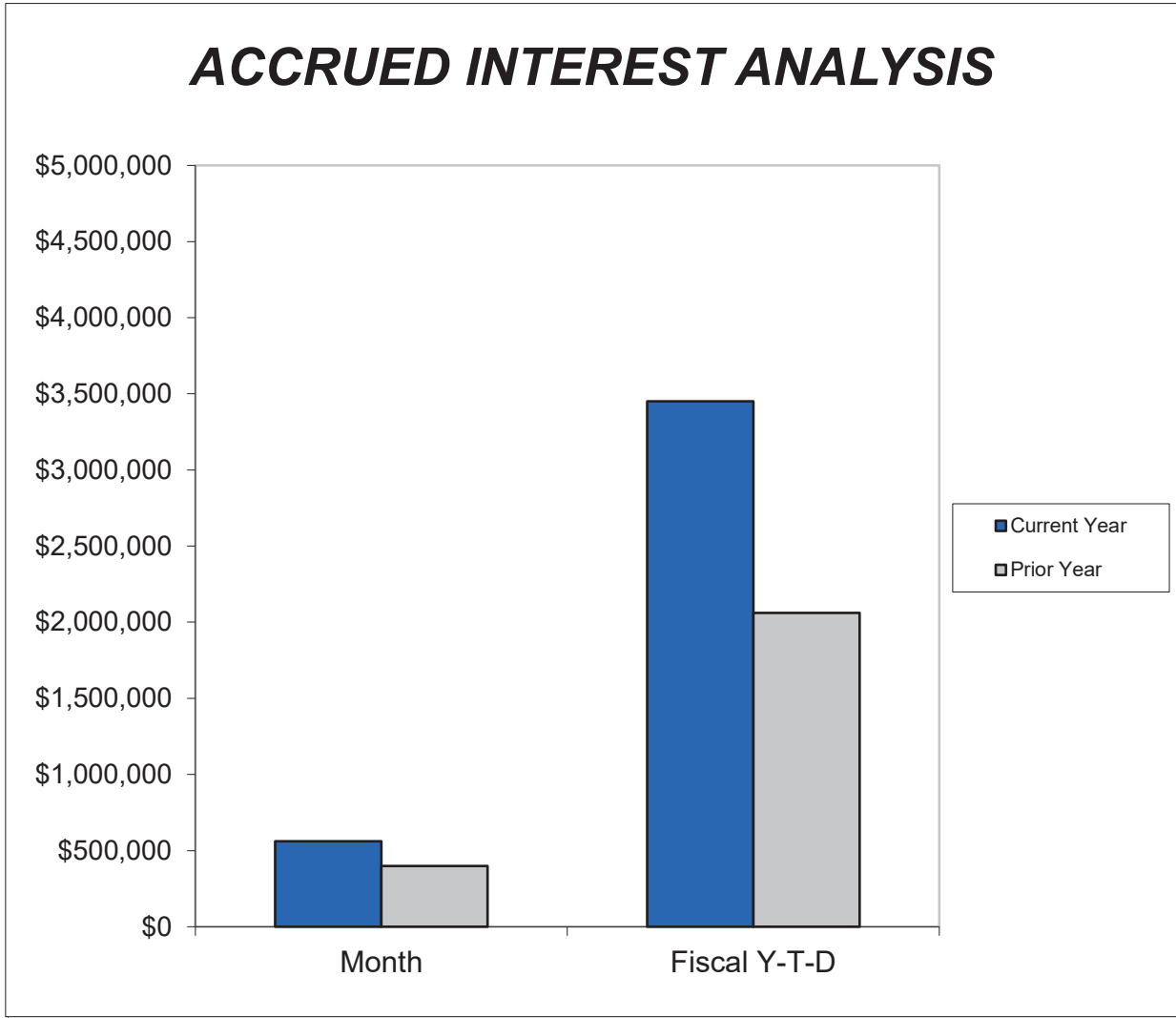
Facility Rent receipts may be applied to the 2012 Bond debt service or other allowable uses.

Note (4) – Net RITC / ConRAC Facility Payments and Collections

At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the Rent-A-Car Companies.

In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

Burbank-Glendale-Pasadena Airport Authority



	December 2023	December 2022
Accrued Interest Revenue - Month	\$562,017	\$398,500
Accrued Interest Revenue - FYTD	\$3,450,402	\$2,060,650
Month End Portfolio Balance	\$261,153,622	\$278,948,481
Yield to Maturity	4.72%	4.39%

Supplement to the December 2023 Treasurer's Report

FYTD December 2023 Cash Disbursements

Facility Improvement Transactions

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FY 2024 Cash Disbursements - Facility Improvement Transactions

PROJECT DESCRIPTION		Annual Budgeted Cost	FYTD 2024 (July-December) Budgeted Cost	FYTD 2024 (July-December) Cash Basis Cost	FYTD 2024 (July-December) Budget Variance Fav. / (Unfav.)	Project Status FYTD 2024 (July - December 2023)
BUILDING IMPROVEMENTS						
1)	Minor Building Improvements	250,000	125,000	-	125,000	Ongoing
2)	RITC Art in Public Places	400,000	250,000	51,000	199,000	Ongoing
3)	Bldg 36 Security/Ramp Access Doors Replacement	135,000	-	-	-	Project scheduled to commence Q4 of FY 2024
TOTAL BUILDING IMPROVEMENTS		\$ 785,000	\$ 375,000	\$ 51,000	\$ 324,000	
IT/COMMUNICATIONS/SECURITY						
4)	Communications Center Equipment (carryover)	725,000	400,000	9,536	390,464	Project completion estimated FY 2025
5)	Mobile Police Firearms Training Range	425,000	300,000	277,737	22,263	Project completion estimated FY 2025
6)	DVSS Hardware Replacement/Upgrades	200,000	100,000	18,023	81,977	Ongoing
7)	IT Infrastructure Equipment	-	-	108,108	(108,108)	FY 2023 accrued costs - project completed
TOTAL IT/COMMUNICATIONS/SECURITY		\$ 1,350,000	\$ 800,000	\$ 413,404	\$ 386,596	
EQUIPMENT						
8)	ARFF Rescue Vehicle Replacement (Rescue # 17)	1,132,000	-	-	-	Approved for purchase in FY 2024 - ongoing
9)	Airfield Maintenance Equipment (Tractor, Mower)	200,000	-	-	-	Project to commence Q4 of FY 2024
10)	Parking Revenue Control Equipment	135,000	-	-	-	Ongoing
11)	CUPPS Upgrade	-	-	1,224,904	(1,224,904)	Project completed and to be fully reimbursed by the Airlines over a 12-month period
TOTAL EQUIPMENT		\$ 1,467,000	\$ -	\$ 1,224,904	\$ (1,224,904)	
RUNWAY / TAXIWAY / ROADWAY PROJECTS						
12)	Runway 8 PAPI Relocation (completion)	275,000	-	-	-	Project to be completed 2nd half of FY 2024.
13)	Runway/Taxiway Shoulder Rehabilitation	4,510,000	-	13,927	(13,927)	Ongoing
14)	Landside Roadway Pavement Construction	400,000	400,000	292,646	107,354	Ongoing
15)	Parking Lot F Development (carryover)	175,000	175,000	369,593	(194,593)	Project completed Q2 FY 2024. Includes FY 2023 accrued costs
16)	Preliminary Study - Parking Lot D Improvements	300,000	-	-	-	Project postponed.
17)	Taxiway C Pavement Rehabilitation - Construction	-	-	35,418	(35,418)	FY 2023 accrued costs - project completed
18)	Airfield Lighting Vault Replacement - Construction	-	-	773,393	(773,393)	FY 2023 accrued costs - project completed
TOTAL RUNWAY/TAXIWAY/ROADWAY		\$ 5,660,000	\$ 575,000	\$ 1,484,977	\$ (909,977)	
NOISE MITIGATION						
19)	Part 150 Update	\$ 1,000,000	\$ 100,000	\$ -	\$ 100,000	Contract scheduled to be awarded Q3 FY 2024
TOTAL NOISE MITIGATION		\$ 1,000,000	\$ 100,000	\$ -	\$ 100,000	
O & M CAPITAL		\$ 1,217,000	\$ 528,098	\$ 532,908	(4,810)	Ongoing
SUB TOTAL		\$ 11,479,000	\$ 2,378,098	\$ 3,707,193	\$ (1,329,095)	
REPLACEMENT PASSENGER TERMINAL PROJECT						
20)	Replacement Passenger Terminal Project	158,579,049	27,573,495	25,582,714	1,990,781	Ongoing
TOTAL REPLACEMENT PASSENGER TERMINAL PROJECT		\$ 158,579,049	\$ 27,573,495	\$ 25,582,714	\$ 1,990,781	
TOTAL		\$ 170,058,049	\$ 29,951,593	\$ 29,289,907	\$ 661,686	

Supplement to the December 2023 Treasurer's Report

FYTD December 2023 Cash Expenditures

Replacement Passenger Terminal Project (RPT)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
Replacement Passenger Terminal Project (RPT)
FY 2024 Cash Expenditures: Authorized Contracts

Consultant/Vendor	Scope of Work	Prior Fiscal Years' Cash Expenditures	Current Authorized Amounts (1)	December 2023 Cash Expenditures	FYTD 2024 (July - December) Cash Expenditures	Remaining Contract Amount	Project-to-date Total Cash Expenditures
AECOM (1a)	Program Management Services	\$ 4,172,454	N/A	-	-	N/A	\$ 4,172,454
Jacobs Project Management Company (1a)	Program Management Services	4,154,588	13,321,911	522,748	2,629,835	6,537,488	6,784,423
Airport & Aviation Professionals Inc. (AvAirPros) (1b)	Airline Technical & Financial Coordination Services	216,599	350,000	21,591	140,396	209,604	356,995
Conway Consulting (1b)	Technical Support	211,327	150,000	21,541	134,656	15,344	345,983
Georgino Development (1b)	Strategic Planning Services	85,500	57,600	4,800	28,500	29,100	114,000
Public Resources Advisory Group (PRAG) (1b)	Financial Advisory Services	245,608	275,000	24,869	102,343	172,657	347,951
Ricondo & Associates (1b)	Financial Feasibility Services	351,440	356,000	49,417	249,484	106,516	600,924
Geosyntec Consultants (1c)	Soil Management Services	8,586	N/A	-	-	N/A	8,586
Holder, Pankow, TEC JV (1d)	Design Builder	14,288,816	150,458,701	-	19,376,883	116,793,002	33,665,699
Fitch Ratings (2)	Rating Agency	-	N/A	-	35,000	N/A	35,000
Orrick, Herrington & Sutcliffe (2)	Bond Counsel	467,197	N/A	37,366	216,232	N/A	683,429
Chapman (2)	Legal Services	70,000	N/A	-	-	N/A	70,000
Geraci (2)	Legal Services	-	N/A	-	2,000	N/A	2,000
McDermott (2)	Legal Services	-	N/A	-	5,000	N/A	5,000
Moody's (2)	Rating Agency	-	N/A	-	28,900	N/A	28,900
Richards, Watson & Gershon (2)	Legal Services	237,956	N/A	5,565	53,453	N/A	291,409
Ring Bender (2)	Legal Services	4,793	N/A	-	-	N/A	4,793
S & P Global Rating (2)	Rating Agency	-	N/A	-	21,000	N/A	21,000
THU Legal Consulting (2)	Consulting Services	37,440	150,000	12,200	80,600	69,400	118,040
Thriving Restaurants (2)	Consulting Services	5,000	N/A	-	-	N/A	5,000
Zions Bancorporation (2)	Consulting Services	-	N/A	-	2,500	N/A	2,500
RS&H (3)	Environmental Impact Study (EIS) Services	339,782	AIP / PFC Funded	237,149	255,383	N/A	595,165
XI-3 Corporation (4)	Consulting Services	91,770	91,770	-	-	-	91,770
City of Burbank (5a)	Burbank Water & Power Aid-in-Construction Deposit	569,000	1,980,000	-	1,411,000	-	1,980,000
City of Burbank (5b)	Plan Check Services	-	344,124	-	344,124	-	344,124
Barclays Bank (6)	CP Program / LOC Bank	-	N/A	-	229,082	N/A	229,082
Sumitomo Mitsui (6)	CP Program / LOC Bank	-	N/A	105,851	223,624	N/A	223,624
Meetings	Various Expenses	30,026	N/A	12,500	12,500	N/A	42,526
Licenses & Fees	Various Expenses	4,276	N/A	-	219	N/A	4,495
TOTALS		\$ 25,592,158	\$ 167,535,106	\$ 1,055,597	\$ 25,582,714	\$ 123,933,111	\$ 51,174,872

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
Notes to Replacement Passenger Terminal Project Schedule
Project Costs as of December 2023

- (1) Current authorized NTE Contract amounts represent Commission approved appropriations. The FY 2024 adopted budget includes appropriations of \$158,579,049 for the RPT project.
- (1a) The Jacobs' authorized amount represents the following
Commission approved Task Orders against the Professional Services agreement to date:
Task Order 1 (Development of the Program Operations Manual) - \$1,419,896
Task Order 2 (Procurement of Progressive Design Builder) - \$1,463,250
Task Order 3 (Phase 2 Design and Pre-Construction Support Services) - \$10,438,765
- (1b) These Professional Services contracts for technical, financial, and strategic airport services were presented and approved on August 28, 2023 to be effective July 1, 2023. These are multi-year support services contracts.
- (1c) This Professional Services contract for geotechnical support was approved on September 1, 2022 to be effective August 1, 2022 through June 30, 2023.
- (1d) In December 2022, the Commission approved an estimated \$55,000,000 for Task Order 1 for Phase 1 design services of the RPT project to develop the 60% design level and Guaranteed Maximum Price (GMP). Actual Phase 1 services were contracted at \$54,244,242 and are anticipated to be completed by April 2024.
- In November 2023, the Commission approved Task Order 2 in the amount of \$76,933,511 to develop Component Guaranteed Maximum Prices (CGMP) for the following:
CGMP-01: Terminal Building Mechanical, Electrical, and Special Systems (MEP) - \$3,829,573
CGMP-02: Civil Site Work - \$66,803,938
Various Owner Allowances - \$6,300,000
- In December 2023, the Commission approved Task Order 3 in the amount of \$19,280,948 to develop CGMP for the following:
CGMP-03: Phase 2 General Conditions (HPTJV initial personnel cost Q1 2024 through Q4 2024).
- (2) Legal services and professional services to be utilized on an as needed basis.
- (3) RS&H expenditures are for the FAA's Written Re-evaluation of the construction noise section in the Environmental Impact Study as directed by the Ninth Circuit.
- (4) XI-3 Corporation: RFP coordination and technical support services for the selection of the progressive design-builder.
Commission approved professional services agreement in July 2022 (NTE \$50,000) which was increased by an amendment in October 2022 to NTE \$96,000.
- (5a) The Commission approved Aid-In-Construction payments with BWP for deposits as follows:
1) June 26, 2023 - \$494,000
2) September 18, 2023 - \$1,411,000
- (5b) The Commission approved payment on October 16, 2023 in the amount of \$344,124 for a deposit with the City of Burbank for an independent contractor to undertake plan check services.
- (6) LOC banks for the CP program.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
Replacement Passenger Terminal Project (RPT)
FY 2024 Wire Transfers

Consultant/Vendor	Scope of Work	December 2023 Wire Transfers	FYTD 2024 (July - December) Wire Transfers	Project-to-date Total Wire Transfers
Barclays Bank (1)	CP Program / LOC Bank	-	229,082	229,082
Sumitomo Mitsui (2)	CP Program / LOC Bank	105,851	222,057	222,057
TOTALS		\$ 105,851	\$ 451,139	\$ 451,139

Notes

(1) Quarterly payment of \$108,637 was made on November 29, 2023, to Barclays Bank PLC for the letter of credit maintenance fees.

(2) Quarterly payment of \$105,851 was made on December 11, 2023, to Sumitomo Mitsui Banking Corporation for the letter of credit maintenance fees.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
APRIL 1, 2024**

**AIRPORT NOISE AND OPERATIONS MANAGEMENT SYSTEM
SERVICE AGREEMENT**

Prepared By Maggie Martinez
Director, Noise & Environmental Affairs

SUMMARY

At its meeting on March 18, 2024, the Legal, Government and Environmental Affairs Committee (“Committee”) voted (2–0, 1 absent) to recommend that the Commission award an Airport Noise and Operations Management System Service Agreement (“Agreement”) to EMS Bruel & Kjaer Inc. D.B.A. Envirosuite, Inc. (“Envirosuite”), copy attached, for continued maintenance and support services of the Airport Noise and Operations Management System (“ANOMS”). The proposed Agreement is for a period of five years, from April 15, 2024, to April 14, 2029.

BACKGROUND

Envirosuite has been providing services for airport community engagement by providing robust and understandable data for over 30 years. Their market leading monitoring systems for noise and operations are used by more than 230 airports worldwide including 50+ airports in North America, with 14 in California. Envirosuite is the exclusive provider of ANOMS solutions to those airports in California that require certification by Caltrans. ANOMS includes equipment that runs with proprietary software, and Envirosuite is the only company that can provide the necessary support services to maintain the system and to provide software upgrades and system integrations.

In July 2010, the Authority entered into an agreement with Bruel & Kjaer, Inc., formally named Lockhard Corporation, to replace the Airport’s original flight tracking system. Following system design, review and approval, the components were installed with a system acceptance date in April 2013. This acquisition included the upgrade of all of the then-existing noise monitors, and the addition of four new noise monitors, for a total of 20 noise monitoring locations. The noise flight tracking data from the noise monitors are used to generate the Airport’s noise contours for the reports to Caltrans required by state law.

DETAILS

The current contract with Envirosuite expires April 14, 2024. The proposed Agreement allows the Authority to continue with the maintenance and support services of the ANOMS to provide customer service on community complaints, measure aircraft noise impact areas, monitor aircraft compliance with noise abatement procedures, and stay in compliance with state law reporting.

Envirosuite's annual fee for maintenance and support services is for an amount not to exceed \$133,485.00 per year, billable quarterly at \$33,371.25, for the five-year term of the Agreement.

BUDGET

Appropriations for the current fiscal year were included in the approved FY2024 budget. Appropriations requests for the remaining years of the Agreement will be requested in subsequent fiscal year budgets.

RECOMMENDATION

At its meeting on March 18, 2024, the Committee voted (2–0, 1 absent) to recommend that the Commission approve the proposed Agreement with Envirosuite and authorize the President to execute the same.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
APRIL 1, 2024**

**ANNUAL REVIEW AND ADJUSTMENT OF
NOISE VIOLATION FINES**

Prepared by Kyle Porter
Manager, Noise and Environmental Affairs

SUMMARY

At its meeting on March 18, 2024, the Legal, Government and Environmental Affairs Committee (“Committee”) voted (2–0, 1 absent) to recommend the Commission authorize an increase to the noise fines associated with certain restricted operations as detailed in Airport Noise Rules 8 and 9 as described below, in accordance with the annual adjustment of noise violation fines required by Resolution No. 382.

BACKGROUND

Resolution No. 382 was adopted by the Commission on March 20, 2003. It requires noise violation fines contained in Airport Noise Rules 8 and 9 to be adjusted annually for inflation based on percentage changes in the Consumer Price Index (“CPI”). The January index is used to calculate the annual adjustment and the new rates become effective each April 1st.

Rule 8 prohibits the following activities between 10 p.m. and 7 a.m.

- Intersection takeoffs
- “Touch and go” landings
- Maintenance run-ups
- Flight training operations
- Practice approaches

The current first-time fine is \$1,839 and the fine for subsequent violations is \$2,670.

Rule 9 prohibits the operation of certain “noisy” aircraft (determined pursuant to FAA classifications) between 10 p.m. and 7 a.m. The current fine for each violation is \$5,348.

The 2012 FAA Modernization and Reform Act required owners/operators of aircraft that weigh less than 75,000 pounds that do not meet FAA Stage 3 noise levels to modify or retire their aircraft by December 31, 2015. This statute has been fully implemented; however, existing Airport Noise Rules include weight limits provided by Gulfstream that are necessary, in addition to Stage 3 hush kits, for their Models G-IIIB and G-III aircraft to be in compliance. Currently there are no Gulfstream III aircraft based at Hollywood Burbank Airport. However, Rule 9 also applies to all itinerant aircraft operations with this model aircraft.

In 2023, there were no general aviation operators that violated Rule 9.

JANUARY CPI INDEX LEVEL

The January 2024 CPI for All Urban Consumers in the Los Angeles, Long Beach and Anaheim area is 326.64 according to the U.S. Bureau of Labor Standards. This level represents an approximate increase of 2.5% when compared to the January 2023 index reading of 318.59. Applying this CPI value to the current fines results in the following revised fines levels for Rule 8 and Rule 9 violations:

- Rule 8: \$1,885 (first violation)
- Rule 8: \$2,737 (subsequent violations)
- Rule 9: \$5,482 (each violation)

RECOMMENDATION

At its meeting on March 18, 2024, the Committee voted (2–0, 1 absent) to recommend to the Commission that the monetary fines for violations of Airport Noise Rules 8 and 9 be adjusted as detailed in this staff report.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
APRIL 1, 2024**

**SECOND AMENDMENT TO AVIATION HANGAR LEASE
CONSENT TO SUBLEASE**

AVALON CAPITAL GROUP, INC.

Prepared by
Derrick Cheng
Assistant Manager, Business & Properties

SUMMARY

At its meeting on March 18, 2024, the Finance and Administration Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve a proposed Second Amendment (“Amendment”), copy attached, to the Aviation Hangar Lease (“Lease”) between Avalon Capital Group, Inc. (“Avalon”) and a Consent to Sublease between Avalon and Thornton Aircraft, LLC (“Thornton”) copy attached, a tenant in Hangar 89.

BACKGROUND

Avalon is a privately held investment company with diverse interests, including investments in real estate, technology, health care finance and entertainment.

On August 19, 2019, the Authority awarded Avalon the Lease for Hangar 38 for the purpose of allowing Avalon to store its corporate aircraft and relocate its base of operation from Van Nuys Airport to Hollywood Burbank Airport.

The Lease is scheduled to expire on August 31, 2025. Avalon contacted staff and inquired about extending the Lease for an additional five years with an option to extend the term for an additional five years. Avalon also inquired about subletting a portion of the hangar, approximately 40%, which currently is not leased and is provided on an as needed basis to Million Air Burbank (one of the Fixed Based Operators at the Airport) for parking and storage of aircraft.

If allowed to extend the Lease, Avalon also requests a Consent to Sublease to allow it to sublet a portion of the hangar floor to Thornton for the storage and maintenance of aircraft.

The proposed Amendment will provide for the leasing of the entire hangar generating an additional \$16,306.54 per month.

The proposed Consent to Sublease provides Thornton expanded service area for aircraft storage and maintenance, while providing Avalon a subtenant to support the leasing of the entire hangar for an extended period.

Currently, both Avalon and Thornton are tenants in good standing having met all their obligations under the current leases with the Authority.

DETAILS

Key components of the Lease as modified by the proposed Amendment are:

Premises:	Hangar 38 (located in the northwest quadrant of the Airport)
Use:	Storage of general aviation aircraft
Old Rent:	\$31,515.90 per month
New Rent:	\$47,822.44 per month
Adjustments:	Greater of 3% per year or 120% of CPI, not to exceed 6% annually
Term:	April 1, 2024 through March 31, 2029
Extension Options:	Tenant may extend the Term of the Lease for an additional five years upon written notice to Landlord 180 days prior to the expiration date.
Termination:	Tenant shall have the right to terminate the Agreement at any time upon one calendar year's prior written notice.
Proposed Subtenant:	Thornton Aircraft Company, LLC
Other:	Tenant is responsible for expenses related to occupancy including maintenance, utilities, property insurance and applicable taxes

REVENUE IMPACT

The proposed Amendment provides for an additional \$16,306.54 per month with annual applicable rent adjustment described above.

RECOMMENDATION

At its meeting on March 18, 2024, the Committee voted unanimously (3–0) to recommend that the Commission approve the proposed Amendment with Avalon for Hangar 38, approve the proposed Consent to Sublease between Avalon and Thornton, and authorize the President to execute the same.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
APRIL 1, 2024**

AMENDED AND RESTATED MASTER INDENTURE OF TRUST

Presented by John T. Hatanaka
Senior Deputy Executive Director

SUMMARY

At its meeting on March 18, 2024, the Finance and Administration Committee (“Finance Committee”) voted unanimously (3–0) to recommend that the Commission approve an Amended and Restated Master Indenture of Trust (“Restated Master Indenture”) substantially in the form presented.

BACKGROUND

The Authority executed a Master Indenture of Trust (“Original Master Indenture”) in May 2005. Under the Original Master Indenture, as supplemented by four supplemental indentures, the Authority has issued several series of bonds in 2005, 2012 and 2015.

As the Authority is preparing to issue bonds for the financing of the Replacement Passenger Terminal Project (“RPT Project”), Bond Counsel and the Authority’s Municipal Advisor have advised that it would be beneficial to update the Original Master Indenture, which was written close to 20 years ago.

Because there are bonds still outstanding under the Original Master Indenture, the Authority cannot unilaterally terminate the Original Master Indenture. Instead, it is proposed that the Authority execute a Restated Master Indenture, substantially in the form set forth in Exhibit B.

DISCUSSION

An executive summary of the Restated Master Indenture is set forth in Exhibit A.

The current financing schedule anticipates the issuance of bonds for the RPT Project in May 2024 (“2024 Bonds”). Until then, the Restated Master Indenture may be further modified based on input from the underwriters, the rating agencies, potential bond insurers and other financing participants. However, to proceed with the bond rating and bond marketing processes in a timely manner, it is necessary to obtain Commission approval of the Restated Master Indenture, in substantial form, before this financing document is in final form for execution.

Because the Restated Master Indenture is an amendment and restatement of the Original Master Indenture, it will only become effective with the consent of: (i) the “Credit Providers,” and (ii) the owners of at least of a majority (in aggregate principal amount) of bonds outstanding under the Original Master Indenture.

In this situation, the Credit Providers are the two banks (the “CP Banks”) that have issued letters of credit supporting the Authority’s Commercial Paper Program (the “CP Program”).

The Authority established the CP Program in June 2023, to provide interim financing, as needed, for the RPT Project. Commercial paper notes issued under the CP Program would constitute “Parity Obligations” under the Original Master Indenture. Bond Counsel has been in communication with counsel of the CP Banks and expects that the CP Banks’ written consents to the Restated Master Indenture will be obtained on or before the issuance date of the 2024 Bonds.

Furthermore, upon the issuance of the 2024 Bonds, the owners of the 2024 Bonds will constitute the owners of a majority (in aggregate principal amount) of bonds outstanding under the Original Master Indenture. Bond Counsel is preparing a Fifth Supplemental Indenture of Trust (the “Fifth Supplemental Indenture”), pursuant to which the 2024 Bonds will be issued, along with the preliminary official statement (“POS”) for the 2024 Bonds. The Fifth Supplemental Indenture and the POS will state that, by purchasing the 2024 Bonds, the owners of the 2024 Bonds will be deemed to irrevocably consent to the Restated Master Indenture. Hence, it is expected that the Restated Master Indenture will become effective on the issuance date of the 2024 Bonds.

[The Fifth Supplemental Indenture, the POS and other documents relating to the issuance of the 2024 Bonds, in substantial form, will be presented to the Executive Committee for recommendation to the Commission for approval. Ultimately, the Commission will be asked to adopt a comprehensive resolution to approve the Restated Master Indenture, the Fifth Supplemental Indenture, the POS and the other related financing documents.]

RECOMMENDATION

At its meeting on March 18, 2024, the Committee voted unanimously to recommend that the Commission approve of the Restated Master Indenture, in substantially the form presented.

Attachments:

1. Exhibit A – Executive Summary of Amended and Restated Master Indenture
2. Exhibit B – Proposed form of Amended and Restated Master Indenture

EXHIBIT A

Executive Summary of Amended and Restated Master Indenture of Trust

Certain key provisions of the proposed form of Amended and Restated Master Indenture are highlighted below. This summary is not intended to be comprehensive or definitive and should not be relied upon for credit review purposes. Capitalized terms used but not defined below have the meanings ascribed in the Amended and Restated Master Indenture.

Key Changes from Original Master Indenture

- Definitions and terms are updated. For example:
 - London Inter-Bank Offered Rate (LIBOR), a previously popular interest rate benchmark, is generally no longer in use. References to LIBOR in the Original Master Indenture have been updated to substitute benchmarks, such as the Secured Overnight Financing Rate (SOFR).
 - Definitions have been added to recognize the Authority's Commercial Paper Program (established by the authority in June 2023).
- Provisions have been added to allow for the issuance of three tiers of Bonds under the Amended and Restated Master Indenture (with corresponding lien ranking – senior, subordinate, and junior subordinate).
 - Bonds issued under the Indenture – whether the Original Master Indenture or the Amended and Restated Master Indenture – are secured by the “Trust Estate.”
 - Trust Estate consists of, primarily “Net Revenues.”
 - “Net Revenues,” for any period of time, consist of the Authority's Revenues for that period less the Authority's Operating Expenses for the same period.
 - Bonds under the Original Master Indenture are secured by a first lien on the Trust Estate.
 - Under the Amended and Restated Master Indenture, “Bonds” that may be issued include “Senior Bonds,” “Subordinate Bonds,” and “Junior Subordinate Bonds.”
 - Senior Bonds are secured by a first lien on the Trust Estate.
 - Bonds issued under the Original Master Indenture outstanding as of the effective date of the Amended and Restated Master

Indenture (including the 2024 Bonds) will constitute “Senior Bonds.”

- Subordinate Bonds rank junior to the Senior Bonds with respect to the lien on the Trust Estate.
 - Junior Subordinate Bonds rank junior to the Senior Bonds and the Subordinate Bonds with respect to the lien on the Trust Estate.
- Provisions have also been added to give the Authority the flexibility of executing other Issuing Instruments (i.e., borrowing arrangements other than the issuance of Bonds under the Indenture) for the incurrence of other Obligations that rank on a parity with each tier of Bonds with respect to the lien on the Trust Estate.
 - As compared to Senior Bonds, “Senior Obligations” is the broader term. As such, Senior Obligations include Senior Bonds, and other Obligations that rank on a parity with the Senior Bonds with respect to the lien on the Trust Estate (for example, any Commercial Paper Notes that the Authority may issue under the Commercial Paper Program).
 - Similarly, “Subordinate Obligations” include Subordinate Bonds and other Obligations that rank on a parity with Subordinate Bonds with respect to the lien on the Trust Estate. “Junior Subordinate Obligations” include Junior Subordinate Bonds and other Obligations that rank on a parity with Junior Subordinate Bonds with respect to the lien on the Trust Estate.
 - Currently, there are no outstanding Subordinate Obligations or Junior Subordinate Obligations. The Amended and Restated Indenture provides the flexibility to issue them, if the Authority decides that it would be beneficial to do so in the future.
 - The Amended and Restated Indenture permits the Authority to incur other obligations, if they rank junior to the Junior Subordinate Obligations with respect to the lien on the Trust Estate or if they are not secured by a lien on any part of the Trust Estate.
 - Provisions relating to the flow of funds, additional debt tests, rate covenants and events of the default have been updated to reflect the multiple tiers (lien levels) of Bonds and Obligations described above.

Amended and Restated Master Indenture Provisions

- Article I – This article clarifies when the Amended and Restated Master Indenture will become effective. It also sets forth the definitions for capitalized terms used in the document.
- Article II – This article prescribes the requirements that must be satisfied for the issuance of Senior Bonds, Subordinate Bonds and Junior Subordinate Bonds (as well as the incurrence of other Senior Obligations, Subordinate Obligations and Junior Subordinate Obligations).
 - To issue each series of Bonds, the Authority must also execute a “supplemental indenture” that specifies the terms – such as principal amounts, interest rates and redemption provisions – for that particular series of Bonds.
 - Sections 2.09 through 2.11 set forth the requirements that must be met (including debt service coverage requirements for additional debt tests) for the incurrence of Senior Obligations, Subordinate Obligations and Junior Subordinate Obligations.
- Article III – This article prescribes the general form for the Bonds. For example, each Bond must have a specific dated date, interest rate and maturity date.
 - Generally, the Bonds will be issued as “book-entry bonds.” When issued by the Authority, all Bonds will be registered to a single owner: Cede & Co., as the “nominee” of the Depository Trust Company (“DTC”). DTC serves as the clearing house and maintains records of the names of the investors. Bond payments (and notices) made by the Authority, through the bond trustee, go to DTC, and DTC distributes the payments (and notices) to the beneficial owners of the Bonds.
- Article IV – When a series of Bonds is issued, the related supplemental indenture may specify that such Bonds will be subject to redemption (i.e., early prepayment by the Authority before the maturity date). Certain specifics – such as the date starting on which the Bond will subject to redemption, whether the Authority will have to pay a premium for the early redemption – will be detailed in the supplemental indenture. This article describes certain mechanics that are generally applicable to the redemption of Bonds.
- Article V – This article provides for the establishment of certain funds to be held by the Authority or the bond trustee, and prescribes the priority of payment for the Revenues of the Authority (i.e., the flow of funds).

- Article VI – This article contains the Authority’s covenants for the benefit of the bondholders.
 - Section 6.05 sets forth the rate covenant – relating to the requirement for the Authority to maintain certain debt service coverage (the ratio between Net Revenues and required debt service payments) each Fiscal Year.
- Article VII – This article contains provisions relating to the mechanics and conditions for any amendment to the Indenture.
- Article VIII – This article sets forth provisions relating to the appointment and removal of the bond trustee, the bond trustee’s duties and the limitation of bond trustee’s liabilities.
- Article IX – Bonds can be paid off in the normal course (based on scheduled maturity dates) or through early redemption (i.e., prepayment) pursuant to the terms in the related supplemental indenture. Bonds may also be “defeased” prior to maturity – through the irrevocable deposit of moneys in an escrow fund, to be held by the bond trustee or another fiduciary, to be applied to on the designated payment date(s). Once defeased, the Bonds are no longer considered “Outstanding” for purposes of the Indenture. This article contains provisions under which such an early defeasance may be accomplished.
- Article X – This article defines that events that would become “Events of Default” under the Indenture, and details the mechanics if an Event of Default occurs.
- Article XI – This article contains miscellaneous provisions, such as the specification that the Indenture shall be governed by California law and the clarification that no member, officer or employee of the Commission or the Authority shall be personally liable for Bond or Obligation payments.

AMENDED AND RESTATED MASTER INDENTURE OF TRUST

between

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

Dated as of May 1, 2005

and

Amended and Restated as of [MONTH] 1, 2024 and Effective on the Effective Date, as
described herein

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AMENDED AND RESTATED MASTER INDENTURE OF TRUST

This AMENDED AND RESTATED MASTER INDENTURE OF TRUST, dated as of May 1, 2005, and amended and restated as of [MONTH] 1, 2024 and effective on the Effective Date (as defined herein) (this “Master Indenture”), is entered into between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity of the State of California (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly established and existing under and pursuant to the laws of the United States of America (the “Trustee”).

RECITALS

WHEREAS, the Authority (capitalized terms used in this Master Indenture shall have the meanings given such terms in Section 1.02) has been duly established and is duly existing as a joint exercise of powers agency under the Joint Powers Act and the Joint Powers Agreement; and

WHEREAS, the Authority owns and operates the Airport; and

WHEREAS, the Authority is authorized under the Joint Powers Agreement, the Joint Powers Act and other applicable provisions of State law to issue bonds, notes and other obligations payable from revenues of the Airport to finance the Costs of Capital Improvements to the Airport and for other lawful purposes and to refund such bonds, notes and other obligations; and

WHEREAS, the Authority has determined to provide for the issuance from time to time of Bonds in separate Series on the terms and conditions set forth in this Master Indenture as supplemented by a Supplemental Indenture relating to such Series of Bonds; and

WHEREAS, the Authority has determined to provide for the issuance or incurrence from time to time of Obligations other than Bonds on the terms and conditions set forth in this Master Indenture and the Issuing Instrument relating to such Obligations; and

WHEREAS, the Authority has determined that the Bonds and Obligations of each Series shall be secured as provided herein and in the Supplemental Indenture or the Issuing Instrument relating to such Series of Bonds or Obligations, as applicable; and

WHEREAS, the Authority and the Trustee previously entered into a Master Indenture of Trust, dated as of May 1, 2005, as supplemented and amended to the date hereof (as so supplemented and amended, the “Original Master Indenture”); and

WHEREAS, the Authority has determined that that the Original Master Indenture should be amended and restated by this Master Indenture to provide greater flexibility in structuring its Bonds and Obligations; and

WHEREAS, pursuant to Section 7.01(a) of the Original Master Indenture, the Original Master Indenture and the rights and obligations of the Authority and of the Owners of the Outstanding Bonds and of the Fiduciaries may be modified, amended or supplemented from time

to time and at any time, with the written consent of each Credit Provider, when the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding is filed with the Trustee; and

WHEREAS, the Outstanding Bonds prior to the Effective Date are the Authority's Airport Revenue Bonds, 2012 Series A (AMT) and 2012 Taxable Series B (collectively, the "2012 Series Bonds"); and¹

WHEREAS, the Authority has issued pursuant to, and there are currently outstanding, commercial paper notes (the "Commercial Paper Notes") under, the Issuing and Paying Agent Agreement, dated as of June 1, 2023, between the Authority and Zions Bancorporation, National Association, as issuing and paying agent thereunder; and

WHEREAS, the Credit Providers as of the Effective Date are Barclays Bank PLC and Sumitomo Mitsui Banking Corporation, acting through its New York Branch, each of which provide an irrevocable transferrable direct-pay letter of credit supporting the Commercial Paper Notes; and

WHEREAS, the consent of the Credit Providers required by Section 7.01(a) of the Original Master Indenture has been obtained and filed with the Trustee; and

WHEREAS, the Authority's Airport Revenue Bonds, [2024 Series __] (the "Series 2024 Bonds") are being issued [on the Effective Date] pursuant to a [Fifth Supplemental Indenture], dated as of [MONTH] 1, 2024, between the Authority and the Trustee, in compliance with the provisions of the Original Master Indenture in an amount that constitutes a majority in aggregate principal amount of the Bonds then Outstanding as calculated on Exhibit A attached hereto and incorporated by this reference herein, and the Owners of the Series 2024 Bonds by their purchase of the Series 2024 Bonds have been deemed to have consented to the amendment and restatement of the Original Master Indenture by this Master Indenture and such consent is effective on the Effective Date and is binding on any subsequent purchaser of any Series 2024 Bonds, and may not be revoked after the issuance of the Series 2024 Bonds; and

WHEREAS, the 2012 Series Bonds, the Commercial Paper Notes, the Commercial Paper Reimbursement Obligations (as defined herein) and the Series 2024 Bonds constitute and are secured as "Parity Obligations" under the Original Master Indenture and constitute and are secured as "Senior Obligations" under this Master Indenture; and

WHEREAS, the Authority has authorized and executed this Master Indenture, which will become effective on the Effective Date; and

WHEREAS, the Trustee is authorized to accept and execute trusts of the character provided by the Indenture; and

¹ This assumes the Authority's 2015 Bonds will not be outstanding on the effective date of the amendment and restatement of the Master Indenture. Therefore, no consent of Assured Guaranty is needed for the amendment and restatement,

WHEREAS, the Trustee has accepted the trusts created and established by the Indenture and in evidence thereof has joined in the execution of this Master Indenture;

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS AMENDED AND RESTATED MASTER INDENTURE OF TRUST WITNESSETH:

To secure the payment of all the Bonds and other Obligations at any time issued and Outstanding hereunder and to secure the performance and observance by the Authority of all of the covenants, agreements and conditions contained in the Bonds and other Obligations and the Indenture and any Issuing Instrument, the Authority hereby pledges to the Trustee for the benefit of the Owners from time to time of all the Bonds authenticated hereunder and issued by the Authority and Outstanding and the Owners from time to time of all other Obligations issued or incurred by the Authority and Outstanding, all with the respective priorities set forth herein, and grants to the Trustee for the benefit of the Owners from time to time of all the Bonds authenticated hereunder and issued by the Authority and Outstanding and the Owners from time to time of all other Obligations issued or incurred by the Authority and Outstanding, all with the respective priorities set forth herein, a security interest in and lien on, all of its right, title and interest, whether now owned or hereafter acquired, in, to and under the Trust Estate.

Notwithstanding any other provision of the Indenture or any Issuing Instrument, (i) the Senior Debt Service Fund shall secure only the Senior Bonds, (ii) the Senior Debt Service Reserve Fund shall secure only the Participating Senior Bonds, (iii) the Subordinate Debt Service Fund shall secure only the Subordinate Bonds, (iv) the Subordinate Debt Service Reserve Fund shall secure only the Participating Subordinate Bonds, (v) each Senior Series Debt Service Reserve Fund shall secure only the Senior Bonds that are specified in the applicable Supplemental Indenture to be secured thereby, (vi) each Subordinate Series Debt Service Reserve Fund shall secure only the Subordinate Bonds that are specified in the applicable Supplemental Indenture to be secured thereby, (vii) the Junior Subordinate Fund shall secure only the Junior Subordinate Obligations, (viii) each Credit Support Instrument, including the payments thereunder, shall secure or enhance only the Bonds or Obligations that are specified in the applicable Supplemental Indenture or Issuing Instrument to be secured or enhanced thereby, (ix) each Reserve Guaranty, including the payments thereunder, shall secure or enhance only the Bonds or Obligations that are specified in the applicable Supplemental Indenture or Issuing Instrument to be secured or enhanced thereby, and (x) each Account in the Construction Fund shall secure only the Bonds that are specified in the applicable Supplemental Indenture to be secured thereby. Any Supplemental Indenture or Issuing Instrument may provide that the bonds or obligations issued thereunder are not secured by all or part of the Trust Estate or that such bonds or obligations are secured by collateral in addition to or different from the Trust Estate. Said pledge shall constitute a lien on and security interest in such assets all with the respective priorities set forth herein and shall attach, be perfected and be effective, binding and enforceable without the need for any physical delivery, recordation, filing or further act.

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Effectiveness of this Master Indenture. This amendment and restatement of the Original Master Indenture by this Master Indenture shall become effective upon the date (the “Effective Date”) that all of the following have occurred: (a) the Authority has received the written consent of each Credit Provider; (b) the Authority has caused notice of the amendment and restatement of the Original Master Indenture to be mailed, by first class mail, postage prepaid, to the Owners of all Outstanding Bonds at their addresses appearing on the Bond Register in accordance with Section 7.01(a) of the Original Master Indenture; and (c) the Authority has filed with the Trustee the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding or evidence thereof in accordance with Section 7.01(a) of the Original Master Indenture. Upon the Effective Date, (i) this Master Indenture shall replace and supersede the Original Master Indenture for all purposes (excluding the provisions of (x) the Third Supplemental Indenture that govern the payment and redemption terms of the 2012 Series Bonds contained in Sections 2.02 and 3.02, the tax covenants contained in Section 5.01 and the pledge of 2012 Pledged Customer Facility Charges contained in Section 6.02 and (y) the Fifth Supplemental Indenture), and (ii) all Obligations Outstanding under the Original Master Indenture (a list of all Obligations Outstanding under the Original Master Indenture is included in Exhibit B² attached hereto and incorporated by this reference herein) shall be deemed to be Outstanding under this Master Indenture and governed by and interpreted under the terms hereof.

Section 1.02. Definitions. Unless the context otherwise requires, the following terms, for all purposes of this Master Indenture and (unless otherwise provided therein with respect to any Series of Obligations in the Supplemental Indenture or Issuing Instrument relating to such Series) any Supplemental Indenture or Issuing Instrument, shall have the meanings set forth below:

“Account” means an account, including subaccounts, in any of the Funds established and maintained under the Indenture.

“Accountant’s Certificate” means a certificate signed by an Independent Certified Public Accountant selected by the Authority.

“Accreted Value” means, with respect to any Capital Appreciation Obligation and as of any date, the Initial Amount thereof plus the interest accrued thereon from its delivery date to such date, compounded at the interest rate with respect to such Capital Appreciation Obligation specified in or determined pursuant to the Supplemental Indenture or Issuing Instrument relating to such Capital Appreciation Obligation, on each compounding date specified in such Supplemental Indenture or Issuing Instrument. The applicable Accreted Value at any date shall be the amount set forth in the Accreted Value Table as of such date, if such date is a compounding date, and if not, shall be determined by straight-line interpolation with reference to such Accreted Value Table.

² Include the 2024 Bonds in Exhibit B.

“Accreted Value Table” means, with respect to Capital Appreciation Obligations, the table denominated as such in, and to which reference is made in, the Supplemental Indenture or Issuing Instrument relating to such Capital Appreciation Obligations.

“Accrued Debt Service” means, as with respect to any period of time and with respect to all applicable Outstanding Obligations, the amount of Debt Service on such Obligations accrued and to accrue during such period calculating such Debt Service as follows:

- (i) interest on any Variable Rate Obligation for any portion of such period of time during which the rate has not been established shall be calculated at the maximum rate of interest payable with respect to such Variable Rate Obligation;
- (ii) interest payable from Capitalized Interest shall be excluded from the calculation;
- (iii) Debt Service payable from Available Revenues or moneys other than Revenues, including any investment earnings thereon, shall be excluded from the calculation;
- (iv) payments of interest due on any Interest Payment Date for an Obligation shall be deemed to accrue daily in equal amounts from the date of the preceding Interest Payment Date for such Obligation or, with respect to the initial Interest Payment Date for an Obligation, from the dated date of such Obligation; and
- (v) payments of maturing principal and Sinking Fund Installments shall be deemed to accrue daily in equal amounts from the date which is one year prior to the due date of such maturing principal and Sinking Fund Installments.

For purposes of complying with any of the requirements set forth in Section 6.05(b), any calculation of Accrued Debt Service with respect to specified Obligations for any period of time shall be reduced by the amount of any Subsidy that the Authority received during such period of time relating to or in connection with such Obligations.

“Additional Bonds” means Additional Senior Bonds, Additional Subordinate Bonds or Additional Junior Subordinate Bonds, as applicable.

“Additional Junior Subordinate Bonds” means Junior Subordinate Bonds issued for the purpose set forth in Section 2.05 and satisfying the conditions of Section 2.10.

“Additional Senior Bonds” means Senior Bonds, other than the 2012 Series Bonds and the Series 2024 Bonds, issued for the purpose set forth in Section 2.05 and satisfying the conditions of Section 2.08.

“Additional Senior Obligations” means Senior Obligations (other than the 2012 Series Bonds, the Commercial Paper Notes, the Commercial Paper Reimbursement Obligations and the Series 2024 Bonds), including Additional Senior Bonds, that satisfy the conditions of Sections 2.07 and 2.08.

“Additional Subordinate Bonds” means Subordinate Bonds issued for the purpose set forth in Section 2.05 and satisfying the conditions of Section 2.09.

“Additional Subordinate Obligations” means Subordinate Obligations, including Additional Subordinate Bonds, that satisfy the conditions of Sections 2.07 and 2.09.

“Advance Refunded Municipal Securities” means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state: (a) which are rated the same as United States Treasury securities or higher; (b) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee, fiscal agent or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions; (c) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) or (b) of the definition of “Permitted Investments” in this Section 1.02 which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (b) above, as appropriate; and (d) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) or (b) of the definition of “Permitted Investments” in this Section 1.02 which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an Accountant’s Certificate as being sufficient, without reinvestment, to pay principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (b) above, as applicable.

“Aggregate Adjusted Annual Debt Service” means, with respect to any 12-month period of time, the aggregate amount of Accrued Debt Service on all applicable Outstanding Obligations for such period modified, notwithstanding anything to the contrary contained in the definition of “Accrued Debt Service” in this Section 1.02, as follows:

(a) In determining the amount of principal payable in any 12-month period of time, payment shall (unless a different paragraph of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Obligations in accordance with the maturity schedule or any amortization schedule (including mandatory redemption from Sinking Fund Installments) established by the Supplemental Indenture or Issuing Instrument for such Obligations, including, as a principal payment, the Accreted Value of any Capital Appreciation Obligations maturing or scheduled for redemption in such year. In determining the amount of interest payable in any 12-month period of time, interest payable at a fixed rate shall (except to the extent paragraph (b), (c) or (d) of this definition applies) be assumed to be made at such fixed rate and on the required Interest Payment Dates.

(b) If all or any portion or portions of Outstanding Obligations constitute Balloon Obligations, then, for purposes of determining Aggregate Adjusted Annual Debt Service, each maturity which constitutes Balloon Obligations shall, at the option of the

Authority, unless otherwise provided in the Supplemental Indenture or Issuing Instrument for such Balloon Obligations or unless paragraph (c) of this definition then applies to such maturity, be treated as if it were to be amortized over a period of 30 years commencing after Obligations are no longer paid from Capitalized Interest (or until the final maturity of such Balloon Obligations, if greater than 30 years) and with substantially level annual debt service payments (or an alternate schedule of amortization that results in overall substantially level annual debt service payments when taking into account all applicable Outstanding Obligations) sufficient to pay the debt service payments over the assumed term as set forth in a certificate of an Authorized Authority Representative provided to the Trustee.

(c) Any maturity of Obligations which constitutes Balloon Obligations for which the stated maturity date occurs within six months from the date the calculation of Aggregate Adjusted Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date and paragraph (b) above shall not apply thereto unless the Authority has received a letter evidencing a binding commitment of an institutional lender or municipal underwriting firm to provide financing to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Authority is sufficient to successfully complete such refinancing; upon the receipt of such letter, such Balloon Obligations shall be assumed to be refinanced in accordance with the probable terms set out in such commitment and such terms shall be used for purposes of calculating Aggregate Adjusted Annual Debt Service.

(d) If any Outstanding Obligations constitute Variable Rate Obligations except to the extent paragraph (g) applies (including payments or receipts under a Swap determined pursuant to a variable rate formula), the interest rate on such Obligations (or the variable rate formula for such payments or receipts under such Swap) for any period as to which such interest rate cannot be determined shall be assumed to be 110% of the daily average interest rate on such Obligations (or under such Swap) during the 12 months ending with the month preceding the month in which the calculation of Aggregate Adjusted Annual Debt Service is made, or such shorter period that such Obligations shall have been Outstanding.

(e) If any Obligations proposed to be issued shall be Variable Rate Obligations which are Tax-Exempt, except to the extent subsection (h) applies (including payments or receipts under a Swap to be determined pursuant to a variable rate formula based on a tax-exempt index), the interest rate on such Obligations (or the variable rate formula for such payments or receipts under such Swap) for any period as to which such interest rate cannot be determined shall be assumed to be, at the option of the Authority and as provided in a certificate of an Authorized Authority Representative provided to the Trustee, either (i) 110% of the average SIFMA Index during the 12 months ending with the month preceding the month in which the calculation of Aggregate Adjusted Annual Debt Service is made, (ii) the “25-Bond Revenue” index rate for 30-year tax-exempt revenue bonds, as published by *The Bond Buyer* on any date selected by the Authorized Authority Representative that is within 60 days prior to the date of any calculation made with respect to Aggregate Adjusted Annual Debt Service, or (iii) if both of the indices described in clause (i) and (ii) of this paragraph (and any successor indices thereto) are no longer

published, such other interest rate as specified in a written statement from an investment banking or municipal advisory firm selected by the Authorized Authority Representative.

(f) If any Obligations proposed to be issued shall be Variable Rate Obligations which are not Tax-Exempt, except to the extent subsection (h) applies (including payments or receipts under a Swap to be determined pursuant to a variable rate formula based on the taxable index), the interest rate on such Obligations (or the variable rate formula for such payments or receipts under such Swap) for any period as to which such interest rate cannot be determined shall be assumed to be, at the option of the Authority and as provided in a certificate of an Authorized Authority Representative provided to the Trustee, either (i) 110% of the average SOFR Index during the 12 months ending with the month preceding the month in which the calculation of Aggregate Adjusted Annual Debt Service is made, (ii) the higher of (A) the yield to maturity of 10-year United States Treasury securities with a constant maturity, as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), or if such Statistical Release is no longer published, any publicly available source of similar market data, or (B) the yield to maturity of 30-year United States Treasury securities with a constant maturity, as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), or if such Statistical Release is no longer published, any publicly available source of similar market data, for the last Business Day of the month preceding the month in which the calculation is made with respect to Aggregate Adjusted Annual Debt Service, or (iii) if both of the indices described in clause (i) and (ii) of this paragraph (and any successor indices thereto) are no longer published, such other interest rate as specified in a written statement from an investment banking or municipal advisory firm selected by the Authorized Authority Representative.

(g) If a Qualified Swap has been entered into by the Authority with respect to any Outstanding Obligations, the interest rate on such Outstanding Obligations for each period during which payments are to be exchanged by the parties under such Qualified Swap shall be determined for purposes of calculating Aggregate Adjusted Annual Debt Service by adding: (1) the amount of Debt Service paid or to be paid by the Authority as interest on such Outstanding Obligations during such 12-month period or portion thereof (determined as provided in paragraph (d) if such Outstanding Obligations constitute Variable Rate Obligations) and (2) the net amount (which may be a negative amount) paid or to be paid by the Authority under the Qualified Swap (after giving effect to payments made and received, and to be made and received, by the Authority under the Qualified Swap) during such period (determined as provided in paragraph (d)), provided that if such Obligations are subject to a Qualified Swap that effectively converts the interest rate to be paid by the Authority on such Obligations to a fixed rate of interest, the Obligations shall be assumed to bear interest at the fixed rate of interest specified in such Qualified Swap during the stated term of such Qualified Swap.

(h) If a Qualified Swap has been entered into by the Authority with respect to any Obligations proposed to be issued, which Qualified Swap will be effective at the time the Obligations are issued, the interest on such proposed Obligations for each period during which payments are to be exchanged under the Qualified Swap shall be determined for purposes of calculating Aggregate Adjusted Annual Debt Service by adding: (1) the amount of Debt Service to be paid by the Authority as interest on such Obligations during such

period (determined as provided in paragraph (e) or (f), as applicable, if such Obligations are to constitute Variable Rate Obligations) and (2) the net amount (which may be a negative amount) to be paid by the Authority under the Qualified Swap (after giving effect to payments to be made and received by the Authority under the Qualified Swap) during such period (determined as provided in paragraphs (e) and (f), as applicable), provided that if such Obligations are subject to a Qualified Swap that effectively converts the interest rate to be paid by the Authority on such Obligations to a fixed rate of interest, the Obligations shall be assumed to bear interest at the fixed rate of interest specified in such Qualified Swap during the stated term of such Qualified Swap.

(i) With respect to any Obligations which are part of a Commercial Paper Program, it shall be assumed that the Outstanding amount of such Commercial Paper Program will be amortized over a term certified by an Authorized Authority Representative as the expected duration of such Commercial Paper Program at the time the initial Obligations of such Commercial Paper Program are issued or, if such expectations have changed, over a term certified by an Authorized Authority Representative to be the expected duration of such Commercial Paper Program at the time the calculation of Aggregate Adjusted Annual Debt Service is made, but not to exceed 30 years from the date the initial Obligations of such Commercial Paper Program are issued and it shall be assumed that Debt Service with respect to such Commercial Paper Program shall be paid in substantially level annual debt service payments over such assumed term or an alternate schedule of amortization sufficient to pay the debt service payments over the assumed term as set forth in a certificate of an Authorized Authority Representative provided to the Trustee; the interest rate used for such computation shall be a rate equal to the weighted average rate for such Obligations during the preceding 12-month period or, if the Obligations have not been Outstanding for a 12-month period, the period since the issuance of such Obligations or, if the Obligations under the Commercial Paper Program are Obligations proposed to be issued, as provided in paragraph (e) or (f) of this definition, as applicable.

(j) Reimbursement Obligations shall be included in the calculation of Aggregate Adjusted Annual Debt Service to the extent of amounts due during such 12-month period on the related Credit Support Instrument and only to the extent not otherwise included in Aggregate Adjusted Annual Debt Service and not otherwise paid as Operating Expenses. Interest on such Reimbursement Obligations shall be calculated at the rate in effect on the date the calculation of Aggregate Adjusted Annual Debt Service is made. Reimbursement of amounts drawn shall be treated as principal and payable as provided in the related Credit Support Agreement.

(k) If moneys or Permitted Investments have been irrevocably deposited with and are held by the Trustee or another Fiduciary or Capitalized Interest has been set aside exclusively to be used to pay Debt Service on specified Obligations, then the Debt Service to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Aggregate Adjusted Annual Debt Service.

(l) The Purchase Price of Tender Obligations shall not be included in the calculation of Aggregate Adjusted Annual Debt Service unless, at the time of calculation of

Aggregate Adjusted Annual Debt Service, the Obligations have been tendered or deemed tendered for purchase in accordance with the applicable Supplemental Indenture or Issuing Instrument and the Purchase Price is not payable from amounts available under a Credit Support Instrument.

For purposes of complying with any of the requirements set forth in Section 2.08 or Section 2.09, any calculation of Aggregate Adjusted Annual Debt Service with respect to specified Obligations for any period of time shall be reduced by the amount of any Subsidy that the Authority expects to receive during such period of time relating to or in connection with such Obligations.

“Airport” means the airport known as the Bob Hope Airport, located within the cities of Burbank and Los Angeles, California, as it now exists, including runways, taxiways, landing pads, aprons, beacon sites, obstruction lights, navigational and landing aids, control towers, facilities for storage of aircraft and for parking of automobiles, roadways, passenger and freight terminals, land, easements and rights in land for clear zone and approach purposes, maintenance hangars and related facilities and all equipment, buildings, grounds, facilities, utilities and structures owned, leased or operated in connection with or for the promotion or the accommodation of air commerce and air navigation and services in connection therewith, together with all additions, betterments, extensions, replacements, renewals and improvements thereto which may hereafter be undertaken; provided, however, that the term does not include a Special Facility so long as Special Facility Obligations are Outstanding with respect to such Special Facility.

“Airport Consultant” means a person or firm who or which engages in the business of advising the management of airports concerning the operation and financing of airports, including consultation and advice with respect to leases and agreements with airline companies and concessionaires of all types and character and also including advice and consultation generally concerning the use and operation of airports, and which person or firm, by reason of his or its knowledge and experience, has acquired a reputation as a recognized airport consultant. Such Airport Consultant may include a person or firm rendering professional engineering or accounting services in addition to his or its occupation as an airport consultant and may include any person or firm regularly retained by the Authority as an airport consultant to the Authority.

“Annual Budget” means the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 6.09.

“Authority” means the Burbank-Glendale-Pasadena Airport Authority, a joint exercise of powers agency created pursuant to the Joint Powers Act and the Joint Powers Agreement.

“Authorized Denominations” means, with respect to the Bonds of any Series, the denomination or denominations designated as such in the Supplemental Indenture relating to such Bonds.

“Authorized Authority Representative” means the President, Vice President, Secretary and the Assistant Secretary of the Commission, and the Executive Director, the Senior Deputy Executive Director and the Deputy Executive Director - Finance & Administration of the

Authority and any other Person who is duly authorized to act as an Authorized Authority Representative for purposes of the Indenture or an Issuing Instrument by the Commission.

“Available CFC Revenues” means, for any period of time, the amount of Customer Facility Charges specified in a Supplemental Indenture pursuant to Section 5.14.

“Available Grant Revenues” means, for any period of time, the amount of Grant Funds specified in a Supplemental Indenture pursuant to Section 5.14.

“Available PFC Revenues” means, for any period of time, the amount of Passenger Facility Charges specified in a Supplemental Indenture pursuant to Section 5.14.

“Available Revenues” means for any period of time, the amount of Available CFC Revenues, Available Grant Revenues and Available PFC Revenues to be received by the Authority during such period.

“Balloon Obligations” means, with respect to any Series of Obligations not included in a Commercial Paper Program, those Obligations of such Series, designated as such by the Authorized Authority Representative and specified in a certificate of the Authorized Authority Representative delivered to the Trustee, which mature on the same date or within a 12-month period (with Sinking Fund Installments on Term Obligations deemed to be payments of matured principal) and which on the date of original issuance constitute at least 15% of the principal amount of the Obligations of such Series. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such indebtedness which is required, by the applicable Supplemental Indenture or Issuing Instrument, to be amortized by prepayment or redemption prior to its stated maturity date.

“Beneficial Owner” means, with respect any Book-Entry Bond, the beneficial owner of such Bond as determined in accordance with the applicable rules of the Securities Depository for such Book-Entry Bonds.

“Bond” means any of the Burbank-Glendale-Pasadena Airport Authority Airport Revenue Bonds authorized pursuant to Article II of this Master Indenture and a Supplemental Indenture, whether Senior Bonds, Subordinate Bonds or Junior Subordinate Bonds.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP or another attorney or firm of attorneys of recognized national standing in the field of law relating to municipal securities and to exclusion of interest thereon from income for federal income tax purposes selected by the Authority.

“Bond Debt Service” means, for any period of time, the Debt Service on any Outstanding Bonds during such period less the amount of any Subsidy received or expected to be received with respect to or in connection with such Outstanding Bonds during such period.

“Bond Register” means the registration books for the ownership of Bonds and other Obligations maintained by (or with respect to Obligation other than Bonds, on behalf of) the Trustee pursuant to Section 3.06.

“Book-Entry Bonds” means Bonds registered in the name of DTC or any successor Securities Depository for the Bonds, or a nominee thereof, as the registered owner thereof pursuant to Section 3.04.

“Business Day” means, with respect to each Series of Obligations, unless otherwise provided with respect to a particular Series of Obligations in the Supplemental Indenture or Issuing Instrument relating to such Series, any day of the year other than (i) a Saturday, (ii) a Sunday, (iii) any day which shall be in Los Angeles, California or New York, New York a legal holiday, and (iv) any day on which the banks are authorized or required by law or other government action to close in the State of New York or the State or any city in which the Principal Office of the Trustee or any other Fiduciary or any Credit Provider for such Series of Bonds is located.

“Capital Appreciation Obligations” means any Obligations the interest on which is compounded and not scheduled to be paid until the maturity or prior redemption of such Obligations (including, as the context requires, a Convertible Obligation before the applicable Conversion Date).

“Capital Improvement” means, to the extent chargeable to a capital account of the Airport under Generally Accepted Accounting Principles: (i) any addition, betterment, replacement, renewal, extension, equipping, or improvement of or to the Airport, including, without limitation, the acquisition of land or any interests therein; and (ii) capital costs for the extension, reinforcement, enlargement or other improvement of facilities or property, or the acquisition of interests therein, not included as part of the Airport, determined by the Authority to be necessary or convenient in connection with the utilization of the Airport.

“Capitalized Interest” means the proceeds of Obligations or other moneys deposited with the Trustee, in the case of Bonds, and in the case of other Obligations with a trustee or other fiscal agent for such Obligations, the application of which is limited by the terms of the applicable Supplemental Indenture or Issuing Instrument to the payment of interest on specified Obligations for a specified period.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code in the Indenture shall be deemed to include the applicable United States Treasury Regulations thereunder and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Commercial Paper IPAA” means the Issuing and Paying Agent Agreement, dated as of June 1, 2023, between the Authority and Zions Bancorporation, National Association, as issuing and payment agent, relating to the Commercial Paper Notes, as supplemented and amended from time to time in accordance with its terms.

“Commercial Paper Notes” means the Authority’s commercial paper notes issued from time to time pursuant to the Commercial Paper IPAA.

“Commercial Paper Program” means a program of short-term Obligations having the characteristics of commercial paper in that such Obligations have a stated maturity not later than 270 days from their date of issue and that the principal of maturing Obligations of such program

are expected to be paid with the proceeds of renewal short-term Obligations except to the extent that the Obligations of such commercial paper program are to be amortized.

“Commercial Paper Reimbursement Agreement” has the meaning given to the term “Reimbursement Agreement” in the Commercial Paper IPAA.

“Commercial Paper Reimbursement Obligations” means the Payment Obligations (as defined in the Commercial Paper IPAA) other than Payment Obligations (as defined in the Commercial Paper IPAA) that consist of Operating Expenses) under the Commercial Paper Reimbursement Agreement. The Commercial Paper Reimbursement Obligations are secured as Parity Obligations under the Original Master Indenture and as Senior Obligations under this Master Indenture.

“Commission” means the Commission of the Authority, as constituted from time to time, or if said Commission shall be abolished, such other entity or entities succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by the Indenture shall be given.

“Construction” means, with respect to a Capital Improvement, the planning, designing, acquiring, constructing, installing, furnishing, equipping and financing of such Capital Improvement (and including any demolition in connection thereto), placing such Capital Improvement in operation, and obtaining governmental approvals, certificates, permits and licenses with respect to the acquisition, construction, installation, furnishing, equipping and financing of such Capital Improvement and to the operation of such Capital Improvement.

“Construction Fund” means the Fund so designated, established pursuant to Section 5.01.

“Conversion Date” means the date set forth in the applicable Supplemental Indenture or Issuing Instrument on and after which a Convertible Obligation is deemed a Current Interest Obligation and after which the Owners shall be entitled to current payments of interest on each interest payment date.

“Convertible Obligation” means a Capital Appreciation Obligation which is deemed to be a Current Interest Obligation on and after the applicable Conversion Date.

“Cost” means, with respect to any Capital Improvement, all costs and expenses of the Construction of such Capital Improvement heretofore or hereafter paid or incurred by the Authority. Payment of Cost shall include the reimbursement to the Authority for any of the costs included in this definition of Cost paid by the Authority and not previously reimbursed to the Authority and which are not to be reimbursed from government grants or other moneys not constituting the proceeds of Obligations. The term Cost with respect to the Construction of any Capital Improvement shall include, but shall not be limited to, the following:

- (a) Costs of preliminary investigation and development, the performance or acquisition of feasibility and planning studies, and the securing of regulatory approvals, as well as costs for land and land rights, engineering and contractors’ fees, labor, materials, equipment, utility services and supplies, legal fees and financing expenses.

(b) Working capital and reserves therefor in such amounts as shall be determined by the Authority.

(c) Interest accruing in whole or in part on Obligations prior to and during Construction of the Capital Improvement or any portion thereof, and for such additional period as the Authority may determine.

(d) The deposit or deposits from the proceeds of the Obligations in any Funds or Accounts which are required by the Indenture.

(e) The payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption or otherwise) of any Obligation the proceeds of which were applied to any of the costs of the Capital Improvement included in this definition.

(f) Training and testing costs which are properly allocable to the Construction of the Capital Improvement.

(g) All costs of insurance applicable to the period of Construction of the Capital Improvement.

(h) All costs relating to injury and damage claims arising out of the Construction of the Capital Improvement less proceeds of insurance.

(i) Legally required or permitted federal, state and local taxes and payments in lieu of taxes applicable to: (i) the Construction of the Capital Improvement or any portion thereof or materials in connection therewith; and (ii) the period of Construction of the Capital Improvement.

(j) Amounts due the United States of America as rebate of investment earnings with respect to the proceeds of Obligations or as penalties in lieu thereof with respect to the period of Construction of the Capital Improvement.

(k) Amounts payable with respect to costs for the expansion, reinforcement, enlargement or other improvement of land, buildings or facilities which are not a part of the Airport determined by the Authority to be necessary or appropriate in connection with the Construction of a Capital Improvement and the costs associated with the removal from service or reductions in service of any facilities as a result of the expansion, reinforcement, enlargement or other improvement of such facilities in connection with the Construction of the Capital Improvement.

(l) Costs of Issuance of any Obligations relating to the Capital Improvement.

(m) Fees and expenses pursuant to any lending or credit facility or agreement applicable to the period of Construction of the Capital Improvement.

(n) To the extent chargeable to a capital account of the Airport under Generally Accepted Accounting Principles, all other costs incurred by the Authority, properly allocable to the Construction of the Capital Improvement.

“Costs of Issuance” means, with respect to any Obligations, all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the original authorization, execution, sale and delivery of such Obligations, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, including disclosure documents and documents relating to the sale of such Obligations, the initial costs of any Credit Support Instrument and any Reserve Guaranty, the initial fees and charges (including counsel fees) of any Fiduciary and any Credit Provider, legal fees and charges to the Authority, fees and expenses of financial advisors to the Authority, fees and expenses of other consultants and professionals providing services to the Authority, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of such Obligations and any other cost, charge or fee to the Authority or required to be paid by the Authority in connection with the authorization, issuance, sale or original delivery of such Obligations.

“Credit Provider” means any insurance company, bank or other institution which has issued any Credit Support Instrument.

“Credit Provider Bonds” means any Obligations the Purchase Price of which has been paid with funds provided under a Credit Support Instrument for so long as such Obligations are held by or for the account of, or are pledged to, the applicable Credit Provider or any assignee thereof in accordance with the applicable Credit Support Agreement.

“Credit Support Agreement” means, with respect to any Credit Support Instrument, the agreement or agreements (which may be the Credit Support Instrument itself) between the Authority and the applicable Credit Provider providing for, among other things, the reimbursement to the Credit Provider for draws under the applicable Credit Support Instrument, as originally executed or as they may from time to time be supplemented or amended in accordance with the provisions thereof and any applicable Supplemental Indenture or Issuing Instrument. “Credit Support Agreement” also means and includes covenants or agreements of the Authority contained in a Supplemental Indenture or Issuing Instrument providing for the reimbursement to the Credit Provider for draws under the applicable Credit Support Instrument.

“Credit Support Instrument” means a policy of insurance, a letter of credit, a stand-by purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a Credit Provider provides credit and/or liquidity support with respect to the payment of the principal or purchase price of, or interest on, any Obligations; provided that the term shall not include any Reserve Guaranty.

“Customer Facility Charges” means charges collected by the Authority pursuant to the authority granted by the Section 1936 of the Civil Code of the State (or any successor statute including Sections 50474.21 and 50474.3 of the Government Code of the State), as amended and supplemented from time to time, in respect of any component of the Airport and interest earnings thereon, net of amounts that collecting entities are entitled to retain for collecting, handling and remitting such customer facility charge revenues.

“Current Interest Obligation” means an Obligation (including, as the context requires, a Convertible Obligation on and after the applicable Conversion Date), the interest on which is payable currently on each Interest Payment Date.

“Debt Service” means, for any period of time and with respect to any Obligations, the sum of:

(a) the interest payable during such period on the Outstanding Obligations, assuming that all Outstanding Serial Obligations are retired as scheduled and that all Outstanding Term Obligations are redeemed or paid from Sinking Fund Installments as scheduled;

(b) that portion of the principal amount of all Outstanding Serial Obligations maturing on each principal payment date during such period, including the Final Compounded Amount of any Capital Appreciation Obligations which are Serial Obligations;

(c) that portion of the principal amount of all Outstanding Term Obligations required to be redeemed or paid from Sinking Fund Installments becoming due during such period (together with the premiums, if any, thereon), including the Accreted Value of any Capital Appreciation Obligations which are Term Obligations;

(d) the amounts payable as Reimbursement Obligations during such period only to the extent not otherwise included in Debt Service and not otherwise paid as Operating Expenses;

(e) the Purchase Price of Tender Obligations payable by the Authority during such period to the extent that such Tender Obligations have been tendered or deemed tendered for purchase in accordance with the applicable Supplemental Indenture or Issuing Instrument and the Purchase Price is not payable from the proceeds of remarketing or amounts available under a Credit Support Instrument;

(f) the amounts payable by the Authority on Obligations relating to payments due under any Swap minus any payments payable to the Authority under any Swap during such period only to the extent not otherwise included in Debt Service; and

(g) the amounts payable on any other Obligations during such period only to the extent not otherwise included in Debt Service and not otherwise paid as Operating Expenses.

“Defeasance Securities” means any Advance Refunded Municipal Securities and any of the securities described in clause (a) or (b) of the definition of “Permitted Investments” in this Section 1.02.

“Depository” means any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee and its affiliates) which is willing and able to accept the office on reasonable and customary terms, authorized by

law to act as a depository for funds of the Authority in accordance with the provisions of the Indenture.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or its successors and assigns. References in the Indenture to DTC shall include any Nominee of DTC in whose name any Bond or other Obligation is registered.

“Effective Date” has the meaning given such term in Section 1.02.

“Electronic Means” means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Escrow Agent” means the Trustee or a bank or trust company organized under the laws of any state of the United States, or a national banking association, in each case satisfying the financial qualifications of a successor Trustee contained in Section 8.09 and appointed by the Authority to hold in trust moneys set aside for the payment or redemption of, or interest installments on, a Bond or Bonds, or any portion thereof, deemed paid pursuant to Article IX.

“Event of Bankruptcy” means any of the following with respect to any Person: (a) the commencement by such Person of a voluntary case under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (b) failure by such Person to timely controvert the filing of a petition with a court having jurisdiction over such Person to commence, an involuntary case against such Person under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (c) such Person shall admit in writing its inability to pay its debts generally as they become due; (d) a receiver, trustee, custodian or liquidator of such Person or such Person’s assets shall be appointed in any proceeding brought against the Person or such Person’s assets; (e) assignment of assets by such Person for the benefit of its creditors; or (f) the entry by such Person into an agreement of composition with its creditors.

“Event of Default” means an event described as such in Section 10.01.

“Facilities Construction Credits” means the amounts further described herein resulting from an arrangement embodied in a written agreement between the Authority and another Person pursuant to which the Authority permits such Person to make a payment or payments to the Authority which is reduced by the amount owed by the Authority to such Person under such agreement, resulting in a net payment to the Authority by such Person. The “Facilities Construction Credit” shall be deemed to be the amount owed by the Authority under such agreement which is “netted” against the payment of such Person to the Authority.

“Favorable Opinion of Bond Counsel” means, with respect to any action requiring such an opinion, an Opinion of Bond Counsel to the effect that such action shall not, in and of itself, result in the inclusion of interest on the Bonds (or such portion thereof as shall be specified in the applicable provisions of the Indenture requiring such an opinion) in gross income for federal

income tax purposes and that such action is authorized by or permitted under the terms of the Indenture.

“Federal Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as the same may be amended and supplemented, and any successor statute.

“Fiduciary” means the Trustee, any Paying Agents for the Obligations appointed as provided in Section 8.02 and any Escrow Agent, tender agent or other fiscal agent for the Obligations appointed pursuant to a Supplemental Indenture or Issuing Instrument.

“Fifth Supplemental Indenture” means the Fifth Supplemental Indenture of Trust, dated as of [MONTH] 1, 2024, between the Authority and the Trustee, related to the Series 2024 Bonds.

“Final Compounded Amount” means the Accreted Value of any Capital Appreciation Obligation on its maturity date (or, as the context requires, the Accreted Value of any Convertible Obligation on its Conversion Date).

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period selected and designated as the official Fiscal Year of the Authority.

“Fitch” means Fitch Ratings and any successor entity rating Obligations at the request of the Authority.

“Fund” means a fund established and maintained under the Indenture.

“Generally Accepted Accounting Principles” means the accounting principles generally accepted in the United States applied on a consistent basis that are applicable to the circumstances as of the date of determination as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned airport applying all statements and interpretations issued by the Governmental Accounting Standards Board and, to the extent adopted by the Authority from time to time: (i) the statements and pronouncements of the Financial Accounting Standards Board; and (ii) the statements and pronouncements of such other entity or entities as may be approved by a significant segment of the accounting profession.

“Grant Funds” means grants to be provided to the Authority by the United States or the State pursuant to a Letter of Intent in connection with Airport facilities or projects, including noise abatement projects for facilities which are not a part of the Airport, and which grants are permitted by the terms thereof to be used for the payment of Obligations.

“Independent Certified Public Accountant” means any firm of certified public accountants selected by the Authority, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Indenture” means this Master Indenture, as supplemented and amended from time to time by Supplemental Indentures.

“Initial Amount” means the Accreted Value of a Capital Appreciation Obligation on its date of issuance.

“Interest Payment Date” means, with respect to a Series of Obligations, each date on which interest on Obligations of such Series is scheduled to be paid as set forth in, or determined in accordance with, the Supplemental Indenture or Issuing Instrument relating to such Series.

“Issuing Instrument” means, with respect to any Obligations other than Bonds (Bonds shall be issued pursuant to a Supplemental Indenture), the indenture, trust agreement, loan agreement, lease, installment purchase agreement, revolving credit agreement, Credit Support Agreement, Swap or other instrument or agreement pursuant to which such Obligations are issued or incurred.

“Joint Powers Act” means the Joint Exercise of Powers Act of the State constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended and supplemented.

“Joint Powers Agreement” means that certain Amended and Restated Joint Exercise of Powers Agreement Among the Cities of Burbank, Glendale and Pasadena Creating an Agency to be Known as the Burbank-Glendale-Pasadena Airport Authority, dated as of September 15, 1991, as amended by the First Amendment to Amended and Restated Joint Exercise of Powers Agreement, dated as of November 25, 2003, as further amended by the Second Amendment to Amended and Restated Joint Exercise of Powers Agreement, dated as of January 10, 2017, each among the City of Burbank, the City of Glendale and the City of Pasadena, as the same may be further amended and supplemented.

“Junior Subordinate Bonds” means Bonds issued for the purpose set forth in Section 2.05 and/or Section 2.06 and satisfying the conditions of Section 2.10, which are subordinated as provided in Section 2.10.

“Junior Subordinate Fund” means the fund so designated, established pursuant to Section 5.01.

“Junior Subordinate Obligations” means any Junior Subordinate Bonds and any Obligations (or portions thereof) which are subordinated as provided in Section 2.10 and that satisfy the conditions of Sections 2.07 and 2.10, including without limitation any Termination Payments under Qualified Swaps for Subordinate Bonds, Reimbursement Obligations related to Junior Subordinate Bonds and Net Payments and Termination Payments under Swaps related to Junior Subordinate Bonds.

“Junior Subordinate Payment Default” means a failure to pay when due any Junior Subordinate Obligations.

“Letter of Intent” means a written commitment to make grant payments to the Authority (which commitment may be subject to appropriations) from the United States of America or any

department or agency thereof, including the Federal Aviation Administration of the United States Department of Transportation and the Transportation Security Administration of the United States Department of Homeland Security, or from the State or any department or agency of the State.

“Master Indenture” means this Amended and Restated Master Indenture of Trust, dated as of May 1, 2005, and amended and restated as of [MONTH] 1, 2024, between the Authority and the Trustee, as the provisions hereof may be modified or amended from time to time in accordance with Article VII.

“Maximum Aggregate Adjusted Annual Debt Service” means, as of any date of calculation, the maximum amount of Aggregate Adjusted Annual Debt Service with respect to all applicable Outstanding Obligations in the then current or any future Fiscal Year.

“Moody’s” means Moody’s Investors Service, Inc. and any successor entity rating Obligations at the request of the Authority.

“Net Payment” means, with respect to a Swap, the amount payable by the Authority on each scheduled payment date under such Swap net of the amount payable by the counterparty under such Swap on such scheduled payment date.

“Net Proceeds” means (a) insurance proceeds received as a result of damage to or destruction of Airport facilities (other than Special Facilities so long as Special Facility Obligations are Outstanding with respect to the damaged or destroyed Special Facilities) and (b) any condemnation award or amounts received by the Authority from the sale of Airport land or facilities under the threat of condemnation (other than Special Facilities so long as Special Facility Obligations are Outstanding with respect to such condemned or sold Special Facilities) less (c) expenses (including attorneys’ fees and expenses and any fees and expenses of the Trustee) incurred in the collection of such proceeds, sale or award.

“Net Proceeds Fund” means the Fund so designated, established pursuant to Section 5.01.

“Net Revenues” mean, for any period of time, the Revenues for such period less the Operating Expenses for such period.

For purposes of complying with any of the requirements set forth in Section 2.08, Section 2.09 or Section 6.05(b), any calculation of Net Revenues for any period of time shall be reduced by the amount of any Subsidy received or expected to be received by the Authority with respect to or in connection with the specified Obligations during such period of time.

“Nominee” means the nominee of the Securities Depository for the Book-Entry Bonds in whose name such Bonds are to be registered. The initial Nominee shall be Cede & Co., as the nominee of DTC.

“Obligations” means with respect to any Person and without duplication: (a) obligations of such Person with respect to borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the

ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (d) all obligations of such Person as lessee under finance leases, (e) all indebtedness of others secured by a lien on any asset of such Person, whether or not such indebtedness is assumed by such Person, (f) all indebtedness of others guaranteed by such Person, and (g) all obligations of such Person under a Swap.

“Operating Expenses” means the reasonable and necessary costs and expenses of operating, maintaining and administering the Airport, determined in accordance with Generally Accepted Accounting Principles, including (among other things) charges under management agreements for the operation and maintenance of the Airport, salaries and wages and payments for associated benefits including payments in connection with medical, pension and post-retirement medical plans, fees for services, costs of materials, supplies and fuel, reasonable expenses of management, repairs and other expenses necessary to maintain and preserve the Airport in good repair and working order, reasonable amounts for administration, overhead, insurance, taxes (if any) and other similar costs, legal fees and expenses, the costs of Capital Improvements to the extent said Capital Improvements are budgeted to be paid from the Operating Fund, the fees and expenses of the Fiduciaries, the fees and expenses of remarketing agents, auction agents and dealers, the regularly scheduled fees to be paid pursuant to any Credit Support Agreement, expenses incurred in connection with the purchase or redemption of Obligations, and all other costs (including overhead of officers and employees of the member cities of the Authority) properly allocable to the operation, maintenance or administration of the Airport, but excluding in all cases:

- (a) amortization of intangibles or other bookkeeping entries of a similar nature;
- (b) amortization and depreciation of Airport facilities and assets;
- (c) charges for the payment of principal, Redemption Price, Purchase Price, interest or other payments on any Obligations;
- (d) any items chargeable to a capital account;
- (e) any loss from the sale, exchange or other disposition of capital assets of the Airport;
- (f) any unrealized losses on securities held for investment by or on behalf of the Authority;
- (g) any losses resulting from changes in valuation of any Swap;
- (h) any unrealized losses from the write-down, reappraisal or revaluation of assets including investments for “other than temporary” declines in book value;
- (i) any extraordinary losses;
- (j) any loss resulting from extinguishment of indebtedness;

(k) the costs and expenses of operating, maintaining and administering any Special Facility;

(l) any costs and expenses paid or expected to be paid, or for which the Authority (or an entity controlled by the Authority) is or is expected to be reimbursed, from or through any source (including Released Revenues) that is not included or includable in the definition of “Revenues” in this Section 1.02, as determined by the Authority and described in a certificate of an Authorized Authority Representative delivered to the Trustee; and

(m) any costs and expenses to the extent such costs and expenses are directly related or reasonably allocable to a category of Released Revenues, as determined by the Authority and described in a certificate of an Authorized Authority Representative delivered to the Trustee.

For purposes of testing compliance with the rate covenant described in Section 6.05 and the limitations on the issuance of Obligations contained in Section 2.08, Section 2.09 or Section 2.10, Operating Expenses will be calculated based upon Generally Accepted Accounting Principles, except that such calculation will include and exclude those items specifically included or excluded above.

“Operating Fund” means the Fund so designated, established pursuant to Section 5.01.

“Operating Reserve Account” means the Account in the Operating Fund so designated, established pursuant to Section 5.01.

“Operating Reserve Requirement” means, as of any date of calculation, an amount equal to twenty-five percent (25%) of the amount included in the then current Annual Budget for Operating Expenses.

“Opinion of Bond Counsel” means a written opinion signed by Bond Counsel.

“Original Master Indenture” means the Master Indenture of Trust, dated as of May 1, 2005, between the Authority and the Trustee, as supplemented and amended to the date hereof.

“Outstanding” means as of any particular time: (a) with respect to Bonds, except as otherwise provided in Article VII, all Bonds theretofore or thereupon being issued by the Authority except (i) Bonds theretofore cancelled or surrendered to the Trustee for cancellation; (ii) subject to the provisions of Section 9.01(c), Bonds paid or deemed to be paid pursuant to the provisions of Article IX; and (iii) Bonds in lieu of or in substitution for which replacement Bonds have been issued; and (b) with respect to any other Obligations, all such Obligations other than Obligations no longer outstanding under the provisions of the Issuing Instrument relating to such Obligations.

“Owner” means, with respect to a Bond, the registered owner of such Bond as set forth in the Bond Register. “Owner”, when used with respect to an Obligation other than Bonds means the registered owner or holder of such Obligation as set forth in the Bond Register.

“Participants” means, with respect to a Securities Depository for Book-Entry Bonds, those participants listed in such Securities Depository’s book-entry system as having an interest in such Bonds.

“Participating Senior Bonds” means the Senior Bonds of each Series except any Series of Senior Bonds which, pursuant to the terms of the Supplemental Indenture relating to such Series, is not secured by amounts in the Senior Debt Service Reserve Fund.

“Participating Subordinate Bonds” means the Subordinate Bonds of each Series except any Series of Subordinate Bonds which, pursuant to the terms of the Supplemental Indenture relating to such Series, is not secured by amounts in the Subordinate Debt Service Reserve Fund.

“Passenger Facility Charges” means charges collected by the Authority pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990, the Aviation Investment Reform Act of 2000 and 14 CFR Part 158, as amended from time to time, in respect of any component of the Airport and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues.

“Paying Agent,” when used with reference to any Series of Obligations, means any commercial bank or trust company organized under the laws of any state of the United States of America, or any national banking association, designated as paying agent for the Obligations of such Series, and its successor or successors appointed in the manner provided in the Indenture.

“Permitted Investments” means any of the following:

(a) Direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States (stripped securities are only permitted if they have been stripped by the agency itself):

- (i) Farmers Home Administration (“FmHA”)
Certificates of beneficial ownership
- (ii) Federal Housing Administration (“FHA”)
Debentures
- (iii) General Services Administration
Participation certificates
- (iv) Government National Mortgage Association (“GNMA”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations (participation certificates)

- (v) United States Maritime Administration
Guaranteed Title XI financing
- (vi) United States Department of Housing and Urban Development
Capital Improvement Notes
Local Agency Bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- (i) Federal Home Loan Bank System
Senior debt obligations
- (ii) Federal Home Loan Mortgage Corporation (“FHLMC”)
Participation Certificates
Senior debt obligations
- (iii) Federal National Mortgage Association (“FNMA”)
Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)
- (iv) Student Loan Marketing Association
Senior debt obligations
- (v) Resolution Funding Corporation (“REFCORP”)
Obligations (only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable)
- (vi) Farm Credit System
Consolidated system-wide bonds and notes

(d) Money market funds rated at least “AAAm-G” or “AAAm” by S&P or “Aaa” by Moody’s including funds for which the Trustee or any of its affiliates (including any holding company, subsidiaries, or other affiliates) provides investment advisory or other management services, provided such funds satisfy the criteria herein contained.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks (including affiliates of the Trustee), savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Authority or the Trustee must have a perfected first priority security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by the

Federal Deposit Insurance Corporation. Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Authority, or bankers acceptances of depository institutions, including the Trustee or any of its affiliate.

(g) Investment agreements with, or guaranteed by, a domestic or foreign bank, financial institution or corporation or other entity the long-term debt of which is rated at the time of execution in the top three rating categories (without regard to modifiers) by S&P and Moody's, and which agreements are acceptable to each Credit Provider whose acceptance is required by a Supplemental Indenture, an Issuing Instrument or a Credit Support Agreement.

(h) Commercial paper rated, at the time of purchase, at least "P-1" by Moody's and "A-1" by S&P and which matures not later than 270 calendar days after the date of purchase.

(i) Bonds, notes, or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are rated by Moody's and S&P in the highest rating category assigned by such Rating Agencies and general obligations of such states rated at least "A2" by Moody's and "A" by S&P.

(j) United States dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including those of the Trustee and its affiliates) which has an unsecured, uninsured and unguaranteed obligation rating on their short-term certificates of deposit on the date of purchase of at least "P-1" by Moody's and "A-1" by S&P and maturing not more than 180 calendar days after the date of purchase.

(k) Repurchase Agreements for 30 days or less must satisfy the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to each Credit Provider whose acceptance is required by a Supplemental Indenture, an Issuing Instrument or a Credit Support Agreement.

- (i) Repurchase agreements must be between the Authority or the Trustee and a dealer bank or securities firm
 - (1) Primary dealers on the Federal Reserve reporting dealer list must be rated at the time of execution at least "A" by S&P and Moody's (without regard to modifiers), or
 - (2) Banks must be rated at the time of execution at least "A" by S&P and Moody's (without regard to modifiers).

- (ii) The written repurchase agreements contract must include the following:
 - (1) Securities which are acceptable for transfer are:
 - (a) Securities described in subsection (a) or (b) of this definition, or
 - (b) Securities of FNMA or FHLMC described in subsection (c) of this definition.
 - (2) The collateral must be delivered to the Authority, the Trustee or third party acting as agent for the Trustee before/simultaneously with payment.
 - (3) Valuation of Collateral
 - (a) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.
- (iii) The value of collateral in the case of securities described in subsections (a) or (b) of this definition must be equal to 104% of the amount of cash transferred by the Authority or the Trustee to the dealer bank or security firm under the repurchase agreement plus accrued interest. The value of collateral in the case of securities of FNMA or FHLMC described in subsection (c) of this definition must be equal to 105% of the amount of cash transferred by the Authority or the Trustee to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral falls below the required percentage of the value of the cash transferred, then additional cash and/or acceptable securities must be transferred.
- (iv) Legal Opinion. An opinion of counsel selected by the Authority, which may be in-house counsel to the Authority or other counsel retained by the Authority, to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds must be received by the Authority or the Trustee.

(l) Any State administered pool investment fund in which the Authority is statutorily permitted or required to invest will be deemed a permitted investment, including, but not limited to the Local Agency Investment Fund (LAIF) in the treasury of the State.

(m) Advance Refunded Municipal Securities.

(n) Negotiable and non-negotiable certificates of deposit or thrift or bank notes issued by a state or national bank or a state-licensed branch of a foreign bank (excluding the Trustee) that have maturities of not more than three hundred sixty-five (365) days and that are fully insured by the Federal Deposit Insurance Corporation or the short-term obligations of which state or national bank or state-licensed branch of a foreign bank are rated no lower

than “A1” by Moody’s and “A+” by S&P, or medium-term notes with a maximum maturity of five (5) years and subject to the same credit qualifications contained herein.

(o) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- (i) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- (ii) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o), inclusive.
- (iii) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(p) Any other obligations or investments that are permissible investments of the Authority as stated in its current investment policy.

(q) Any other forms of investments relating to proceeds of a Series of Obligations if approved in writing by the Credit Provider for such Series.

Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

“Person” means an individual, corporation, firm, association, partnership, trust or other entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Office” means, with respect to: (i) the Trustee, the principal office of such Trustee in Los Angeles, California; and (ii) a Paying Agent or a Credit Provider, the office designated as such in writing by such party to the Trustee; provided however that with respect to presentation of Obligations for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee or other Fiduciary at which, at any particular time, its corporate trust agency business shall be conducted.

“Purchase Price” means, with respect to Tender Obligations, the purchase price set forth in, or determined pursuant to, the Supplemental Indenture or Issuing Instrument relating to such Series to be paid to the Owners of such Obligations when such Obligations are tendered for purchase or deemed tendered for purchase in accordance with the provisions of such Supplemental Indenture or Issuing Instrument.

“Qualified Counterparty” means a party (other than the Authority) to a Swap (1) (a) who is rated, at the time of execution of such Swap, in the two highest rating categories (without regard to any gradations within a rating category) by at least two nationally recognized rating agencies, (b) whose senior debt obligations are rated, at the time of execution of such Swap, in the two highest rating categories (without regard to any gradations within a rating category) by at least two nationally recognized rating agencies or guaranteed by an entity so rated, (c) whose obligations under such Swap are guaranteed for the entire term of the Swap by a bond insurer or other institution which has been assigned a credit rating, at the time of execution of such Swap, in the two highest rating categories (without regard to any gradations within a rating category) by at least two nationally recognized rating agencies, or (d) whose obligations under such Swap are collateralized in such a manner as to obtain a rating, at the time of execution of such Swap, by in the two highest rating categories (without regard to any gradations within a rating category) by at least two nationally recognized rating agencies; and (2) who is otherwise qualified to act as the other party to such Swap under all applicable laws of the State.

“Qualified Self-Insurance” has the meaning given such term pursuant to Section 6.07.

“Qualified Swap” means a Swap satisfying the conditions of Section 2.08(a) or Section 2.09(a).

“Rating Agency” means, as of any time and to the extent it is then providing or maintaining a rating on Obligations at the request of the Authority, each of Moody’s, S&P and Fitch, or in the event that neither Moody’s, S&P or Fitch then maintains a rating on Obligations at the request of the Authority, any other nationally recognized rating agency then providing or maintaining a rating on Obligations at the request of the Authority.

“Rating Category” means (a) with respect to any long-term rating category of a Rating Agency, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (b) with respect to any short-term or commercial paper rating category of a Rating Agency, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Rating Confirmation” means written evidence from each Rating Agency then rating Outstanding Obligations at the request of the Authority to the effect that, following the event which requires the Rating Confirmation, the then current rating for each Outstanding Obligation shall not be lowered or withdrawn solely as a result of the occurrence of such event. If no rating is in effect with respect to any Series of Obligations, references to “Rating Confirmation” herein shall be considered deleted and none shall be required with respect to such Series.

“Rebate Fund” means the Fund so designated, established pursuant to Section 5.01.

“Rebate Instructions” means the instructions by an Authorized Authority Representative as to the deposit of moneys in the Rebate Fund, the investment of moneys in Rebate Fund and the payment of moneys from the Rebate Fund given, with respect to each Series of Obligations, in accordance with the Tax Certificate, if any, relating to such Series of Obligations.

“Record Date” means, with respect to an Interest Payment Date for a Series of Bonds, the date or dates specified as such in the Supplemental Indenture relating to such Series of Bonds.

“Redemption Date” means, with respect to any Bonds to be redeemed in accordance with this Master Indenture and the Supplemental Indenture relating to such Bonds, the redemption date set forth in notice of redemption of such Bonds given in accordance with the terms of the Indenture.

“Redemption Price” means, with respect to any redemption of an Obligation prior to its maturity, the amount to be paid upon such redemption as set forth in, or determined in accordance with, the Supplemental Indenture or Issuing Instrument relating to such Obligation.

“Refunding Bonds” means Bonds issued in accordance with the terms and conditions of this Master Indenture for a purpose set forth in Section 2.06 and satisfying the conditions of Section 2.08, with respect to Senior Bonds, or Section 2.09, with respect to Subordinate Bonds, or Section 2.10, with respect to Junior Subordinate Bonds.

“Refunding Senior Obligations” means Senior Obligations, including Refunding Bonds, issued for a purpose set forth in Section 2.06, that satisfy the conditions set forth in Section 2.08.

“Refunding Subordinate Obligations” means Subordinate Obligations, including Refunding Bonds issued for a purpose set forth in Section 2.06, that satisfy the applicable conditions set forth in Section 2.09 and which are subordinated as provided in Section 2.09.

“Reimbursement Obligations” means the obligations of the Authority to pay from the Net Revenues amounts due under a Credit Support Agreement.

“Released Revenues” means a category of income, receipts and other revenues of the Authority which are excluded from the definition of “Revenues” in this Section 1.02 pursuant to Section 2.14.

“Released Revenues Related Expenses” means costs and expenses described in subparagraph (m) of the definition of “Operating Expenses” in this Section 1.02.

“Representation Letter” means the letter or letters of representation from the Authority to, or other instrument or agreement with, a Securities Depository for Book-Entry Bonds, in which the Authority, among other things, makes certain representations to the Securities Depository with respect to the Book-Entry Bonds, the payment thereof and delivery of notices with respect thereto.

“Reserve Guaranty” means a policy of insurance or surety bond or a letter of credit or other financial arrangement issued by a Reserve Guaranty Provider, satisfying the requirements to be set forth in the Supplemental Indenture or other Issuing Instrument pursuant to which such Obligations are issued.

“Reserve Guaranty Agreement” means an agreement between the Authority and a Reserve Guaranty Provider under which, among other things, the Authority agrees to reimburse the Reserve Guaranty Provider for amounts drawn under the applicable Reserve Guaranty and to

pay interest on such amounts and expense related thereto. “Reserve Guaranty Agreement” also means and includes covenants or agreements of the Authority contained in a Supplemental Indenture or Issuing Instrument providing for the reimbursement to the Reserve Guaranty Provider for draws under the applicable Reserve Guaranty.

“Reserve Guaranty Provider” means any insurance company, bank or other institution which has issued a Reserve Guaranty.

“Revenues” mean all income, receipts, earnings and revenues (including, but not limited to, any Subsidy) received by or accrued to the Authority, excluding the following (except to the extent deposited in the Revenue Fund):

(a) gifts, grants and other funds otherwise included in this definition of “Revenues” which are restricted by their terms to purposes inconsistent with the payment of Operating Expenses or Debt Service on Obligations (including any security deposits provided to the Authority from airline companies);

(b) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds are restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of Operating Expenses or Debt Service on Obligations;

(c) except as and to the extent included in calculations made pursuant to Section 6.05(b), any Transfer;

(d) except as provided in Sections 2.11(d) and (e), any Special Facility Revenue;

(e) any gain or loss from the sale, exchange or other disposition of capital assets of the Authority;

(f) any Released Revenues;

(g) any unrealized gains on securities held for investment by or on behalf of the Authority;

(h) any gains or losses resulting from changes in valuation of any Swap;

(i) any unrealized gains or losses from the write-down, reappraisal or revaluation of assets;

(j) the proceeds of Obligations;

(k) any Termination Payments paid to the Authority upon the termination of a Swap;

(l) Facilities Construction Credits;

(m) Passenger Facility Charges;

- (n) Customer Facility Charges;
- (o) Grant Funds;
- (p) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Obligations;
- (q) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code; and
- (r) interest earnings or other investment earnings on the Net Proceeds Fund and any Account in the Construction Fund established by any Supplemental Indenture unless otherwise provided in such Supplemental Indenture.

For purposes of testing compliance with the rate covenant described in Section 6.05 and the limitations on the issuance of Obligations contained in Section 2.08, Section 2.09 or Section 2.10, Revenues will be calculated based upon Generally Accepted Accounting Principles, except that such calculation will include and exclude those items specifically included or excluded above or in the definition of Accrued Debt Service or Aggregate Adjusted Annual Debt Service, as applicable.

“Revenue Fund” means the Fund so designated, established pursuant to Section 5.01.

“Rule 15c2-12” means Rule 15c2-12 of the Securities and Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended, as the same may be amended and supplemented from time to time.

“S&P” means Standard & Poor’s Rating Services, a Division of the McGraw-Hill Companies, and any successor entity rating Obligations at the request of the Authority.

“Securities Depository” means a trust company or other entity which provides a book-entry system for the registration of ownership interests of Participants in securities and which is acting as security depository for Book-Entry Bonds.

“Senior Bonds” means the 2012 Series Bonds, the Series 2024 Bonds and the Bonds issued for the purpose set forth in Section 2.05 and/or Section 2.06 and satisfying the conditions of Section 2.08, which have the priority set forth in Section 2.08.

“Senior Debt Service Fund” means the Fund so designated, established pursuant to Section 5.01.

“Senior Debt Service Reserve Fund” means the Fund so designated, established pursuant to Section 5.01.

“Senior Debt Service Reserve Requirement” means: (i) with respect to the Senior Debt Service Reserve Fund, as of any date of calculation, an amount equal to the least of (a) 10% of the initial offering price to the public of the Participating Senior Bonds as determined under the Code, or (b) the greatest amount of Bond Debt Service for the Participating Senior Bonds in any

Fiscal Year during the period commencing with the Fiscal Year in which the determination is being made and terminating with the last Fiscal Year in which any Participating Senior Bond is due, or (c) 125% of the sum of the Bond Debt Service for the Participating Senior Bonds for all Fiscal Years during the period commencing with the Fiscal Year in which such calculation is made (or if appropriate, the first full Fiscal Year following the issuance of any Participating Senior Bonds) and terminating with the last Fiscal Year in which any Bond Debt Service for the Participating Senior Bonds is due, divided by the number of such Fiscal Years, all as computed and determined by the Authority and specified in writing to the Trustee; (ii) with respect to any Senior Series Debt Service Reserve Fund, the amount specified as such in the Supplemental Indenture establishing such Senior Series Debt Service Reserve Fund; and (iii) with respect to any debt service reserve for Senior Obligations other than the Senior Debt Service Reserve Fund or a Senior Series Debt Service Reserve Fund, the amount, if any, specified in the applicable Issuing Instrument establishing such debt service reserve as the Senior Debt Service Reserve Requirement for such debt service reserve.

“Senior Obligations” means Senior Bonds, the Commercial Paper Notes, the Commercial Paper Reimbursement Obligations and any Obligations (or portions thereof) which have the priority set forth in Section 2.08 and that satisfy the conditions of Sections 2.07 and 2.08, including without limitation Reimbursement Obligations related to Senior Bonds and Net Payments due under Qualified Swaps related to Senior Bonds but excluding Termination Payments under Qualified Swaps related to Senior Bonds.

“Senior Series Debt Service Reserve Fund” means any fund established pursuant to a Supplemental Indenture in connection with the issuance of any Series of Senior Bonds other than Participating Senior Bonds and that is required to be funded for the purpose of providing additional security for such Series of Senior Bonds and, under the conditions provided in such Supplemental Indenture, to provide additional security for such other Series of Senior Bonds as shall satisfy such conditions.

“Serial Obligations” means Obligations for which no Sinking Fund Installments are established.

“Series” means Obligations issued at the same time or sharing some other common term or characteristic and designated in the Supplemental Indenture or Issuing Instrument pursuant to which such Obligations were issued as a separate issue or series of Obligations. If not otherwise indicated in a Supplemental Indenture or Issuing Instrument, the Obligations related to such Supplemental Indenture or Issuing Instrument will constitute a single Series.

“Series 2024 Bonds” means [].

“SIFMA Index” means the Securities Industry & Financial Markets Association (formerly The Bond Market Association) (“SIFMA”) Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or otherwise designated by SIFMA.

“Significant Portion” means, for purposes of Section 6.06, any Airport facilities or portions thereof which, if such facilities had been sold or disposed of on the date which is one year prior to the last day of the month preceding the month of sale or disposition of the facilities pursuant to Section 6.06, would have resulted in a reduction of Net Revenues for such year of more than 5% when actual Net Revenues for such year are decreased by Revenues directly attributable to such Airport facilities and increased by the Operating Expenses directly attributable to such Airport facilities.

“Sinking Fund Installment” means, with respect to any Term Obligations, each amount so designated for such Term Obligations in the Supplemental Indenture or Issuing Instrument relating to such Obligations requiring payments of such amounts by the Authority from the Net Revenues to be applied to the retirement of such Obligations on and prior to the stated maturity date thereof.

“SOFR Index” means, for any day, the one-month forward looking secured overnight financing rate as administered by the CME Group Benchmark Administration Limited (CBA) (or a successor administrator selected by the Authority).

“Special Facilities” or “Special Facility” mean a facility or group of facilities or category of facilities which are designated as a Special Facility pursuant to the provisions of Section 2.11.

“Special Facility Obligations” means Obligations issued or incurred pursuant to an Issuing Instrument to finance or refinance Special Facilities and which are not payable from the Net Revenues or secured by a lien on and/or pledge of the Revenues but which are payable from, and secured by a pledge and lien on, only revenues derived from the financed Special Facilities.

“Special Facility Revenue” means the contractual payments and all other revenues derived by the Authority from a Special Facility which are pledged to secure Special Facility Obligations.

“Special Record Date” has the meaning set forth in Section 3.01(g).

“Specified Capital Improvement” means a Capital Improvement specified in a Supplemental Indenture or Issuing Instrument the costs of which are to be funded in whole or in part, with the proceeds of Obligations.

“State” means the State of California.

“Subordinate Bonds” means Bonds issued for the purpose set forth in Section 2.05 and/or Section 2.06 and satisfying the conditions of Section 2.09, which are subordinated as provided in Section 2.09.

“Subordinate Debt Service Fund” means the Fund so designated, established pursuant to Section 5.01.

“Subordinate Debt Service Reserve Fund” means the Fund so designated, established pursuant to Section 5.01.

“Subordinate Debt Service Reserve Requirement” means: (i) with respect to the Subordinate Debt Service Reserve Fund, as of any date of calculation, an amount equal to the least of (a) 10% of the initial offering price to the public of the Participating Subordinate Bonds as determined under the Code, or (b) the greatest amount of Bond Debt Service for the Participating Subordinate Bonds in any Fiscal Year during the period commencing with the Fiscal Year in which the determination is being made and terminating with the last Fiscal Year in which any Participating Subordinate Bond is due, or (c) 125% of the sum of the Bond Debt Service for the Participating Subordinate Bonds for all Fiscal Years during the period commencing with the Fiscal Year in which such calculation is made (or if appropriate, the first full Fiscal Year following the issuance of any Participating Subordinate Bonds) and terminating with the last Fiscal Year in which any Bond Debt Service for the Participating Subordinate Bonds is due, divided by the number of such Fiscal Years, all as computed and determined by the Authority and specified in writing to the Trustee; (ii) with respect to any Subordinate Series Debt Service Reserve Fund, the amount specified as such in the Supplemental Indenture establishing such Subordinate Series Debt Service Reserve Fund; and (iii) with respect to any debt service reserve for Subordinate Obligations other than the Subordinate Debt Service Reserve Fund or a Subordinate Series Debt Service Reserve Fund, the amount, if any, specified in the applicable Issuing Instrument establishing such debt service reserve as the Subordinate Debt Service Reserve Requirement for such debt service reserve.

“Subordinate Obligation” means any Subordinate Bonds and any Obligations (or portions thereof) which are subordinated as provided in Section 2.09 and that satisfy the conditions of Sections 2.07 and 2.09, including without limitation Termination Payments under Qualified Swaps related to Senior Bonds, Reimbursement Obligations related to Subordinate Bonds and Net Payments under Qualified Swaps related to Subordinate Bonds but excluding Termination Payments under Qualified Swaps related to Subordinate Bonds.

“Subordinate Payment Default” means a failure to pay when due any Subordinate Obligations.

“Subordinate Series Debt Service Reserve Fund” means any fund established pursuant to a Supplemental Indenture in connection with the issuance of any Series of Subordinate Bonds other than Participating Subordinate Bonds and that is required to be funded for the purpose of providing additional security for such Series of Subordinate Bonds and, under the conditions provided in such Supplemental Indenture, to provide additional security for such other Series of Subordinate Bonds as shall satisfy such conditions.

“Subsidy” means any subsidy, reimbursement or other payment from the federal government of the United States of America to the Authority under direct-pay subsidy programs substantially similar to the Build America Bond program under Section 54AA of the Code.

“Supplemental Indenture” means any supplemental indenture supplementing or amending the Indenture as theretofore in effect, entered into by the Authority and the Trustee in accordance with Article VII.

“Surplus Fund” means the Fund so designated, established pursuant to Section 5.01.

“Swap” means any contract, agreement or arrangement between the Authority and a counterparty (i) providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, (ii) providing for the exchange of cash flows or a series of payments, or (iii) providing for the hedge of payment, currency, rate spread or similar exposure, including but not limited to interest rate exposure. The term “Swap” includes any interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, currency, rate, spread or similar exposure.

“Tax Certificate” means a certificate relating to the requirements of the Code signed on behalf of the Authority and delivered in connection with the issuance of a Series of Obligations constituting Tax-Exempt Securities.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, including the Obligations, that such interest is excluded from the gross income of the holders thereof (other than any holder who is a “substantial user” of facilities financed with such obligations or a “related person” within the meaning of Section 147(a) of the Code) for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Tax-Exempt Securities” means bonds, notes or other securities the interest on which is Tax-Exempt.

“Tender Obligations” means any Obligations or portions of Obligations, a feature of which is an option or obligation, on the part of the Owners thereof under the terms of such Obligations, to tender for purchase all or a portion of such Obligations to the Authority, a fiscal agent, a paying agent, a tender agent or other agent.

“Termination Payment” means, with respect to a Swap, the amount payable by the Authority or the counterparty as a result of the termination of such Swap prior to its scheduled expiration date.

“Term Obligations” means Obligations as to which Sinking Fund Installments have been established.

“Test Year” means, with respect to the issuance of Refunding Senior Obligations pursuant to Section 2.08(b)(ii) or Refunding Subordinate Obligations pursuant to Section 2.09(b)(ii), the period commencing in the Fiscal Year in which such Obligations are issued and ending in the last Fiscal Year in which Obligations which are Outstanding both immediately prior to and immediately after the issuance of such Obligations are scheduled to remain Outstanding.

“Third Supplemental Indenture” means the Third Supplemental Indenture of Trust, dated as of May 1, 2012, between the Authority and the Trustee, related to the 2012 Series Bonds.

“Transfer” means with respect to a Fiscal Year or 12-month period, as applicable, (a) the amount in the Surplus Fund on the last Business Day of such Fiscal Year or 12-month period, as applicable, plus (b) any amounts withdrawn from the Surplus Fund during such Fiscal Year or 12-month period, as applicable, to pay Operating Expenses and to make any required payments or deposits to pay or secure the payment of principal, Purchase Price or Redemption Price of or interest on Obligations, less (c) any amounts credited to the Surplus Fund from the Revenue Fund during such Fiscal Year or 12-month period, as applicable.

“Trust Estate” means, subject to the provisions of the Indenture and any applicable Issuing Instrument permitting the application thereof for the purposes and on the terms and conditions set forth therein and subject to the rights of the Authority to release categories of Revenues from the Trust Estate as provided in Section 2.14: (i) the Net Revenues; (ii) each Credit Support Instrument, including all payments thereunder; (iii) each Reserve Guaranty, including all payments thereunder; (iv) the Construction Fund, the Net Proceeds Fund, the Revenue Fund, the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Subordinate Debt Service Fund, the Subordinate Debt Service Reserve Fund, the Junior Subordinate Fund, the Surplus Fund, each Senior Series Debt Service Reserve Fund and each Subordinate Series Debt Service Reserve Fund, including all Accounts in any of the foregoing, all money, instruments, investment property, and other property on deposit in or credited to any such Fund or Account, and all property, including Permitted Investments, purchased with money on deposit in or credited to any such Fund or Account; (v) any additional property that may from time to time, by delivery or by writing of any kind, be subjected to the lien hereof by the Authority or by anyone on its behalf which additional property the Trustee is authorized and directed to accept as part of the Trust Estate and any additional property in which a security interest is granted pursuant to a Supplemental Indenture or an Issuing Instrument to the extent provided in such Supplemental Indenture or Issuing Instrument; and (vii) all proceeds of the foregoing.

“Trustee” means The Bank of New York Trust Company, N.A., and any successor trustee under the Indenture satisfying the requirements of Section 8.09.

“Variable Rate Obligations” means any Obligation the interest rate on which is not fixed to the final maturity date thereof.

“2012 Series Bonds” means the Burbank-Glendale-Pasadena Airport Authority Airport Revenue Bonds, 2012 Series A (AMT) and 2012 Taxable Series B.

“2012 Pledged Customer Facility Charges” has the meaning given such term in Third Supplemental Indenture.

Section 1.03. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neutral genders. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including districts, agencies and other public bodies, as well as natural persons. Unless otherwise indicated, references in this Master Indenture to subsections, Sections and Articles are to such subsections, Sections and Articles of this Master Indenture. Unless the context requires

otherwise, the terms “herein,” “hereof,” “hereunder” and any similar terms, as used in this Master Indenture, shall refer to this Master Indenture as a whole and not to any particular provisions of this Master Indenture. Defined terms shall include any variant of the terms set forth in this Article.

The term “principal” when used with reference to a Capital Appreciation Obligation as of its maturity date (or, as the context requires, the applicable Conversion Date with respect to a Convertible Obligation) shall refer to the Final Compounded Amount of such Capital Appreciation Obligation and as to any other date, the Accreted Value of such Capital Appreciation Obligation as of such date. The term “principal” when used with reference to an Obligation which is a Reimbursement Obligation shall refer to the amount advanced by the Credit Provider to the extent not included in Obligations as Credit Provider Bonds. The term “principal” when used with reference to any Obligation which is a Swap shall be equal to zero. The designation of zero as the principal amount of such Obligation shall not in any manner affect the obligation of the Authority to pay such Obligation. The term “interest” when used with reference to any Obligation which is a Qualified Swap shall refer to the Net Payments due under such Qualified Swap.

The term “issue” shall include issuance, creation, incurrence, entering into an agreement for and any other act pursuant to which a Person may become obligated with respect to an Obligation. The term “include” shall not be construed to be limited to the items or the type of items listed after such word, which items are by way of example and not limitation, but the term shall be construed as meaning “including without limitation.”

Section 1.04. Authority for this Master Indenture. This Master Indenture is entered into by the Authority pursuant to the provisions of the Joint Powers Act, the Joint Powers Agreement and other applicable provisions of State law.

Section 1.05. Application of Generally Accepted Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes of this Master Indenture or any agreement, document or certificate executed and delivered in connection with or pursuant to this Master Indenture, such determination or computation shall be done in accordance with Generally Accepted Accounting Principles in effect on, at the sole option of the Authority, (i) the date such determination or computation is made for any purpose of the Indenture or (ii) the Effective Date if the Authority delivers a certificate to the Master Trustee describing why then-current Generally Accepted Accounting Principles is inconsistent with the intent of the parties on the Effective Date; provided that the requirements set forth in the Indenture shall prevail if inconsistent with Generally Accepted Accounting Principles.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS AND OBLIGATIONS

Section 2.01. Authorization of Bonds and Obligations.

(a) This Master Indenture provides certain terms and conditions upon which Bonds of the Authority to be generally designated as “Burbank-Glendale-Pasadena Airport Authority Airport Revenue Bonds” may be issued from time to time pursuant to Supplemental Indentures. The aggregate principal amount of Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as may hereafter be provided in the Indenture or as may be limited by the Joint Powers Agreement, the Joint Powers Act and other applicable law.

(b) The Bonds may be issued in one or more Series, and the designation thereof, in addition to the name “Burbank-Glendale-Pasadena Airport Authority Airport Revenue Bonds” shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

(c) Obligations other than Bonds may be issued or incurred from time to time on the terms and conditions set forth in this Master Indenture and the Issuing Instrument relating to such Obligations. The amount of Obligations that may be secured under the Indenture and the applicable Issuing Instrument is not limited except as may hereafter be provided in the Indenture or an Issuing Instrument (but not in contravention of the terms of Article II hereof) or as may be limited by the Joint Powers Agreement, the Joint Powers Act and other applicable law.

Section 2.02. Limited Obligations. The Obligations shall not constitute a general obligation of the Authority but shall constitute and evidence special obligations of the Authority payable as to principal, Redemption Price, interest and other payments solely from the Trust Estate and, with respect to any particular Series of Obligations, from such other sources as shall be specified in the Supplemental Indenture or Issuing Instrument relating to such Series. The Purchase Price for the Tender Obligations shall be payable from such sources as are specified in the Supplemental Indenture or Issuing Instrument relating to such Series. The provisions of this Section shall not preclude the payment or redemption of Obligations, at the election of the Authority, from any other legally available funds.

Section 2.03. Indenture to Constitute Contract. In consideration of the purchase and acceptance of each Obligation issued or secured under the Indenture and any applicable Issuing Instrument by those who shall own the same from time to time, the provisions of each Obligation and the provisions of the Indenture and any applicable Issuing Instrument applicable to such Obligation, and the provisions of the State Constitution, the Joint Powers Act and any other general laws of the State applicable to such Obligation, shall be deemed to be and shall constitute a contract between the Authority and the Owner of such Obligation.

Section 2.04. General Provisions for Issuance of Bonds.

(a) All (but not less than all) the Bonds of each Series shall be executed by the Authority for issuance under the Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of the following items (upon which the Trustee may conclusively rely in determining whether the conditions precedent for the issuance and authentication of such Series of Bonds have been satisfied):

(1) An executed counterpart of this Master Indenture, as amended to the date of the initial delivery of such Series of Bonds, and an executed counterpart of the Supplemental Indenture relating to such Series of Bonds, subject to Article VII hereunder, which Supplemental Indenture shall specify:

(i) the sources of payment for the Bonds of such Series other than the Trust Estate, if any;

(ii) the Series designation of such Bonds and whether such Bonds constitute Senior Bonds, Subordinate Bonds or Junior Subordinate Bonds and whether such Bonds are Current Interest Obligations, Capital Appreciation Obligations or Convertible Obligations;

(iii) the authorized principal amount of the Bonds of such Series;

(iv) the purposes for which such Series of Bonds are being issued, which shall be one of the purposes specified in Section 2.05 or 2.06;

(v) the date or manner of determining the date of the Bonds of such Series;

(vi) the maturity date or dates of the Bonds of such Series and the principal amount of the Bonds of such Series maturing on each such maturity date;

(vii) which, if any, of the Bonds of such Series shall constitute Serial Obligations and which, if any, shall constitute Term Obligations;

(viii) the interest rate or rates on the Bonds of such Series or the manner of determining such interest rate or rates;

(ix) the Interest Payment Dates for the Bonds of such Series or the manner of establishing such Interest Payment Dates;

(x) the Authorized Denominations of the Bonds of such Series;

(xi) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Bonds of such Series or the manner of determining such Redemption Prices and terms;

(xii) the Sinking Fund Installments, if any, for the Bonds of such Series which constitute Term Obligations;

(xiii) if any of the Bonds of such Series constitute Tender Obligations, the terms and conditions, if any, including Purchase Price, for the exercise by the Owners or Beneficial Owners of such Bonds of the option to tender such Bonds for purchase and the terms and conditions, if any, including Purchase Price, upon which the Bonds of such Series shall be subject to mandatory tender for purchase;

(xiv) if the Bonds of such Series are not to be Book-Entry Bonds, a statement to such effect;

(xv) whether the Bonds of such Series will be Participating Senior Bonds or Participating Subordinate Bonds;

(xvi) if the Bonds of such Series will not be Participating Senior Bonds or Participating Subordinate Bonds, if such Bonds are to be secured by an existing Senior Series Debt Service Reserve Fund or existing Subordinate Series Debt Service Reserve Fund;

(xvii) if the Bonds of such Series will not be Participating Senior Bonds or Participating Subordinate Bonds nor be secured by an existing Senior Series Debt Service Reserve Fund or existing Subordinate Series Debt Service Reserve Fund, whether a Senior Series Debt Service Reserve Fund or a Subordinate Series Debt Service Reserve Fund is to be established in connection with such Series of Bonds and, if so, the amount or manner of determining the amount of the Senior Debt Service Reserve Requirement or Subordinate Debt Service Reserve Requirement in connection with such Senior Series Debt Service Reserve Fund or Subordinate Series Debt Service Reserve Fund, as applicable;

(xviii) the appropriate Funds and Accounts, if any, relating to such Series of Bonds established under such Supplemental Indenture;

(xix) the application of the proceeds of the sale of such Series of Bonds including the amount, if any, to be deposited in the Funds and Accounts maintained under the Indenture or the Supplemental Indenture relating to such Series;

(xx) the forms of the Bonds of such Series and of the certificate of authentication thereon; and

(xxi) such other provisions as are appropriate or necessary and not inconsistent with the provisions hereof.

(2) An Opinion of Bond Counsel, dated the date of the initial delivery of such Series of Bonds, to the effect that the Indenture, as amended and supplemented to such date, including as supplemented by the Supplemental Indenture relating to such Series of Bonds, constitutes the valid and binding obligation of the Authority.

(3) A certificate of an Authorized Authority Representative to the effect that no Event of Default has occurred and is continuing (except that Bonds may be issued to cure all Events of Default which may then be existing).

(4) With respect to any Senior Bonds, the Trustee shall have received the documents required by the applicable provisions of Section 2.08.

(5) With respect to any Subordinate Bonds, the Trustee shall have received the documents required by the applicable provisions of Section 2.09.

(6) With respect to any Junior Subordinate Bonds, the Trustee shall have received the documents required by the applicable provisions of Section 2.10.

(7) Such further documents, moneys and securities as are required by the applicable provisions of Section 2.05 or Section 2.06 or of the Supplemental Indenture relating to such Series.

(b) After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to the Indenture.

Section 2.05. Additional Bonds. One or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of paying all or a portion of the Costs of any Capital Improvement and for any other lawful purpose. Additional Bonds may be issued in a principal amount sufficient to pay such Costs, including providing amounts for the Costs of Issuance of such Series of Additional Bonds and the making of any deposits into the Funds or Accounts required by the provisions of the Indenture or the Supplemental Indenture relating to such Additional Bonds and for any other lawful purpose.

Section 2.06. Refunding Bonds. One or more Series of Refunding Bonds may be issued, authenticated and delivered upon original issuance for the purpose of refunding all or any portion of the Outstanding Obligations, including payment of costs incidental to or connected with the refunding of such Obligations. Refunding Bonds may be issued in a principal amount sufficient to accomplish such refunding, including providing amounts for the Costs of Issuance of such Refunding Bonds and the making of any deposits into the Funds and Accounts required by the provisions of the Indenture or the Supplemental Indenture relating to such Refunding Bonds and for any other lawful purpose.

Section 2.07. General Provisions for Issuance of Obligations Other than Bonds.

(a) All Obligations (other than Bonds) of each Series shall be issued or incurred by the Authority and secured under the Indenture and the applicable Issuing Instrument in accordance with the terms thereof, but only upon the receipt by the Trustee of the following items (upon which the Trustee may conclusively rely in determining whether the conditions precedent for the issuance or incurrence of such Series of Obligations have been satisfied):

(1) An executed counterpart of this Master Indenture, as amended to the date of the initial issuance of such Series of Obligations, and an executed counterpart of the Issuing Instrument relating to such Series of Obligations, which Issuing Instrument shall specify:

(i) the sources of payment for the Obligations of such Series other than the Trust Estate, if any;

(ii) the Series designation of such Obligations, if applicable, and whether such Obligations constitute Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations;

(iii) the purposes for which such Obligation or Series of Obligations are being issued;

(iv) the form, title, designation, manner of numbering or denominations, if applicable, of such Obligations;

(v) the date or dates of maturity or other final expiration of the term of such Obligations, if applicable;

(vi) the date of issuance or incurrence of such Obligations;

(vii) the principal amount of such Obligation (if any) for purposes of calculating the percentage of Owners of Obligations required to take actions or give consents pursuant to the Indenture (which, if such Obligation is not debt under Generally Accepted Accounting Principles, shall be equal to zero. The designation of zero as a principal amount of an Obligation shall not in any manner affect the obligation of the Authority to pay such Obligation); and

(viii) such other provisions as are appropriate or necessary and not inconsistent with the provisions hereof.

(2) A certificate of an Authorized Authority Representative to the effect that no Event of Default has occurred and is continuing (except that Obligations may be issued to cure any Event of Default which may then be existing).

(3) With respect to any Senior Obligations, the Trustee shall have received the documents required by the applicable provisions of Section 2.08.

(4) With respect to any Subordinate Obligations, the Trustee shall have received the documents required by the applicable provisions of Section 2.09.

(5) With respect to any Junior Subordinate Obligations, the Trustee shall have received the documents required by the applicable provisions of Section 2.10.

Section 2.08. Conditions to Issuance of Senior Obligations.

(a) Without satisfying the requirements of subsection (e) of this Section, the Authority may, at any time and from time to time, issue or enter into an Obligation which is a Qualified Swap, the Net Payments under which shall constitute Senior Obligations, provided that at the time of entering into such Swap (i) the Qualified Swap shall relate to a principal amount of Outstanding Senior Obligations or Senior Obligations issued or expected to be issued; (ii) the notional amount of the Qualified Swap shall not exceed the principal amount of the related Outstanding Senior Obligations or Senior Obligations expected to be issued; and (iii) the counterparty shall be a Qualified Counterparty.

(b) The Authority may, at any time and from time to time, issue Refunding Senior Obligations provided that either: (i) the requirements set forth in subsection (e) of this Section are satisfied upon the issuance of such Refunding Senior Obligations and the application of the proceeds thereof; or (ii) the Trustee has received a certificate of an Authorized Authority Representative certifying that the Aggregate Adjusted Annual Debt Service for all Obligations to be Outstanding after the issuance of such Refunding Senior Obligations shall not exceed the Aggregate Adjusted Annual Debt Service for all Obligations Outstanding immediately prior to the issuance of such Refunding Senior Obligations in each Test Year.

(c) [Reserved].

(d) Without satisfying the requirements of Section 2.07 or subsection (e) of this Section, the Authority may, at any time and from time to time, enter into Credit Support Agreements and otherwise incur and become obligated for Reimbursement Obligations with respect to Senior Obligations.

(e) The Authority may, at any time and from time to time, issue any Additional Senior Obligations, provided either

(A) an Airport Consultant has provided to the Trustee a certificate stating that, based upon assumptions the Person signing the certificate deems reasonable, projected Net Revenues will be sufficient to satisfy the rate covenant set forth in Section 6.05 for each of the next five full Fiscal Years following issuance of the Additional Senior Obligations, or each of the next two full Fiscal Years following completion of the Capital Improvements financed by the

Additional Senior Obligations proposed to be issued, whichever is later; and provided further, that if there is Capitalized Interest for any Senior Obligations to be Outstanding after the issuance of the proposed Additional Senior Obligations in the last Fiscal Year of the test period described in this clause (A), the test period shall be extended through the first full Fiscal Year for which there is no such Capitalized Interest; or

(B) an Authorized Authority Representative has provided to the Trustee a certificate stating that Net Revenues for either the most recent Fiscal Year for which audited financial statements of the Authority are available or any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the month of issuance of the proposed Additional Senior Obligations were not less than:

(1) 125% of the Maximum Aggregate Adjusted Annual Debt Service with respect to all Outstanding Senior Obligations and the proposed Senior Obligations,

(2) 110% of the Maximum Aggregate Adjusted Annual Debt Service with respect to all Outstanding Senior Obligations and Subordinate Obligations and the proposed Senior Obligations, and

(3) 100% of the Maximum Aggregate Adjusted Annual Debt Service with respect to all Outstanding Senior Obligations, Subordinate Obligations and Junior Subordinate Obligations and the proposed Senior Obligations.

(f) For purposes of (e)(A) above, the Person signing the certificate required by such clause may assume that, in each relevant Fiscal Year, Accrued Debt Service for Outstanding Obligations will equal Aggregate Adjusted Annual Debt Service for such Fiscal Year.

For purposes of (e)(A) above, in estimating Net Revenues, the Person signing the certificate required by such clause may take into account (1) Revenues from Capital Improvements reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Revenues which has been approved by the Commission and will be in effect during the period for which the estimates are provided or (3) any other increases in Revenues which the Person signing the certificate believes to be a reasonable assumption for such period. With respect to Operating Expenses of the Authority, the Person signing the certificate required by (e)(A) above shall use such assumptions as such Person believes to be reasonable, taking into account: (i) historical Operating Expenses of the Authority, (ii) Operating Expenses associated with the Capital Improvements to be funded with the proceeds of the Additional Senior Obligations proposed to be issued and any other new Capital Improvements and Airport facilities and (iii) such other factors, including inflation and changing operations or policies of the Authority, as the Person signing such certificate believes to be appropriate. The Person signing the certificate required by (e)(A) above shall include in such certificate or in a separate

accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Aggregate Adjusted Annual Debt Service and Maximum Adjusted Annual Debt Service, which calculations may be based upon information provided by the Authority.

For purposes of (e)(B) above, the Authority shall be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport which has become effective prior to the issuance of such proposed Additional Senior Obligations but which, during the Fiscal Year or 12-month period utilized by the Authority for purposes of (e)(B) above, was not in effect for the entire Fiscal Year or 12-month period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole Fiscal Year or 12-month period under consideration, as determined by an Authorized Authority Representative.

For purposes of preparing the certificate or certificates described above, the Authorized Authority Representative or Airport Consultant, as applicable, may rely upon financial statements prepared by the Authority which have not been subject to audit by an Independent Certified Public Accountant if audited financial statements for the Fiscal Year or period are not available.

Neither of the certificates described under (e)(A) or (e)(B) above shall be required if the proceeds of Additional Senior Obligations being issued will be used to pay Costs of completing the Construction of a Capital Improvement for which Senior Obligations have previously been issued and the principal amount of such Additional Senior Obligations being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Senior Obligations originally issued for such Capital Improvement as shown in a written certificate of an Authorized Authority Representative and there is delivered to the Trustee (i) a certificate of an Authorized Authority Representative or an Airport Consultant stating that the nature and purpose of such Capital Improvement has not materially changed and that the proceeds of such Additional Senior Obligations plus any other moneys in the Construction Fund available to pay the Costs of such Capital Improvement are expected to be sufficient to pay the Costs of completing the Construction of the Capital Improvement, and (ii) a certificate of an Authorized Authority Representative to the effect that all of the proceeds (including expected investment earnings on amounts in the Construction Fund allocable to such Capital Improvement) of the Senior Obligations issued to finance such Capital Improvement have been or will be used to pay Costs of the Capital Improvement and indicating the amount of such proceeds and expected investment earnings and the then estimated Costs of the Construction of the Capital Improvement.

(g) All Senior Obligations (i) shall be senior in payment and priority to all Subordinate Obligations, Junior Subordinate Obligations, and all obligations described in Section 6.03, (ii) shall be paid with the priority provided in Section 5.04, and (iii) shall be entitled to all of the benefits provided to Senior Obligations by the terms of the Indenture and any applicable Issuing Instrument.

Section 2.09. Conditions to Issuance of Subordinate Obligations.

(a) Without satisfying the requirements of subsection (e) of this Section, the Authority may, at any time and from time to time, issue or enter into an Obligation which is a Qualified Swap, the Net Payments under which shall constitute Subordinate Obligations, provided that at the time of entering into such Swap (i) the Qualified Swap shall relate to a principal amount of Outstanding Subordinate Obligations or Subordinate Obligations issued or expected to be issued; (ii) the notional amount of the Qualified Swap shall not exceed the principal amount of the related Outstanding Subordinate Obligations or Subordinate Obligations expected to be issued; and (iii) the counterparty shall be a Qualified Counterparty.

(b) The Authority may, at any time and from time to time, issue Refunding Subordinate Obligations provided that either: (i) the requirements set forth in subsection (e) of this Section are satisfied upon the issuance of such Refunding Subordinate Obligations and the application of the proceeds thereof; or (ii) the Trustee has received a certificate of an Authorized Authority Representative certifying that the Aggregate Adjusted Annual Debt Service for all Obligations to be Outstanding after the issuance of such Refunding Subordinate Obligations shall not exceed the Aggregate Adjusted Annual Debt Service for all Obligations Outstanding immediately prior to the issuance of such Refunding Subordinate Obligations in each Test Year.

(c) [Reserved].

(d) Without satisfying the requirements of subsection (e) of this Section, the Authority may, at any time and from time to time, enter into Credit Support Agreements or otherwise become obligated for Reimbursement Obligations with respect to Subordinate Obligations.

(e) The Authority may, at any time and from time to time, issue any Additional Subordinate Obligations, provided either

(A) an Airport Consultant has provided to the Trustee a certificate stating that, based upon assumptions the Person signing the certificate deems reasonable, projected Net Revenues will be sufficient to satisfy the rate covenant set forth in Section 6.05 for each of the next five full Fiscal Years following issuance of the Additional Subordinate Obligations, or each of the next two full Fiscal Years following completion of the Capital Improvements financed by the Additional Subordinate Obligations proposed to be issued, whichever is later; and provided further, that if there is Capitalized Interest for any Subordinate Obligations to be Outstanding after the issuance of the proposed Additional Subordinate Obligations in the last Fiscal Year of the test period described in this clause (A), the test period shall be extended through the first full Fiscal Year for which there is no such Capitalized Interest; or

(B) an Authorized Authority Representative has provided to the Trustee a certificate stating that Net Revenues for either the most recent Fiscal

Year for which audited financial statements of the Authority are available or any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the month of issuance of the proposed Additional Subordinate Obligations were not less than:

(1) 125% of the Maximum Aggregate Adjusted Annual Debt Service with respect to all Outstanding Senior Obligations,

(2) 110% of the Maximum Aggregate Adjusted Annual Debt Service with respect to all Outstanding Senior and Subordinate Obligations and the proposed Subordinate Obligations, and

(3) 100% of the Maximum Aggregate Adjusted Annual Debt Service with respect to all Outstanding Senior Obligations, Subordinate Obligations and Junior Subordinate Obligations and the proposed Subordinate Obligations.

(f) The provisions set forth in Section 2.08(f) relating to Additional Senior Obligations shall also apply to this Section 2.09 relating to Additional Subordinate Obligations.

(g) All Subordinate Obligations shall be junior in payment and priority to all Senior Obligations. Subordinate Obligations shall be paid in the priority set forth in Section 5.04, and only to the extent that funds are available to make such payments as provided therein after the required payments are made with respect to the Senior Obligations. Any exercise of rights or remedies by any holder, owner, or beneficial owner of a Subordinate Obligation, or the Trustee on behalf of the foregoing, shall be subject in all respects to the provisions of Sections 10.01(b), 10.02(c) and (d), and 10.05. All Subordinate Obligations shall be subject to the limitations imposed on Subordinate Obligations by the terms of the Indenture and any applicable Issuing Instrument.

Section 2.10. Conditions to Issuance of Junior Subordinate Obligations.

(a) The Authority may, at any time or from time to time, issue Junior Subordinate Obligations without satisfying the requirements of Section 2.08 or Section 2.09 for any purpose in connection with the Airport, including, without limitation, the financing of all or a portion of the Costs of any Capital Improvement and/or the refunding of all or any portion of any Outstanding Obligations and/or for any other lawful purpose.

(b) All Junior Subordinate Obligations shall be junior in payment and priority to all Subordinate Obligations and Senior Obligations. Junior Subordinate Obligations shall be paid in the priority set forth in Section 5.04, and only to the extent that funds are available to make such payments as provided therein after the required payments are made with respect to the Senior Obligations and the Subordinate Obligations. Any exercise of rights or remedies by any holder, owner, or beneficial owner of a Junior Subordinate Obligation, or the Trustee on behalf of the foregoing, shall be subject in all respects to the provisions of Sections 10.01(b), 10.02(c) and (d), and 10.05. All Junior Subordinate Obligations shall be

subject to the limitations imposed on Junior Subordinate Obligations by the terms of the Indenture and any applicable Issuing Instrument.

Section 2.11. Special Facilities and Special Facility Obligations.

(a) The Authority shall be permitted to designate new or existing Airport facilities as Special Facilities as permitted in this Section. The Authority may, from time to time, and subject to the terms and conditions of this Section (i) designate a separately identifiable existing facility or planned facility as a “Special Facility,” (ii) pursuant to an Issuing Instrument and without a pledge of any Net Revenues, incur Obligations for the purpose of financing and/or refinancing the Construction, renovating, or improving, or providing financing and/or refinancing to a third party to construct, renovate or improve, such Special Facility, (iii) provide that certain of the contractual payments derived from such Special Facility, together with other income and revenues available to the Authority from such Special Facility to the extent necessary to make the payments required by clause (i) of subsection (c) of this Section, be “Special Facility Revenue” and not included as Revenues or Net Revenues, and (iv) provide that the Obligations so incurred shall be “Special Facility Obligations” and the principal of and interest thereon and other amounts payable with respect thereto shall be payable solely from the Special Facility Revenue. The Authority may from time to time refinance any such Special Facility Obligations with other Special Facility Obligations.

(b) Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest and other amounts due with respect to such Special Facility Obligations solely from the Special Facility Revenue related to the Special Facility financed and/or refinanced with such Special Facility Obligations, which shall include contractual payments derived by the Authority under and pursuant to a contract (which may be in the form of a lease) relating to a Special Facility by and between the Authority and another Person, either public or private, as shall undertake the operation of such Special Facility.

(c) No Special Facility Obligations shall be issued by the Authority unless there shall have been filed with the Trustee a certificate of an Authorized Authority Representative stating that:

- (i) The Special Facility Revenue required to be paid by the third party operating the Special Facility and pledged to the payment of obligations relating to the Special Facility will be at least sufficient to pay as and when the same become due: (A) the principal of and interest on such Special Facility Obligations, (B) all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and (C) all sinking fund, reserve or other payments required by the Issuing Instrument relating to the Special Facility Obligations; and
- (ii) With respect to the designation of any separately identifiable existing Airport facility or Airport facilities as a “Special Facility” or “Special

Facilities”, the Authority has qualified all Revenues from such Airport facility or Airport facilities as Released Revenues; and

(iii) No Event of Default has occurred and is continuing.

(d) To the extent Special Facility Revenue received by the Authority during any Fiscal Year shall exceed the amounts required to be paid pursuant to clause (i) of subsection (c) of this Section for such Fiscal Year, such excess Special Facility Revenue, to the extent not otherwise encumbered or restricted, shall constitute Revenues.

(e) Notwithstanding any other provision of this Section, at such time as the Special Facility Obligations issued for a Special Facility including Special Facility Obligations issued to refinance Special Facility Obligations are fully paid or otherwise discharged, all revenues of the Authority from such facility shall be included as Revenues.

(f) Special Facility Obligations shall be deemed in compliance with the provisions of the Indenture if such Special Facility Obligations are issued in accordance with this Section 2.11 and compliance with other provisions of Article II of this Master Indenture is not required.

Section 2.12. Credit Provider Bonds. Subject only to Section 2.02, notwithstanding any other provision contained in the Indenture to the contrary, Obligations which are Credit Provider Bonds shall have terms and conditions, including terms of maturity, payment, prepayment and interest rate, as shall be specified in the applicable Credit Support Agreement.

Section 2.13. Obligations Secured by Other Revenues. The Authority may, from time to time, incur Obligations payable solely from certain revenues of the Airport which do not constitute Revenues other than Special Facility Obligations (which are governed by Section 2.11) at such times and upon such terms and conditions as the Authority shall determine; provided that such Obligations shall specifically include a provision that payment of such Obligations is neither secured by nor payable from the Trust Estate or any part thereof.

Section 2.14. Released Revenues. The Authority may cause a category of income, receipts or other revenues then included in the definition of “Revenues” in Section 1.02 to be excluded from such definition for all purposes of the Indenture, which exclusion shall be effective from the date the Authority satisfies the conditions of this Section, by filing the following with the Trustee:

(a) a written request from an Authorized Authority Representative to release such category of income, receipts and other revenues from the definition of Revenues contained in Section 1.02, accompanied by a written certificate of an Authorized Authority Representative certifying the Authority is in compliance with all requirements of the Indenture;

(b) a certificate of an Authorized Authority Representative or a report of an Independent Certified Public Accountant to the effect that Net Revenues, excluding the category of Revenues proposed to become Released Revenues and any corresponding Released Revenues Related Expenses, for each of the two Fiscal Years for which audited

financial statements are available immediately preceding the date of such certificate or report, were sufficient to satisfy the rate covenant set forth in Section 6.05 for each of the two such Fiscal Years, assuming that 150% (instead of 125%) was used in Section 6.05(b)(i), 125% (instead of 110%) was used in Section 6.05(b)(ii) and 110% (instead of 100%) was used in Section 6.05(b)(iii);

(c) a certificate of an Authorized Authority Representative or an Airport Consultant retained by the Authority to the effect that based upon current knowledge of the operations of the Airport, Net Revenues, excluding the category of Revenues proposed to become Released Revenues and any corresponding Released Revenues Related Expenses, for the current Fiscal Year (and the preceding Fiscal Year if such year is not included in certificate required by Section 2.14(b)) are expected to be sufficient to satisfy the rate covenant set forth in Section 6.05 for such Fiscal Year, assuming that 150% (instead of 125%) was used in Section 6.05(b)(i), 125% (instead of 110%) was used in Section 6.05(b)(ii) and 110% (instead of 100%) was used in Section 6.05(b)(iii); and

(d) a Rating Confirmation in connection with the withdrawal of the category of income, receipts and other revenues proposed to become Released Revenues.

Notwithstanding this Section 2.14 or anything to the contrary contained in the Indenture, the Authority may, at any time, cause all or any portion of any Released Revenues to be included in the definition of “Revenues” in Section 1.02 for all purposes of the Indenture (and thereby also include any corresponding Released Revenues Related Expenses in the definition of “Operating Expenses” in Section 1.02 for all purposes of the Indenture), which inclusion shall become effective when the Authority files with the Trustee a written request from an Authorized Authority Representative to include such Released Revenues in the definition of Revenues contained in Section 1.02.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Medium of Payment; Form and Date; Letters and Numbers.

(a) Unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture relating to such Series, the Bonds of each Series shall be payable, with respect to principal, Redemption Price, if any, Purchase Price, if any, and interest in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered bonds without coupons in Authorized Denominations.

(c) Each Bond shall be lettered and numbered as determined by the Trustee so as to be distinguished from every other Bond.

(d) The Bonds of each Series shall be dated as provided in or determined pursuant to the Supplemental Indenture relating to such Series.

(e) Unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture relating to such Series, the Bonds of each Series shall bear interest as provided in this subsection. The Bonds of each Series shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (i) such Bonds are authenticated on an Interest Payment Date, in which event from such Interest Payment Date; and (ii) unless such Bonds are authenticated after a Record Date and before the next succeeding Interest Payment Date for such Bonds, in which event from such Interest Payment Date; provided, however, that if the date of authentication of a Bond shall be prior to the Record Date for the first Interest Payment Date for such Bond, such Bond shall bear interest from its original dated date. Notwithstanding the foregoing, if the Authority shall default in the payment of interest, then the Bonds shall bear interest from the date to which interest has been paid or if no interest has been paid, from their original dated date.

(f) Unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture relating to such Series, the interest payable on Bonds shall be calculated on the basis of a 360-day year of twelve, thirty-day months.

(g) Except as otherwise provided in the Representation Letter with a Securities Depository for Book-Entry Bonds (or, with respect to a Series of Bonds in the Supplemental Indenture relating to such Series), interest on each Bond shall be payable on each Interest Payment Date for such Bond and shall be paid by check of the Trustee mailed on such Interest Payment Date to the Owner of such Bond shown on the Bond Register as of the close of business on the Record Date immediately preceding such Interest Payment Date. Owners of at least \$1,000,000 aggregate principal amount (or, with respect to a Series of the Bonds, such other principal amount as may be specified in the Supplemental Indenture relating to such Series), of Bonds of any Series may, at any time prior to a Record Date with respect to the payment of interest on such Bonds, give the Trustee written instructions for payment of such interest on each succeeding Interest Payment Date for such Bonds by wire transfer or by deposit to an account. Notwithstanding the foregoing, however, if the Authority shall default in the payment of interest due on Bonds on any Interest Payment Date, such interest shall cease to be payable to the persons in whose name such Bonds were registered in the Bond Register on the Record Date for such Interest Payment Date, and shall be payable, when and if paid by the Authority, to the persons in whose names such Bonds are registered at the close of business on the record date fixed therefor by the Trustee (each a “Special Record Date”), which shall not be more than 15 days and not less than 10 days prior to the date of the proposed payment.

(h) Unless redeemed prior to such date, the principal of each Bond shall be payable on its maturity date and the Redemption Price of each Bond called for redemption prior to maturity, subject to the terms of Section 4.05(b), shall be payable on the applicable redemption date. Except as otherwise provided in the Representation Letter with a Securities Depository for Book-Entry Bonds, the principal, and if applicable the Redemption Price, of each Bond shall be payable only upon presentation and surrender of such Bond at the Principal Office of the Trustee or any other Paying Agent for such Bond.

Section 3.02. Legends. Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Indenture as may

be necessary or desirable to comply with custom, the rules of any securities exchange, commission or brokerage agent, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

Section 3.03. Execution and Authentication.

(a) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the President or Vice President of the Authority shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the facsimile or manual signature of the Secretary or Assistant Secretary of the Authority, or in such other manner as may be provided by Supplemental Indenture or required by law. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as provided in the Indenture, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond may be signed on behalf of the Authority by such persons as at the time of the execution of such Bond shall be duly authorized or hold the proper office in the Authority, although at the date borne by such Bonds such persons may not have been so authorized or have held such office.

(b) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Supplemental Indenture relating to such Series, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Indenture and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Indenture and that the Owner thereof is entitled to the benefits of the Indenture.

Section 3.04. Book-Entry Bonds.

(a) Unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture relating to such Series, the Bonds of each Series shall be issued as Book-Entry Bonds in fully registered form with no distribution of physical bonds made to the public. Except as otherwise provided in Section 3.05, the Book-Entry Bonds of each Series shall be registered in the name of the Securities Depository or its Nominee as directed by the Securities Depository. The payment of Book-Entry Bonds and the giving of notices shall be governed by the terms of the Representation Letter with the Securities Depository for the Book-Entry Bonds. DTC shall act as the initial Securities Depository for the Book-Entry Bonds and has designated Cede & Co. as its Nominee. DTC has represented to the Authority that it shall maintain a book-entry program in recording ownership interests in the Book-Entry Bonds of its Participants and the ownership interests of a Beneficial Owner of a Bond shall be recorded through book entries on the records of the Participants.

(b) Bonds of each Series which are not Book-Entry Bonds shall be delivered to the Owners thereof as fully registered Bonds in the form specified in the Supplemental

Indenture relating to the issuance of such Series of Bonds, with the ownership of such Bonds being recorded in the Bond Register.

(c) In the event that DTC or any successor Securities Depository ceases to act as Securities Depository for Bonds of a Series, then Bonds of such Series in certificated form shall be issued to the Owners in substantially the form of the Bond delivered to the former Securities Depository or its Nominee with necessary changes to reflect non-book-entry status as shall be approved by the officers of the Authority executing such Bonds. The issuance of individual Bonds in certificated form shall be accomplished as provided in the Representation Letter.

(d) With respect to Bonds registered in the Bond Register in the name of a Securities Depository or a Nominee, the Authority, the Trustee and each Paying Agent shall have no responsibility or obligation to any Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, none of the Authority, the Trustee or any Paying Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of a Securities Depository, its Nominee or any Participant as to any ownership interest in the Bonds, (ii) the delivery to any Participant, Beneficial Owner or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to the Bonds, or (iii) the payment to any Participant, Beneficial Owner or any other Person, other than an Owner as shown in the Bond Register, of any amount with respect to principal, Redemption Price and Purchase Price of the Bonds, or interest on the Bonds. The Authority, the Trustee and each Paying Agent may treat and consider the Person in whose name each Bond is registered in the Bond Register as the absolute Owner of such Bond for the purpose of payment of principal, Redemption Price and Purchase Price of such Bond, and interest on such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. None of the Authority, the Trustee or any Paying Agent shall be affected by any notice to the contrary. All principal, Redemption Price and Purchase Price of the Bonds, and interest on the Bonds, shall be paid only to or upon the order of the respective Owner, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal, Redemption Price and Purchase Price of the Bonds, and interest on the Bonds, to the extent of the sum or sums so paid, and none of the Authority, the Trustee or any Paying Agent shall be affected by any notice to the contrary. No Person other than an Owner as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Authority to make payments of principal, Redemption Price and Purchase Price of the Bonds, and interest on Bonds, pursuant to the Indenture.

(e) Upon delivery by a Securities Depository to the Authority of written notice to the effect that the Securities Depository has determined to substitute a new Nominee in place of its current Nominee, and subject to the provisions in the Indenture with respect to Record Dates, the word Nominee for purposes of the Indenture shall refer to such new Nominee of the Securities Depository, and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(f) Notwithstanding any other provision of the Indenture to the contrary and so long as Book-Entry Bonds are registered in the name of a Nominee, the Authority and the Trustee shall cooperate with the Securities Depository in effecting payment of the principal, Redemption Price and Purchase Price of Book-Entry Bonds, and interest on Book-Entry Bonds, by arranging for payment in such manner as the Securities Depository may reasonably instruct in writing that funds for such payments are properly identified and are made available on the date they are due, all in accordance with the Representation Letter, the provisions of which the Trustee may rely upon to implement the foregoing procedures.

(g) A Securities Depository for the Book-Entry Bonds may resign upon giving 30 days written notice of such resignation to the Authority and the Trustee. To the extent permitted by law, the Authority may terminate the use of the book-entry system of a Securities Depository for Book-Entry Bonds upon giving 30 days written notice of such termination to the Securities Depository and the Trustee. Any such resignation or termination shall become effective upon the earlier of the appointment of a successor Securities Depository for Book-Entry Bonds by the Authority or the issuance of Bonds which are not Book-Entry Bonds pursuant to Section 3.05.

Section 3.05. Transfers Outside Book-Entry Program. In the event that the resignation or removal of a Securities Depository has become effective pursuant to Section 3.04(g), then the Authority shall thereupon discontinue the current book-entry program for the Book-Entry Bonds with such Securities Depository. In such event, the Authority shall cause the Trustee to obtain from the former Securities Depository a list showing the interests of the Participants in the Book-Entry Bonds and shall cause such Book-Entry Bonds to be surrendered to the Trustee on or before the date any replacement Bonds are to be issued. Furthermore, in the event the Authority determines to use a substitute Securities Depository, the Authority shall so notify the Trustee and each Paying Agent for the Bonds. If, prior to the termination of the current Securities Depository's book-entry system for the Bonds, the Authority fails to identify another qualified Securities Depository to replace the current Securities Depository, then the Bonds shall no longer be required to be registered in the name of a Securities Depository or its Nominee and the Authority shall issue, and the Trustee shall authenticate, replacement Bonds in the appropriate amounts and in whatever name or names the Owners of the Bonds shall designate pursuant to the Representation Letter with the former Securities Depository. In the event the Authority determines that the Beneficial Owners of the Bonds shall be able to obtain physical, certificated Bonds through the former Securities Depository, the Authority may notify the Participants identified by the former Securities Depository as having an interest in the Bonds of the availability of such physical, certificated Bonds and the Trustee shall authenticate, transfer and exchange Bonds as required by the Securities Depository in the appropriate names and amounts, which shall be in Authorized Denominations.

Section 3.06. Bond Register. The Trustee shall keep or cause to be kept, at its Principal Office, the Bond Register for the registration and transfer of the Bonds of each Series, which shall at all times be open to inspection during regular business hours with reasonable prior notice by the Authority, and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said Bond Register, Bonds of each Series as provided in the Indenture.

The Trustee shall also keep or cause to be kept within the Bond Register a list of all Obligations (other than Bonds) and the names of the Owners thereof, which shall at all times be open to inspection during regular business hours with reasonable prior notice by the Authority, and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said Bond Register, Obligations of each Series as provided in the Indenture.

The Authority, the Trustee and each Paying Agent may rely on the address of the Owner of each Obligation as it appears on the Bond Register for any and all purposes. It shall be the duty of the Owner of each Obligation to give written notice to the Trustee of any change in the Owner's address so that the Bond Register may be revised accordingly. The Authority and the Trustee shall be entitled to treat the registered owner of an Obligation as the absolute owner thereof for all purposes, whether or not an Obligation shall be overdue and the Authority and the Trustee shall not be affected by any notice to the contrary.

Section 3.07. Interchangeability of Bonds. Upon surrender of a Bond at the Principal Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee and duly executed by the Owner or the Owner's attorney duly authorized in writing, such Bond may, at the option of the Owner thereof, and upon payment by such Owner of any charges which the Trustee may make as provided in Section 3.09, be exchanged for an equal aggregate principal amount of Bonds of the same Series, terms and maturity of any other Authorized Denominations.

Section 3.08. Negotiability, Transfer and Registry. Each Bond shall be transferable only upon the Bond Register, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or the Owner's duly authorized attorney. Upon the transfer of any such Bond, the Authority shall execute and the Trustee shall authenticate, deliver and register in the Bond Register in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series, terms and maturity as the surrendered Bond.

Section 3.09. Regulations With Respect to Exchanges and Transfers. Subject to the terms of a Representation Letter with a Securities Depository for Book-Entry Bonds, in all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Indenture relating to such Bonds. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Trustee and cancelled by the Trustee and shall not be redelivered. Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Unless the Supplemental Indenture relating to a Series of Bonds provides that such transfer or exchange of Bonds of such Series shall be made without charge to the Owner, for every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the

Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing Bonds and any services rendered, or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the Authority.

Section 3.10. Bonds Mutilated, Destroyed, Stolen or Lost. Subject to the terms of a Representation Letter with a Securities Depository for Book-Entry Bonds, if any Bond becomes mutilated or is lost, stolen or destroyed, the Authority may execute and the Trustee shall authenticate and deliver a new Bond of like date, Series, maturity, principal amount and terms as the Bond so mutilated, lost, stolen or destroyed; provided that (i) in the case of such mutilated Bond, such Bond is first surrendered to the Authority or the Trustee, (ii) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee together with indemnity satisfactory to the Trustee, (iii) all other reasonable requirements of the Authority and the Trustee are complied with, and (iv) expenses in connection with such transaction are paid by the Owner. Any mutilated Bond surrendered for exchange shall be cancelled. Any new Bond issued pursuant to this Section in substitution for a Bond alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bond so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally payable from the Trust Estate on a parity with and entitled to equal and proportionate benefits with, all other Bonds, all with the respective priorities set forth in this Master Indenture.

Section 3.11. Temporary Bonds.

(a) Subject to the terms of a Representation Letter with a Securities Depository for Book-Entry Bonds, until the definitive Bonds are prepared, the Authority may execute, in the same manner as is provided in Section 3.03, and upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the exchangeability for Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds shall be payable in the same manner as interest is payable on the definitive Bonds in lieu of which such temporary Bonds were issued. The Authority, at its own expense, shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive registered Bonds of the same Series, aggregate principal amount, terms, maturity and date of issue as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds of a Series shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Indenture.

(b) Temporary Bonds authorized in more than one Authorized Denomination, upon surrender thereof at the Principal Office of the Trustee, may at the option of the Owner thereof, and upon payment by such Owner of any charges which may be made as provided in Section 3.09, be exchanged for an equal aggregate principal amount of temporary Bonds

of the same Series, maturity, and containing the same terms, of any of the Authorized Denominations as shall be requested by such Owner.

(c) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 3.12. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, and all Bonds surrendered for transfer or exchange, shall be delivered to the Trustee when such payment, redemption or surrender is made, and such Bonds, together with all Bonds purchased by the Trustee or surrendered to the Trustee by the Authority, shall thereupon be promptly cancelled. Bonds so cancelled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Privilege of Redemption and Redemption Price. Bonds of each Series subject to redemption prior to maturity pursuant to the Supplemental Indenture relating to such Series shall be redeemable, upon giving notice as provided in this Article IV, at such times and at such Redemption Prices as shall be specified in or determined pursuant to the Supplemental Indenture relating to such Series of Bonds and upon such terms as may be specified in this Article IV.

Section 4.02. Redemption at the Direction of Authority. Except as otherwise provided with respect to Credit Provider Bonds in the Supplemental Indenture relating to such Credit Provider Bonds or in the applicable Credit Support Agreement or except as otherwise provided with respect to Book-Entry Bonds in a Representation Letter, in the case of a redemption of Bonds at the option or direction of the Authority, the Authority shall give written notice to the Trustee of the exercise of its option or direction to redeem Bonds and of the redemption date, principal amount of the Bonds of each Series and maturity to be redeemed (which Series, maturities and principal amounts shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Supplemental Indenture relating to each Series of Bonds and provided that, with respect to any Bond to be redeemed in part, the portion of such Bond which is not to be redeemed shall be in an Authorized Denomination). Such notice shall be given to the Trustee at least forty-five (45) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 4.05 provided, other than a conditional notice pursuant to Section 4.05(b), there shall be paid on or prior to the redemption date to the Trustee an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee, shall be sufficient to redeem on the applicable redemption date at the applicable Redemption Price, all of the Bonds to be redeemed.

Section 4.03. Redemption Other Than at Authority's Direction. Except as otherwise provided with respect to Credit Provider Bonds in the Supplemental Indenture relating to such Credit Provider Bonds or in the applicable Credit Support Agreement or except as otherwise provided with respect to Book-Entry Bonds in a Representation Letter, whenever the terms of the Indenture require or authorize the Trustee to redeem Bonds otherwise than at the option or direction of the Authority and the Indenture does not expressly set forth the principal amount of Bonds of each Series and maturity to be redeemed, the Authority may select the principal amounts of the Bonds of each Series and maturity to be redeemed (which Series, maturities and principal amounts to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Indenture and provided that, with respect to any Bond to be redeemed in part, the portion of such Bond which is not to be redeemed shall be in an Authorized Denomination) and in the event the Authority does not notify the Trustee of such Series, maturities, and principal amounts to be redeemed on or before the forty-fifth (45th) day preceding the redemption date, the Trustee shall, in such manner as the Trustee in its discretion may deem fair and appropriate, subject to any limitations with respect to the Series, and any operational procedures of the Securities Depository, if applicable, maturity, or principal amount of Bonds to be redeemed contained in the Indenture, select the principal amount of each Series and maturity of the Bonds to be redeemed, which selection shall be conclusive, give the notice of redemption required by this Article IV and pay out of moneys available therefor the Redemption Price of the Bonds to be redeemed to the Owners thereof.

Section 4.04. Redemption of Less than Entire Maturity. Except as otherwise provided with respect to Credit Provider Bonds in the Supplemental Indenture relating to such Credit Provider Bonds or in the applicable Credit Support Agreement or except as otherwise provided with respect to Book-Entry Bonds in a Representation Letter, if less than all of the Bonds of like Series and maturity are to be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall, subject to any limitations with respect thereto contained in the Indenture, be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate and in accordance with the procedures of the Securities Depository, if applicable; provided, however, that the portion of any Bond of a denomination greater than the minimum Authorized Denomination for the Bonds of a Series shall be redeemed in part only in a principal amount such that the portion of such Bond which is not redeemed shall be in an Authorized Denomination and that, in selecting portions of Bonds of a Series and maturity for redemption, the Trustee shall treat each Bond of each Series and maturity as representing that number of Bonds of the minimum Authorized Denomination for such Series which is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for the Bonds of such Series.

Section 4.05. Notice of Redemption.

(a) When the Trustee shall receive notice from the Authority of the exercise of its option or direction to redeem Bonds pursuant to Section 4.02, and when redemption of Bonds is authorized or required pursuant to Section 4.03, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall be emailed or mailed, by first class mail, postage prepaid, not more than sixty (60) nor less than twenty (20) days before the redemption date (unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture relating to such Series) to the Owners of any Bonds to

be redeemed (in whole or in part) at their addresses appearing in the Bond Register. Such notice shall specify the Series and maturity date of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption shall be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portion of the principal amount thereof to be redeemed. Such notice shall further state that, subject to the provisions of subsection (b) of this Section, if applicable, on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portion of the principal amount thereof to be redeemed in the case of Bonds to be redeemed in part only, and that, if sufficient moneys are available on the redemption date to pay the Redemption Price of all Bonds to be redeemed, from and after such date interest on such Bond or the portion of such Bond to be redeemed shall cease to accrue and be payable.

Receipt of such notice shall not be a condition precedent to the redemption of Bonds and failure of any Owner of a Bond to receive any such notice or any insubstantial defect in such notice shall not affect the validity of the proceedings for the redemption of Bonds. Any defect in such notice given to the Owners of less than all of the Bonds to be redeemed shall not affect the validity of the proceedings for the redemption of the Bonds as to which the notice of redemption did not contain such defect.

(b) In the event that funds required to pay the Redemption Price of the Bonds are not on deposit with the Trustee at the time the notice with respect to any redemption of Bonds at the option of the Authority is given, such notice shall state that such redemption is conditioned upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given that such moneys were not so received and that there shall be no redemption of Bonds pursuant to the conditional notice of redemption.

(c) If upon the expiration of sixty (60) days succeeding any redemption date, any Bonds called for redemption shall not have been presented to the Trustee for payment, the Trustee shall no later than ninety (90) days following such redemption date, send written notice by email or first-class mail to the Owner of each Bond not so presented. Failure to email or mail the notices required by this subsection to any Owner, or any defect in any notice so emailed or mailed, shall not affect the validity of the proceedings for redemption of any Bonds nor impose any liability on the Trustee.

(d) Unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture relating to such Series, the Trustee shall send a copy of each notice of redemption sent by the Trustee pursuant to subsection (a) of this Section at least twenty

(20) days before the redemption date by (i) registered or certified mail, return receipt requested, postage prepaid, (ii) email or (iii) overnight delivery service to each of the following: (A) the Securities Depository and (B) the Municipal Securities Rulemaking Board (through the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board, unless otherwise designated by the Municipal Securities Rulemaking Board or the Securities and Exchange Commission).

Failure to give the notices described in this subsection or any defects therein, shall not in any manner affect the proceedings for redemption of any Bonds.

(e) Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bonds or in any redemption notice or other notice with respect thereto, and any such redemption notice or other notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

Section 4.06. Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the Authority shall execute, and the Trustee shall authenticate and deliver to the Owner of such Bond, at the expense of the Authority, a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered, of the same Series, maturity and terms as the surrendered Bond.

Section 4.07. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly emailed or mailed to the Owners of the Bonds to be redeemed (in whole or in part), as provided in Section 4.05, and the amount necessary to pay the Redemption Price of all Bonds to be redeemed being available therefor on the date fixed for such redemption:

(a) the Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the applicable Redemption Price thereof, as provided in the Indenture, anything in such Indenture or in the Bonds to the contrary notwithstanding;

(b) except as otherwise provided in a Representation Letter, upon presentation and surrender thereof at the Principal Office of the Trustee or another Paying Agent for such Bonds, the Bonds to be redeemed shall be redeemed at the applicable Redemption Price;

(c) the Bonds or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or portions thereof shall cease to bear further interest; and

(d) after the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the Redemption Price thereof from the amounts so made available.

ARTICLE V

ESTABLISHMENT AND APPLICATION OF FUNDS

Section 5.01. Establishment of Funds and Accounts. The following Funds and Accounts are hereby established:

- (a) Construction Fund, to be held by the Trustee and Net Proceeds Fund, to be held by the Trustee;
- (b) Revenue Fund, to be held by the Authority;
- (c) Operating Fund, including the Operating Reserve Account therein, to be held by the Authority;
- (d) Rebate Fund, to be held by the Trustee;
- (e) Senior Debt Service Fund, to be held by the Trustee;
- (f) Senior Debt Service Reserve Fund, to be held by the Trustee;
- (g) Subordinate Debt Service Fund, to be held by the Trustee;
- (h) Subordinate Debt Service Reserve Fund, to be held by the Trustee;
- (i) Junior Subordinate Fund, to be held by the Authority; and
- (j) Surplus Fund, to be held by the Authority.

The Trustee may create additional accounts and subaccounts in any of the funds created under the Indenture as the Trustee may deem appropriate for the purpose of fulfilling its obligations hereunder.

Section 5.02. Construction Fund; Net Proceeds Fund.

(a) There shall be established in the Construction Fund a special Account with respect to each Series of Additional Bonds. There shall be deposited in each such Account the amount specified in the Supplemental Indenture relating to the applicable Series of Bonds. There may also be paid into such Account any moneys received by the Authority for or in connection with the Capital Improvements financed with funds in such special Account from any other source unless such moneys are required to be otherwise applied pursuant to the Indenture. Amounts in each such Account shall be applied to the Costs of the Capital Improvements to be financed with funds in such special Account in the manner provided in this Section.

(b) The Net Proceeds of eminent domain proceedings and insurance, including the proceeds of any self insurance fund, maintained pursuant to the Indenture against

physical loss of or damage to the Airport facilities or casualty loss shall be paid into the Net Proceeds Fund and applied as provided in Section 6.07 or Section 6.08, as applicable.

(c) The Authority shall make payments from each Account in the Construction Fund, in the amounts, at the times, in the manner and on the other terms and conditions set forth in this subsection. Before any such payment from an Account in the Construction Fund shall be made, the Authority shall submit to the Trustee its requisition therefor, signed by an Authorized Authority Representative, stating in respect of the payment to be made (a) the name and address of the Person to whom payment is due (which may be the Authority if the Authority provided the facilities, equipment or service, or has paid that portion of the Cost of the Capital Improvement which is the basis of such payment), (b) the amount of such payment, and (c) the particular item of the Cost of the Capital Improvement to be paid and that such payment in the stated amount is a proper charge against such Account in the Construction Fund and that no part of such payment shall be applied to any item which has previously been paid as a Cost of a Capital Improvement from any Account in the Construction Fund. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. The Authority shall apply all moneys received from an Account in the Construction Fund to the payment of the Cost of the applicable Capital Improvement identified in the requisition relating to such moneys or, if such Cost was paid from Authority funds, to the reimbursement of the Authority for such Cost. The Authority shall maintain in its records the requisitions from the Construction Fund relating to each Capital Improvement financed in whole or in part with Bond proceeds for the period required by the applicable Tax Certificate.

(d) Unless otherwise provided in a Supplemental Indenture with respect to an Account in the Construction Fund established pursuant to such Supplemental Indenture and unless such Account has been closed pursuant to subsection (e) of this Section, the completion of the Construction of all the Capital Improvements to be financed in whole or in part with moneys in an Account in the Construction Fund shall be evidenced by a certificate signed by an Authorized Authority Representative which shall be filed with the Trustee, stating (i) the date of such completion and (ii) the amount, if any, required in the opinion of the signer or signers for the payment of any remaining part of the Costs of such Capital Improvements. Upon the filing of such certificate, the balance in the appropriate Account in the Construction Fund in excess of the amount, if any, stated in such certificate shall be applied to either (i) the purchase or redemption of Bonds as directed in writing by an Authorized Authority Representative (other than amounts due for interest on each purchase or redemption which shall be paid from amounts accumulated in the applicable Debt Service Fund with respect to such interest or other available funds); or (ii) any other lawful purpose as directed by an Authorized Authority Representative. If subsequent to the filing of such certificate, and unless such Account has been closed pursuant to subsection (e) of this Section, it shall be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost of such Capital Improvements are no longer so required, such fact shall be evidenced by a certificate of an Authorized Authority Representative which shall be filed with the Trustee stating such fact and any amount shown therein as no longer being required shall be applied to either (i) the purchase or redemption of Bonds as directed in writing by an Authorized Authority Representative

(other than amounts due for interest on each purchase or redemption which shall be paid from amounts accumulated in the Senior Debt Service Fund, the Subordinate Debt Service Fund or the Junior Subordinate Fund, as applicable, with respect to such interest or other available funds); or (ii) any other lawful purpose as directed by an Authorized Authority Representative.

(e) When no moneys remain in an Account in the Construction Fund, such Account shall be closed.

Section 5.03. Revenues and Revenue Fund. All Revenues shall be promptly deposited upon receipt thereof to the credit of the Revenue Fund and applied as provided in this Master Indenture. The Authority may also from time to time, in its sole discretion and without any obligation to do so, deposit funds from any available source into the Revenue Fund.

Section 5.04. Application of Revenues. As soon as practicable in each month, but in any case no later than the last Business Day of such month, the Authority shall withdraw moneys from the Revenue Fund and apply such moneys to the deposits and payments indicated below, in the amounts and in the priority set forth below. In the event there is not then on deposit in the Revenue Fund sufficient moneys to make all such deposits and payments, then such deposits and payments shall be made in the priority of the lettered paragraphs below. In the event any of the lettered paragraphs below requires more than one such deposit or payment and there is not then on deposit in the Revenue Fund sufficient moneys to make all such deposits and payments, then such deposits and payments shall be made pro rata (based on the total amount of such deposits and payments then due) to the extent of available moneys.

(a) First, to the Operating Fund the amount which, together with any amount therein available to pay such Operating Expenses (other than amounts in the Operating Reserve Account), is equal to the total amount appropriated for Operating Expenses in such month pursuant to the then current Annual Budget.

(b) Second:

- (i) to the Trustee for deposit in the Senior Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Accrued Debt Service on all Outstanding Senior Bonds as of the last day of such month;
- (ii) to the extent not included in Debt Service on Senior Bonds and to the extent not otherwise paid as an Operating Expense from the Operating Fund, to each Credit Provider of a Credit Support Instrument relating to the Senior Bonds, the amount of the Reimbursement Obligation, if any, payable by the Authority as of the last day of such month in accordance with each applicable Credit Support Agreement;
- (iii) to each Qualified Counterparty, the amount of Net Payments, if any, payable by the Authority as of the last day of such month in

accordance with each applicable Qualified Swap relating to the Senior Obligations; and

- (iv) to the applicable trustee or paying agent for, or owner or payee of, Outstanding Senior Obligations not specified above in this subparagraph (b), the amount, if any, required to be paid during such month to such trustee, paying agent, owner or payee as and to the extent required by the Supplemental Indentures or Issuing Instruments for payment of such Outstanding Senior Obligations.

(c) Third:

- (i) subject to the provisions of subsection (e) of Section 5.07, to the Trustee for deposit in the Senior Debt Service Reserve Fund the amount, if any, required to maintain the Senior Debt Service Reserve Fund at the applicable Senior Debt Service Reserve Requirement; provided that the maximum amount required to be deposited into the Senior Debt Service Reserve Fund in any month shall not exceed one-twelfth (1/12) of the applicable Senior Debt Service Reserve Requirement; and
- (ii) to the Trustee for deposit in each Senior Series Debt Service Reserve Fund, the amount, if any, required to be paid during such month pursuant to the applicable Supplemental Indenture to maintain each Senior Series Debt Service Reserve Fund at the amount required by such Supplemental Indenture;
- (iii) to the applicable trustee or paying agent for, or owner of, Outstanding Senior Obligations other than Senior Bonds, the amount, if any, required to be paid during such month to such trustee, paying agent or owner pursuant to the Issuing Instruments for such Outstanding Senior Obligations to maintain each debt service reserve for such Outstanding Senior Obligations at the amount required by the applicable Issuing Instrument; and
- (iv) to each Reserve Guaranty Provider relating to Senior Obligations, the amount, if any, payable by the Authority as of the last day of such month in accordance with each applicable Reserve Guaranty Agreement.

(d) Fourth, to the Rebate Fund, the amount required to be paid for Senior Obligations pursuant to the Rebate Instructions.

(e) Fifth:

- (i) to the Trustee for deposit in the Subordinate Debt Service Fund, the amount, if any, required so that the balance in said Fund shall

equal the Accrued Debt Service on all Outstanding Subordinate Bonds as of the last day of such month;

- (ii) to the extent not included in Debt Service on Subordinate Bonds, to each Credit Provider of a Credit Support Instrument relating to the Subordinate Bonds and to the extent not otherwise paid as an Operating Expense from the Operating Fund, the amount of the Reimbursement Obligation, if any, payable by the Authority as of the last day of such month in accordance with each applicable Credit Support Agreement;
 - (iii) to each Qualified Counterparty, the amount of Net Payments, if any, payable by the Authority as of the last day of such month in accordance with each applicable Qualified Swap relating to the Subordinate Obligations or investments in funds established by the Indenture;
 - (iv) to the applicable trustee or paying agent for, or owner or payee of, Outstanding Subordinate Obligations not specified above in this subparagraph (e), the amount, if any, required to be paid during such month to such trustee, paying agent, owner or payee as and to the extent required by the Supplemental Indentures or Issuing Instruments for payment of such Outstanding Subordinate Obligations; and
 - (v) to each Qualified Counterparty, the balance of the amounts to be paid by the Authority, if any, as of the last day of such month in accordance with each applicable Qualified Swap relating to Senior Obligations, including any Termination Payments.
- (f) Sixth:
- (i) subject to the provisions of subsection (e) of Section 5.09, to the Trustee for deposit in the Subordinate Debt Service Reserve Fund the amount, if any, required to maintain the Subordinate Debt Service Reserve Fund at the applicable Subordinate Debt Service Reserve Requirement; provided that the maximum amount required to be deposited into the Subordinate Debt Service Reserve Fund in any month shall not exceed one-twelfth (1/12) of the applicable Subordinate Debt Service Reserve Requirement;
 - (ii) to the Trustee for deposit in each Subordinate Series Debt Service Reserve Fund, the amount, if any, required to be paid during such month pursuant to the applicable Supplemental Indenture to maintain each Subordinate Series Debt Service Reserve Fund at the amount required by such Supplemental Indenture;

- (iii) to the applicable trustee or paying agent for, or owner of, Outstanding Subordinate Obligations other than Subordinate Bonds, the amount, if any, required to be paid during such month to such trustee, paying agent or owner pursuant to the Issuing Instruments for such Outstanding Subordinate Obligations to maintain each debt service reserve for such Outstanding Subordinate Obligations at the amount required by the applicable Issuing Instrument; and
- (iv) to each Reserve Guaranty Provider relating to Subordinate Obligations, the amount, if any, payable by the Authority as of the last day of such month in accordance with each applicable Reserve Guaranty Agreement.

(g) Seventh, to the Trustee for deposit in the Rebate Fund, the amount required to be paid for Subordinate Obligations pursuant to the Rebate Instructions.

(h) Eighth, to the Operating Reserve Account one-twelfth (1/12) of the Operating Reserve Requirement, but only to the extent such deposit is required to make the amount on deposit in the Operating Reserve Account equal to the Operating Reserve Requirement.

(i) Ninth, to the Junior Subordinate Fund, the amount, if any, required to be paid during such month with respect to Junior Subordinate Obligations pursuant to Section 5.10.

(j) Tenth, to the Trustee for deposit in the Rebate Fund, the amount required to be paid for Junior Subordinate Obligations pursuant to the Rebate Instructions.

(k) Eleventh, on the last Business Day of each month after making the deposits and payments required by subsection (a) through subsection (j) of this Section, the Authority may withdraw from the Revenue Fund and deposit in the Surplus Fund the balance, if any, of moneys remaining in the Revenue Fund.

Section 5.05. Operating Fund.

(a) Moneys from the proceeds of Obligations may be deposited in the Operating Reserve Account or otherwise set aside in the Operating Fund as working capital or a reserve for working capital as specified in a Supplemental Indenture or Issuing Instrument.

(b) Amounts in the Operating Fund (other than amounts in the Operating Reserve Account, except as provided in subsection (d) of this Section) shall be paid out from time to time by the Authority for reasonable and necessary Operating Expenses.

(c) Amounts in the Operating Fund which the Authority at any time determines to be in excess of the requirements of such Fund shall be transferred to the Revenue Fund and applied in accordance with Section 5.04.

(d) Amounts in the Operating Reserve Account shall be paid out from time to time by the Authority for reasonable and necessary Operating Expenses in the event that other moneys in the Operating Fund available for such purpose are insufficient therefor.

Section 5.06. Senior Debt Service Fund.

(a) The Trustee shall apply the moneys in the Senior Debt Service Fund to the payment of the following: (i) on or before each Interest Payment Date for any of the Outstanding Senior Bonds the amount required for the interest payable on such date; (ii) on or before each due date therefor, the principal and, to the extent included in Debt Service, the Purchase Price of, Outstanding Senior Bonds payable on such due date; (iii) on or before each redemption date for Outstanding Senior Bonds, the amount required for the payment of the Redemption Price and any accrued interest on the Senior Bonds then to be redeemed; and (iv) upon receipt of a written request signed by an Authorized Authority Representative, to the respective Credit Providers, on each date a Reimbursement Obligation relating to Senior Bonds is due pursuant to a Credit Support Agreement, the amount of such Reimbursement Obligation to the extent not included in Debt Service on Senior Bonds and not otherwise paid as Operating Expenses. Amounts received by the Paying Agents pursuant to this subsection shall be applied by Paying Agents to the payment of the principal, Redemption Price or Purchase Price, as applicable, of, and interest on, the Senior Bonds on and after the due dates thereof.

(b) Amounts accumulated in the Senior Debt Service Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Senior Bonds for which such Sinking Fund Installment was established) may, and if so directed in writing by an Authorized Authority Representative shall, be applied by the Trustee, on or prior to the sixtieth (60th) day preceding the due date of such Sinking Fund Installment, to (i) the purchase of Senior Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (ii) the optional redemption at not exceeding the applicable sinking fund Redemption Price of such Senior Bonds, if such Senior Bonds are then subject to redemption at the option by the Authority. All purchases of any Senior Bonds pursuant to this subsection shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Senior Bonds plus accrued interest, and such purchases shall be made by the Trustee as directed by an Authorized Authority Representative. The applicable sinking fund Redemption Price (or principal of maturing Senior Bonds) of any Senior Bonds so purchased or redeemed shall be deemed to constitute part of the Senior Debt Service Fund until such Sinking Fund Installment due date, for the purpose of calculating the amount of such Fund. If directed in writing by an Authorized Authority Representative on or prior to the forty-fifth (45th) day next preceding a Sinking Fund Installment due date, there shall be applied as a credit against such Sinking Fund Installment, and there shall be deemed to constitute part of the Senior Debt Service Fund until such Sinking Fund Installment due date for the purpose of calculating the amount of such Fund, the principal of any Senior Bonds of the Series and maturity for which such Sinking Fund Installment was established which have been purchased or redeemed and cancelled or delivered to the Trustee for cancellation on or prior to the forty-fifth (45th) day next preceding such Sinking Fund Installment due date and not previously applied as a credit against a Sinking Fund Installment. As soon as practicable after the forty-fifth

(45th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as provided in Section 4.05, Senior Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Senior Bonds maturing on a Sinking Fund Installment due date) in such amount as shall be necessary to complete the retirement of Senior Bonds from the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Senior Debt Service Fund, on or before such redemption date (or maturity date), the amount required for the redemption of the Senior Bonds so called for redemption (or for the payment of such Senior Bonds then maturing). All expenses in connection with the purchase or redemption of Senior Bonds may be paid from the Operating Fund.

(c) The amount, if any, deposited in the Senior Debt Service Fund from the proceeds of each Series of Senior Bonds as Capitalized Interest shall be set aside in such Fund and applied to the payment of interest on Senior Bonds as provided in the Supplemental Indenture relating to such Series of Senior Bonds and shall not be included as amounts in the Senior Debt Service Fund in any month except to the extent that such Capitalized Interest is to pay interest on Senior Bonds for such month.

(d) In the event of the refunding of one or more Senior Bonds (or portions thereof), the Trustee shall, upon the written direction of an Authorized Authority Representative, withdraw from the Senior Debt Service Fund amounts accumulated therein with respect to Debt Service on the Senior Bonds (or portions thereof) being refunded, and deposit such amounts with itself as Trustee or with an Escrow Agent specified by an Authorized Authority Representative, to be held for the payment of the principal or Redemption Price, as applicable, of, and interest on, the Senior Bonds (or portions thereof) being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Senior Bonds (or portions thereof) being refunded shall be deemed to have been paid pursuant to Article IX, and (b) the amount remaining in the Senior Debt Service Fund after such withdrawal shall not be less than the requirement of such Fund pursuant to Section 5.04(b).

(e) Any provision of the Indenture to the contrary notwithstanding, so long as there shall be held in the Senior Debt Service Fund an amount sufficient to pay in full all Outstanding Senior Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Senior Debt Service Fund.

(f) In determining the amount on deposit in the Senior Debt Service Fund for purposes of Section 5.04, there shall be excluded from the balance of said Fund any Capitalized Interest with respect to interest on Senior Bonds accruing after the last day of such month and the amount, if any, set aside in said Fund for the payment of Debt Service on Senior Bonds which is then due and payable.

(g) For so long as the 2012 Series Bonds are Outstanding, the Available Revenues pledged to the 2012 Series Bonds shall be deposited in the Debt Service Fund for the payment of debt service on the 2012 Series Bonds as provided in Section 6.02 of the

Third Supplemental Indenture. The 2012 Pledged Customer Facility Charges shall be applied only to the payment of debt service for the 2012 Series Bonds.

Section 5.07. Senior Debt Service Reserve Fund.

(a) If on the Business Day immediately preceding an Interest Payment Date for the Participating Senior Bonds, or any other date on which any principal or interest on the Outstanding Participating Senior Bonds is due, after applying amounts in the Senior Debt Service Fund ratably (based on the amounts due) to the payment of the principal and interest then due with respect to all Outstanding Senior Bonds, the amount in the Senior Debt Service Fund available for payment of the principal and interest then due with respect to all Outstanding Participating Senior Bonds is less than the amount due on such date, the Trustee shall apply amounts in the Senior Debt Service Reserve Fund ratably (based on amounts due) to the extent necessary to make good the deficiency for the principal and interest then due with respect to the Outstanding Participating Senior Bonds.

(b) Except as provided in subsection (d) of this Section, if on the last Business Day of any month the amount on deposit in the Senior Debt Service Reserve Fund shall exceed the applicable Senior Debt Service Reserve Requirement, upon the written direction of an Authorized Authority Representative delivered to the Trustee, such excess shall be applied to the reimbursement of each drawing on a Reserve Guaranty credited to such Fund (to the extent not reimbursed upon the reinstatement of such Reserve Guaranty pursuant to subsection (e) of this Section) and to the payment of interest or other amounts due with respect to any Reserve Guaranty credited to such Fund and any remaining moneys shall be deposited in the Senior Debt Service Fund.

(c) Whenever the amount in the Senior Debt Service Reserve Fund and all Senior Series Debt Service Reserve Funds (excluding Reserve Guaranties), together with the amount available therefor in the Senior Debt Service Fund, is sufficient to pay in full all Outstanding Senior Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), upon the written direction of an Authorized Authority Representative delivered to the Trustee, the funds on deposit in the Senior Debt Service Reserve Fund and all Senior Series Debt Service Reserve Funds shall be transferred to the Senior Debt Service Fund and applied to the payment of the Outstanding Senior Bonds (including principal or applicable Redemption Price and interest thereon).

(d) In the event of the refunding, purchase or redemption of one or more Participating Senior Bonds (or portions thereof), the Trustee shall, upon the written direction of an Authorized Authority Representative, withdraw from the Senior Debt Service Reserve Fund any or all of the amounts on deposit therein (excluding Reserve Guaranties) and deposit such amounts with itself as Trustee or with the Escrow Agent to be held for the payment of the principal or Redemption Price of, and interest on, the Participating Senior Bonds (or portions thereof) being refunded, purchased or redeemed; provided that such withdrawal shall not be made unless immediately thereafter the amount remaining in the Senior Debt Service Reserve Fund after such withdrawal, taking into account any deposits to be made in the Senior Debt Service Reserve Fund in connection with such refunding, purchase or redemption, shall not be less than the Senior Debt Service Reserve Requirement

for the Participating Senior Bonds to be Outstanding upon such refunding, purchase or redemption.

(e) (i) In lieu of the deposits and transfers to the Senior Debt Service Reserve Fund required by Section 5.04(c), the Authority may cause to be deposited in the Senior Debt Service Reserve Fund a Reserve Guaranty or Reserve Guaranties in an aggregate amount equal to the difference between the applicable Senior Debt Service Reserve Requirement and the sums, if any, then on deposit in the Senior Debt Service Reserve Fund or being deposited in the Senior Debt Service Reserve Fund concurrently with such Reserve Guaranty or Guaranties.

(ii) In computing the amount on deposit in the Senior Debt Service Reserve Fund, a Reserve Guaranty shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

(iii) The Trustee shall draw upon or otherwise take such action as is necessary in accordance with the terms of the Reserve Guaranties credited to the Senior Debt Service Reserve Fund to receive payments with respect to the Reserve Guaranties (including the giving of notice as required thereunder): (i) on any date on which moneys will be required to be withdrawn from the Senior Debt Service Reserve Fund and applied to the payment of principal or interest on, any Participating Senior Bonds and such withdrawal cannot be met by moneys on deposit in the Senior Debt Service Reserve Fund; (ii) unless such Reserve Guaranty expires on the final maturity date for the Outstanding Participating Senior Bonds, on the first Business Day which is at least thirty (30) days prior to the expiration date of each Reserve Guaranty, in an amount equal to the deficiency which would exist in the Senior Debt Service Reserve Fund if the Reserve Guaranty expired, unless a substitute Reserve Guaranty with an expiration date not earlier than one hundred eighty (180) days after the expiration date of the expiring Reserve Guaranty (or the final maturity date of the Outstanding Participating Senior Bonds, if sooner) is delivered to the Trustee prior to such date or the Authority deposits funds in the Senior Debt Service Reserve Fund on or before such date such that the amount in the Senior Debt Service Reserve Fund on such date (without regard to such expiring Reserve Guaranty) is at least equal to the applicable Senior Debt Service Reserve Requirement.

(iv) If at any time a Reserve Guaranty is delivered pursuant to this subsection (e) there shall be any amount in the Senior Debt Service Reserve Fund in excess of the applicable Senior Debt Service Reserve Requirement, such excess amount may be applied to the cost of acquiring such Reserve Guaranty and, to the extent not so applied, shall be applied to either: (i) the purchase or redemption of Participating Senior Bonds as directed in writing by an Authorized Authority Representative (other than amounts due for interest on such purchase or redemption which shall be paid from amounts accumulated in the Senior Debt Service Fund with

respect to such interest or other available funds); or (ii) any lawful purpose as directed by an Authorized Authority Representative if the Authority delivers to the Trustee a Favorable Opinion of Bond Counsel with respect to such application.

- (v) If a disbursement is made pursuant to a Reserve Guaranty credited to the Senior Debt Service Reserve Fund, the Authority shall be obligated either (i) to reinstate the maximum limits of such Reserve Guaranty or (ii) to deposit into the Senior Debt Service Reserve Fund, in accordance with of Section 5.04(c), funds in the amount of the disbursement made under such Reserve Guaranty, or a combination of such alternatives, as shall provide that the amount in the Senior Debt Service Reserve Fund equals the applicable Senior Debt Service Reserve Requirement; provided, however, that to the extent a Reserve Guaranty will be reinstated so that the amount in the Senior Debt Service Reserve Fund (including Reserve Guarantees) shall equal the applicable Senior Debt Service Reserve Requirement, amounts in the Senior Debt Service Reserve Fund in excess of the applicable Senior Debt Service Reserve Requirement shall be applied to the reimbursement of drawings under a Reserve Guaranty.

Section 5.08. Subordinate Debt Service Fund.

(a) The Trustee shall apply the moneys in the Subordinate Debt Service Fund to the payment of the following: (i) on or before each Interest Payment Date for any of the Outstanding Subordinate Bonds the amount required for the interest payable on such date; (ii) on or before each due date therefor, the principal and, to the extent included in Debt Service, the Purchase Price of, Outstanding Subordinate Bonds payable on such due date; (iii) on or before each redemption date for Outstanding Subordinate Bonds, the amount required for the payment of the Redemption Price and any accrued interest on the Subordinate Bonds then to be redeemed; and (iv) upon receipt of a written request signed by an Authorized Authority Representative, to the respective Credit Providers, on each date a Reimbursement Obligation relating to Subordinate Bonds is due pursuant to a Credit Support Agreement, the amount of such Reimbursement Obligation to the extent not included in Debt Service on Subordinate Bonds and not otherwise paid as Operating Expenses. Amounts received by the Paying Agents pursuant to this subsection shall be applied by Paying Agents to the payment of the principal, Redemption Price or Purchase Price, as applicable, of, and interest on, the Subordinate Bonds on and after the due dates thereof.

(b) Amounts accumulated in the Subordinate Debt Service Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Subordinate Bonds for which such Sinking Fund Installment was established) may, and if so directed in writing by an Authorized Authority Representative shall, be applied by the Trustee, on or prior to the sixtieth (60th) day preceding the due date of such Sinking Fund Installment, to (i) the purchase of Subordinate Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (ii) the optional redemption at not exceeding the applicable sinking fund Redemption Price of such

Subordinate Bonds, if such Subordinate Bonds are then subject to redemption at the option by the Authority. All purchases of any Subordinate Bonds pursuant to this subsection shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Subordinate Bonds plus accrued interest, and such purchases shall be made by the Trustee as directed by an Authorized Authority Representative. The applicable sinking fund Redemption Price (or principal of maturing Subordinate Bonds) of any Subordinate Bonds so purchased or redeemed shall be deemed to constitute part of the Subordinate Debt Service Fund until such Sinking Fund Installment due date, for the purpose of calculating the amount of such Fund. If directed in writing by an Authorized Authority Representative on or prior to the forty-fifth (45th) day next preceding a Sinking Fund Installment due date, there shall be applied as a credit against such Sinking Fund Installment, and there shall be deemed to constitute part of the Subordinate Debt Service Fund until such Sinking Fund Installment due date for the purpose of calculating the amount of such Fund, the principal of any Subordinate Bonds of the Series and maturity for which such Sinking Fund Installment was established which have been purchased or redeemed and cancelled or delivered to the Trustee for cancellation on or prior to the forty-fifth (45th) day next preceding such Sinking Fund Installment due date and not previously applied as a credit against a Sinking Fund Installment. As soon as practicable after the forty-fifth (45th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as provided in Section 4.05, Subordinate Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Subordinate Bonds maturing on a Sinking Fund Installment due date) in such amount as shall be necessary to complete the retirement of Subordinate Bonds from the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Subordinate Debt Service Fund, on or before such redemption date (or maturity date), the amount required for the redemption of the Subordinate Bonds so called for redemption (or for the payment of such Subordinate Bonds then maturing). All expenses in connection with the purchase or redemption of Subordinate Bonds may be paid from the Operating Fund.

(c) The amount, if any, deposited in the Subordinate Debt Service Fund from the proceeds of each Series of Subordinate Bonds as Capitalized Interest shall be set aside in such Fund and applied to the payment of interest on Subordinate Bonds as provided in the Supplemental Indenture relating to such Series of Subordinate Bonds and shall not be included as amounts in the Subordinate Debt Service Fund in any month except to the extent that such Capitalized Interest is to pay interest on Subordinate Bonds for such month.

(d) In the event of the refunding of one or more Subordinate Bonds (or portions thereof), the Trustee shall, upon the written direction of an Authorized Authority Representative, withdraw from the Subordinate Debt Service Fund amounts accumulated therein with respect to Debt Service on the Subordinate Bonds (or portions thereof) being refunded, and deposit such amounts with itself as Trustee or with an Escrow Agent specified by an Authorized Authority Representative, to be held for the payment of the principal or Redemption Price, as applicable, of, and interest on, the Subordinate Bonds (or portions thereof) being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Subordinate Bonds (or portions thereof) being refunded shall be deemed to have been paid pursuant to Article IX, and (b) the amount remaining in the

Subordinate Debt Service Fund after such withdrawal shall not be less than the requirement of such Fund pursuant to Section 5.04(e).

(e) Any provision of the Indenture to the contrary notwithstanding, so long as there shall be held in the Subordinate Debt Service Fund an amount sufficient to pay in full all Outstanding Subordinate Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Subordinate Debt Service Fund.

(f) In determining the amount on deposit in the Subordinate Debt Service Fund for purposes of Section 5.04, there shall be excluded from the balance of said Fund any Capitalized Interest with respect to interest on Subordinate Bonds accruing after the last day of such month and the amount, if any, set aside in said Fund for the payment of Debt Service on Subordinate Bonds which is then due and payable.

Section 5.09. Subordinate Debt Service Reserve Fund.

(a) If on the Business Day immediately preceding an Interest Payment Date for the Participating Subordinate Bonds, or any other date on which any principal or interest on, the Outstanding Participating Subordinate Bonds is due, after applying amounts in the Subordinate Debt Service Fund ratably (based on the amounts due) to the payment of the principal and interest then due with respect to all Outstanding Subordinate Bonds, the amount in the Subordinate Debt Service Fund available for payment of the principal and interest then due with respect to all Outstanding Participating Subordinate Bonds is less than the amount due on such date, the Trustee shall apply amounts in the Subordinate Debt Service Reserve Fund ratably (based on amounts due) to the extent necessary to make good the deficiency for the principal and interest then due with respect to the Outstanding Participating Subordinate Bonds.

(b) Except as provided in subsection (d) of this Section, if on the last Business Day of any month the amount on deposit in the Subordinate Debt Service Reserve Fund shall exceed the applicable Subordinate Debt Service Reserve Requirement, upon the written direction of an Authorized Authority Representative delivered to the Trustee, such excess shall be applied to the reimbursement of each drawing on a Reserve Guaranty credited to such Fund (to the extent not reimbursed upon the reinstatement of such Reserve Guaranty pursuant to subsection (e) of this Section) and to the payment of interest or other amounts due with respect to any Reserve Guaranty credited to such Fund and any remaining moneys shall be deposited in the Subordinate Debt Service Fund.

(c) Whenever the amount in the Subordinate Debt Service Reserve Fund and all Subordinate Series Debt Service Reserve Funds (excluding Reserve Guaranties), together with the amount available therefor in the Subordinate Debt Service Fund, is sufficient to pay in full all Outstanding Subordinate Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Subordinate Debt Service Reserve Fund and all Subordinate Series Debt Service Reserve Funds shall, upon the written direction of an Authorized Authority Representative delivered to the Trustee, be transferred to the Subordinate Debt Service Fund and applied to the

payment of the Outstanding Subordinate Bonds (including principal or applicable Redemption Price and interest thereon).

(d) In the event of the refunding, purchase or redemption of one or more Participating Subordinate Bonds (or portions thereof), the Trustee shall, upon the written direction of an Authorized Authority Representative, withdraw from the Subordinate Debt Service Reserve Fund any or all of the amounts on deposit therein (excluding Reserve Guaranties) and deposit such amounts with itself as Trustee or with the Escrow Agent to be held for the payment of the principal or Redemption Price of, and interest on, the Participating Subordinate Bonds (or portions thereof) being refunded, purchased or redeemed; provided that such withdrawal shall not be made unless immediately thereafter the amount remaining in the Subordinate Debt Service Reserve Fund after such withdrawal, taking into account any deposits to be made in the Subordinate Debt Service Reserve Fund in connection with such refunding, purchase or redemption, shall not be less than the Subordinate Debt Service Reserve Requirement for the Participating Subordinate Bonds to be Outstanding upon such refunding, purchase or redemption.

(e) (i) In lieu of the deposits and transfers to the Subordinate Debt Service Reserve Fund required by Section 5.04(f), the Authority may cause to be deposited in the Subordinate Debt Service Reserve Fund a Reserve Guaranty or Reserve Guaranties in an aggregate amount equal to the difference between the applicable Subordinate Debt Service Reserve Requirement and the sums, if any, then on deposit in the Subordinate Debt Service Reserve Fund or being deposited in the Subordinate Debt Service Reserve Fund concurrently with such Reserve Guaranty or Guaranties.

(ii) In computing the amount on deposit in the Subordinate Debt Service Reserve Fund, a Reserve Guaranty shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

(iii) The Trustee shall draw upon or otherwise take such action as is necessary in accordance with the terms of the Reserve Guaranties credited to the Subordinate Debt Service Reserve Fund to receive payments with respect to the Reserve Guaranties (including the giving of notice as required thereunder): (i) on any date on which moneys will be required to be withdrawn from the Subordinate Debt Service Reserve Fund and applied to the payment of principal or interest on, any Participating Subordinate Bonds and such withdrawal cannot be met by moneys on deposit in the Subordinate Debt Service Reserve Fund; (ii) unless such Reserve Guaranty expires on the final maturity date for the Outstanding Participating Subordinate Bonds, on the first Business Day which is at least thirty (30) days prior to the expiration date of each Reserve Guaranty, in an amount equal to the deficiency which would exist in the Subordinate Debt Service Reserve Fund if the Reserve Guaranty expired, unless a substitute Reserve Guaranty with an expiration date not earlier than one hundred eighty (180) days after the expiration date of the expiring Reserve Guaranty (or the final maturity date of the Outstanding Participating Subordinate Bonds, if sooner) is delivered to the Trustee

prior to such date or the Authority deposits funds in the Subordinate Debt Service Reserve Fund on or before such date such that the amount in the Subordinate Debt Service Reserve Fund on such date (without regard to such expiring Reserve Guaranty) is at least equal to the applicable Subordinate Debt Service Reserve Requirement.

- (iv) If at any time a Reserve Guaranty is delivered pursuant to this subsection (e) there shall be any amount in the Subordinate Debt Service Reserve Fund in excess of the applicable Subordinate Debt Service Reserve Requirement, such excess amount may be applied to the cost of acquiring such Reserve Guaranty and, to the extent not so applied, shall be applied to either: (i) the purchase or redemption of Participating Subordinate Bonds as directed in writing by an Authorized Authority Representative (other than amounts due for interest on such purchase or redemption which shall be paid from amounts accumulated in the Subordinate Debt Service Fund with respect to such interest or other available funds); or (ii) any lawful purpose relating to the Airport as directed by an Authorized Authority Representative if the Authority delivers to the Trustee a Favorable Opinion of Bond Counsel with respect to such application.
- (v) If a disbursement is made pursuant to a Reserve Guaranty credited to the Subordinate Debt Service Reserve Fund, the Authority shall be obligated either (i) to reinstate the maximum limits of such Reserve Guaranty or (ii) to deposit into the Subordinate Debt Service Reserve Fund, in accordance with Section 5.04(f), funds in the amount of the disbursement made under such Reserve Guaranty, or a combination of such alternatives, as shall provide that the amount in the Subordinate Debt Service Reserve Fund equals the applicable Subordinate Debt Service Reserve Requirement; provided, however, that to the extent a Reserve Guaranty will be reinstated so that the amount in the Subordinate Debt Service Reserve Fund (including Financial Guarantees) shall equal the applicable Subordinate Debt Service Reserve Requirement, amounts in the Subordinate Debt Service Reserve Fund in excess of the applicable Subordinate Debt Service Reserve Requirement shall be applied to the reimbursement of drawings under a Reserve Guaranty.

Section 5.10. Junior Subordinate Fund. The Authority shall apply or transfer moneys in the Junior Subordinate Fund to the payment of the following:

- (a) to the Trustee on or before each Interest Payment Date for any of the Outstanding Junior Subordinate Bonds the amount required for the interest payable on such date;
- (b) to the Trustee on or before each due date therefor, the principal and, to the extent included in Debt Service, the Purchase Price of, Outstanding Junior Subordinate Bonds payable on such due date;

(c) to the Trustee on or before each redemption date for Outstanding Junior Subordinate Bonds, the amount required for the payment of the Redemption Price and any accrued interest on the Junior Subordinate Bonds then to be redeemed;

(d) to the respective Credit Providers, on each date a Reimbursement Obligation relating to Junior Subordinate Obligations is due pursuant to a Credit Support Agreement, the amount of such Reimbursement Obligation to the extent not otherwise paid as Debt Service on Junior Subordinate Obligations and not otherwise paid as Operating Expenses;

(e) to each Qualified Counterparty, the amount of Net Payments and Termination Payments, if any, payable by the Authority as of the last day of such month in accordance with each applicable Qualified Swap relating to the Junior Subordinate Bonds;

(f) to the applicable trustee or paying agent for, or owner of, Outstanding Junior Subordinate Obligations not otherwise paid above, the amount, if any, required to be paid during such month to such trustee, paying agent or owner as and to the extent required by the Issuing Instruments for payment of such Outstanding Junior Subordinate Obligations;

(g) to the applicable trustee or paying agent for, or owner of, Outstanding Junior Subordinate Obligations, the amount, if any, required to be paid during such month to such trustee, paying agent or owner pursuant to the Supplemental Indentures or Issuing Instruments for such Outstanding Subordinate Obligations to maintain each debt service reserve for such Outstanding Subordinate Obligations at the amount required by the applicable Supplemental Indenture or Issuing Instrument;

(h) to each Reserve Guaranty Provider relating to Junior Subordinate Obligations, the amount, if any, payable by the Authority as of the last day of such month in accordance with each applicable Reserve Guaranty Agreement; and

(i) to the payment of any other payment due with respect to any Junior Subordinate Obligations.

Section 5.11. [Reserved].

Section 5.12. Surplus Fund.

(a) If on any date the amount in the Funds described in Section 5.04(a) through (j) shall be less than the requirement of such Fund pursuant to Section 5.04, then the Authority shall transfer from the Surplus Fund and deposit in the Funds in the order of priority described in Section 5.04 the amount necessary (or all the moneys in the Surplus Fund if less than the amount necessary) to make up any such deficiency.

(b) Amounts in the Surplus Fund not required to meet deficiencies shall be used by the Authority for any lawful purpose.

Section 5.13. Rebate Fund. When required in connection with a Series of Obligations pursuant to the Supplemental Indenture or Issuing Instrument relating to such Series of Obligations or the Tax Certificate, if any, relating to such Series of Obligations, there shall be

established an Account within the Rebate Fund with respect to such Series of Obligations. Amounts on deposit in each Account in the Rebate Fund shall be applied as provided in Supplemental Indenture or Issuing Instrument pursuant to which Account was established and the Rebate Instructions relating to such Account.

Section 5.14. Available Revenues.

(a) At any time and from time to time, the Authority and the Trustee, without the consent of the Owner of any Obligation and without the consent of any Credit Provider, may enter into a Supplemental Indenture (subject to Article VII) or Issuing Instrument that (i) specifies the amount of Passenger Facility Charges which shall constitute Available PFC Revenues, the amount of Customer Facility Charges which shall constitute Available CFC Revenues and the amount of Grant Funds which shall constitute Available Grant Revenues during each Fiscal Year specified in such Supplemental Indenture or Issuing Instrument, (ii) specifies Obligations that shall be secured by Available Revenues and (iii) specifies the lien and payment priority for the Obligations. If the Passenger Facility Charges, Customer Facility Charges or Grant Funds are subject to any prior pledge or lien, the amount of Available Revenues specified in such Supplemental Indenture or Issuing Instrument for any Fiscal Year shall not exceed the amount of the Passenger Facility Charges, Customer Facility Charges and Grant Funds during such Fiscal Year less the amount of scheduled payments to be made from the Passenger Facility Charges, Customer Facility Charges and Grant Funds during such Fiscal Year which are secured by such prior pledge or lien. If the Passenger Facility Charges, Customer Facility Charges or Grant Funds are subject to any prior pledge or lien, then the Supplemental Indenture or Issuing Instrument shall provide that the pledge and lien on such Available Revenues to secure the specified Obligations shall be junior and subordinate to the terms of such prior pledge or lien. More than one Series of Obligations may be secured by Available CFC Revenues, Available Grant Revenues, or Available PFC Revenues, and no consent from any Owner of any Obligation that is secured by any Available Revenues, or from any Credit Provider, shall be required as a condition to the issuance or incurring of any subsequently-issued Obligations that is secured by any Available Revenues. Notwithstanding any other provision of the Indenture, any Issuing Instrument, any Credit Support Agreement or any Credit Support Instrument, the Authority and the Trustee may amend (including reduce) the amount of Available CFC Revenues, Available Grant Revenues, or Available PFC Revenues specified pursuant to clause (i) of this Section 5.14(a) with respect to any Fiscal Year without the consent of any Owner of any Obligation or any Credit Provider.

(b) Any provision of the Indenture to the contrary notwithstanding, in the event any Available Revenues are restricted, by law or pursuant to the terms under which such Available Revenues are made available to the Authority, to be applied to the payment of debt service for one or more Series of Obligations, such Available Revenues shall be applied only to the payment of debt service for such Series of Obligations. Any other restriction to the application of Available Revenues to the payment of debt service for one or more Series of Obligations shall be as provided in a Supplemental Indenture or Issuing Instrument relating to such Obligations.

(c) For so long as the 2012 Series Bonds are Outstanding, the Available Revenues pledged to the 2012 Series Bonds shall be deposited in the Debt Service Fund for the payment of debt service on the 2012 Series Bonds as provided in Section 6.02 of the Third Supplemental Indenture. The 2012 Pledged Customer Facility Charges shall be applied only to the payment of debt service for the 2012 Series Bonds.

Section 5.15. Depositories. All moneys in each Fund or Account held by the Trustee under the provisions of the Indenture shall be deposited with the Trustee and the Trustee shall hold such moneys in trust or may deposit such moneys with one or more Depositories in trust. All moneys in each Fund or Account held by the Authority under the Indenture shall be deposited in trust in one or more Depositories selected by the Authority. All moneys deposited under the provisions of the Indenture with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Indenture, and each of the Funds and Accounts established by the Indenture shall be a trust fund for the purposes hereof.

Section 5.16. Deposits.

(a) Unless invested in Permitted Investments pursuant to Section 5.17, all Revenues and other moneys held in any Fund or Account established by the Indenture may be deposited with a Depository as a demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when reasonably expected to be needed. In the absence of written investment instructions directing the Trustee, the Trustee is directed to invest available funds described in paragraph (d) of the definition of Permitted Investments. No Fiduciary shall be liable for any loss or depreciation in value resulting from any such deposit made pursuant to the Indenture. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department as a demand deposit or, if and to the extent directed by the Authority and acceptable to such Fiduciary, as a time deposit, provided that such moneys on deposit be available for use at the time when reasonably expected to be needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar condition or as required by law.

(b) Unless invested in Permitted Investments pursuant to Section 5.17, all moneys held under the Indenture by any Fiduciary shall be (i) either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by lodging with the Trustee or any Federal Reserve Bank, as custodian, as collateral security, such securities as are described in clauses (a) through (c), inclusive, of the definition of "Permitted Investments" in Section 1.02 having a market value (exclusive of accrued interest) not less than the amount of such moneys, or (ii) held in such other manner as may then be required by applicable federal or State laws and regulations and applicable state laws and regulations of the state in which such Fiduciary is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Fiduciaries to give security under this subsection for the deposit of any moneys with them held in trust and set aside by them for the payment of the

principal or Redemption Price of, or interest on, any Bonds or to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys. In determining the market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

(c) All moneys deposited with a Fiduciary shall be credited to the particular Fund or Account to which such moneys belong.

Section 5.17. Investment of Certain Funds.

(a) Moneys held in the Senior Debt Service Fund, the Subordinate Debt Service Fund and the Junior Subordinate Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in “Permitted Investments” in Section 1.02 which mature not later than such times as shall be necessary to provide moneys when reasonably expected to be needed for payments to be made from such Fund. Moneys held in the Senior Debt Service Reserve Fund and the Subordinate Debt Service Reserve Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in “Permitted Investments” in Section 1.02 which mature not later than such times as shall be necessary to provide moneys when reasonably expected to be needed for payments to be made from such Fund, but in any event not later than five (5) years from the time of such investment except that any security described in clause (g) of the definition of Permitted Investments in Section 1.02 may mature not later than thirty (30) years from the time of such investment provided that the Trustee may make withdrawals of all or any part of such Permitted Investment without penalty upon not more than two Business Days’ notice. Moneys held in the Revenue Fund, the Construction Fund and the Net Proceeds Fund may be invested and reinvested in Permitted Investments which mature or which may be drawn upon not later than such times as shall be necessary to provide moneys when reasonably expected to be needed for payments to be made from such Funds. Moneys in the Operating Fund, including amounts in the Operating Reserve Account, and the Surplus Fund may be invested and reinvested in Permitted Investments which mature or which may be drawn upon not later than such times as shall be necessary to provide moneys when reasonably expected to be needed for payments to be made from such Funds but in any event not later than five (5) years from the time of such investment. Moneys held in any other Fund or Account may be invested as provided in the Supplemental Indenture or Issuing Instrument establishing such Fund or Account. Notwithstanding any provision of the Indenture to the contrary, the investment of the proceeds of the Obligations of any Series, or any moneys held under the Indenture for the payment of the principal or Redemption Price of, or interest on, the Obligations of such Series, may be further restricted as provided in the Supplemental Indenture or Issuing Instrument relating to such Series. The Trustee shall make all such investments of moneys held by it and shall sell or otherwise liquidate any such investment (subject to the provisions of Section 5.18) and take all actions necessary to draw funds under any such investment, including the giving of necessary notices of the drawing of any moneys under any investment in securities described in clause (g) of the definition of “Permitted Investments” in Section 1.02, in each case in accordance with directions of an Authorized Authority Representative, which directions shall be consistent with the Indenture and applicable law, and which directions shall be written. In the absence of written investment instructions

directing the Trustee, monies held by the Trustee in any Fund or Account shall be uninvested. The Trustee may conclusively rely upon the Authority's written instructions as to both the suitability and legality of any directed investments. In no event shall the Trustee be liable for the selection of investments or for investment losses incurred thereon.

(b) Interest or other income (net of that which (x) represents a return of accrued interest paid in connection with the purchase of any investment or (y) is required to effect the amortization of any premium paid in connection with the purchase of any investment) earned on any moneys or investments in the Funds and Accounts shall be applied as follows: (i) all such interest or other income on moneys or investments in the Funds or Accounts established in Section 5.01 (other than the Construction Fund, the Net Proceeds Fund and the Rebate Fund) shall be paid into the Revenue Fund; provided, however, that with respect to the Senior Debt Service Reserve Fund and each Senior Series Debt Service Reserve Fund, such payment shall be made only to the extent the amounts remaining in such Funds is not less than the applicable Senior Debt Service Reserve Requirement and with respect to the Subordinate Debt Service Reserve Fund and each Subordinate Series Debt Service Reserve Fund, such payment shall be made only to the extent the amounts remaining in such Funds is not less than the applicable Subordinate Debt Service Reserve Requirement, (ii) all such interest or other income on moneys or investments in the Rebate Fund shall be applied as provided in Section 6.11, (iii) unless otherwise provided with respect to an Account in the Construction Fund funded with the proceeds of a Series of Bonds in the Supplemental Indenture relating to such Series, all such interest or other income on moneys or investments in each Account in the Construction Fund shall be retained in such Account, (iv) all such interest or other income on moneys or investments in the Net Proceeds Fund shall be retained in the Net Proceeds Fund and (v) all such interest or other income earned on moneys in any other Fund or Account shall be applied as provided in the Supplemental Indenture establishing such Fund or Account.

In making any investment in any Permitted Investments with moneys in any Fund or Account established under the Indenture other than an escrow fund established to provide for the payment of Bonds pursuant to Article IX, the Authority or any Fiduciary may combine such moneys with moneys in any other Fund or Account but solely for the purpose of making such investment in such Permitted Investments and provided that any amount so combined shall be separately accounted for. Trustee may act as principal or agent in the acquisition or disposition of any investment.

The Trustee may act as principal or agent in the acquisition or disposition of any investment. Permitted Investments may be held by the Trustee in book entry form.

(c) The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 5.18. Valuation and Sale of Investments. Investments purchased with moneys in any Fund or Account shall be credited at all times to such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account, except as provided in Section 5.17(b).

In computing the amount in any Fund or Account for any purpose hereunder, investments purchased with moneys therein shall be valued at the cost of such investments or the market value thereof, whichever is lower, exclusive, except as to certificates of deposit and bankers' acceptances, of accrued interest. The fair market value of investments shall be based on accepted industry standards and valuations from industry providers acceptable to each Credit Provider whose acceptance is required by a Supplemental Indenture, Issuing Instrument or a Credit Support Agreement. Unless directed in writing by an Authorized Authority Representative to value obligations purchased as an investment of moneys held in any Fund or Account established under the Indenture more frequently, such obligations shall be valued as of the last day of each Fiscal Year.

Except as otherwise provided in the Indenture, the Trustee may sell, or present for redemption, any investment whenever it shall be directed by the Authority to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account to which such investment is credited. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VI

COVENANTS AND OBLIGATIONS OF THE AUTHORITY

The Authority covenants with the Owners of the Outstanding Obligations and with each Credit Provider as set forth in this Article VI. Each of said covenants shall remain in full force and effect so long as any of the Obligations shall be Outstanding and unpaid, any Credit Support Instrument remains outstanding, and any Reimbursement Obligation remains unpaid.

Section 6.01. Compliance with Indenture. The Authority shall punctually pay the Obligations in strict conformity with the terms of the Indenture, any applicable Issuing Instrument, and the Obligations, and shall faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Indenture and any Issuing Instrument required to be observed and performed by it, and shall not fail to make any payment required by the Indenture and any Issuing Instrument for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to all or a portion of the Airport, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of any party to observe or perform any agreement, condition, covenant or term contained in any contract or agreement required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected with any such contract or agreement or the insolvency, or deemed insolvency, or bankruptcy or liquidation of any Person or any force majeure, including acts of God, tempest, storm,

earthquake, terrorism, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

Section 6.02. Maintenance of Powers. The Authority covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to the Joint Powers Act and all other applicable laws and that it will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to delay either the payment of the indebtedness evidenced by any of the Bonds or Obligations or the performance or observance of any of the covenants herein contained.

Section 6.03. Creation of Prior Liens. Except as provided in the Indenture, the Authority shall not issue any bond, note, or other evidence of indebtedness, or incur any Obligation, secured by the Trust Estate or any part thereof or create, permit, or suffer to exist any lien or other encumbrance on the Trust Estate or any part thereof; provided that the Authority may issue obligations payable from and secured by the Trust Estate or any part thereof if such obligations are subordinate in payment and priority to the Junior Subordinate Obligations, the Subordinate Obligations and the Senior Obligations.

Section 6.04. Against Encumbrances. Except as otherwise provided in this Section, the Authority shall pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the Authority in, upon, about or relating to the Airport and shall keep the Airport free of any and all liens against any portion of the Airport. In the event any such lien attaches to or is filed against any portion of the Airport, the Authority shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the Authority desires to contest any such lien it may do so if contesting such lien shall not materially impair operation of the Airport. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the Authority shall forthwith pay or cause to be paid and discharged such judgment.

Section 6.05. Rates and Charges. The Authority covenants to fulfill the following requirements:

(a) The Authority shall, while any of the Obligations remain Outstanding, establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the ownership and operation of the Airport and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to 100% of the aggregate amount of transfers required to be made by the Authority pursuant to Section 5.04(b) through (j) during such Fiscal Year.

(b) (i) The Authority further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the ownership and operation of the Airport and for services rendered in connection therewith, so that for each Fiscal Year the Net Revenues for such Fiscal Year plus any Transfer will be equal to at least 125% of

Accrued Debt Service on all Outstanding Senior Obligations for such Fiscal Year. For purposes of this subsection (b)(i), the amount of any Transfer taken into account shall not exceed 25% of the Accrued Debt Service on the Outstanding Senior Obligations for such Fiscal Year.

- (ii) The Authority further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the ownership and operation of the Airport and for services rendered in connection therewith, so that for each Fiscal Year the Net Revenues for such Fiscal Year plus any Transfer will be equal to at least 110% of Accrued Debt Service on all Outstanding Senior Obligations and Subordinate Obligations for such Fiscal Year. For purposes of this subsection (b)(ii), the amount of any Transfer taken into account shall not exceed 10% of the Accrued Debt Service on the Outstanding Senior Obligations and Subordinate Obligations for such Fiscal Year.
- (iii) The Authority further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the ownership and operation of the Airport and for services rendered in connection therewith, so that for each Fiscal Year the Net Revenues for such Fiscal Year will be equal to at least 100% of Accrued Debt Service on all Outstanding Senior Obligations, Subordinate Obligations and Junior Subordinate Obligations for such Fiscal Year.

(c) The Authority covenants that if Net Revenues in any Fiscal Year are less than the amount specified in subsection (a) of this Section, or that if Net Revenues together with any Transfer in any Fiscal Year are less than the amount specified in subsection (b) of this Section, the Authority will retain and direct an Airport Consultant to make recommendations as to the revision of the Authority's business operations and its schedule of rates, tolls, fees, rentals and charges for the use of the Airport and for services rendered by the Authority in connection with the Airport. After receiving such recommendations, the Authority shall, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the Commission that such recommendations, in whole or in part, are in the best interests of the Authority, take all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the Authority's business operations and schedule of rates, tolls, fees, rentals and charges as may be necessary to produce Net Revenues, together with any Transfer (only as applied in subsection (b) of this Section), in the amount specified in subsection (a) or (b) of this Section in the next Fiscal Year.

In the event that Net Revenues, together with any Transfer (only as applied in subsection (b) of this Section), for any Fiscal Year (referred to in this paragraph as "Fiscal Year One") are less than the amount specified in subsection (a) or (b) of this Section but, prior to or during the next succeeding Fiscal Year (referred to in this paragraph as "Fiscal Year Two"), the Authority has taken all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the Authority's business operations and schedule of rates, tolls, fees, rentals and charges as required by subsection (c) of this Section, such deficiency in Net

Revenues for Fiscal Year One shall not constitute an Event of Default under the provisions of Section 10.01(a)(3). Nevertheless, even if the measures required by subsection (c) of this Section to revise the schedule of rates, tolls, fees, rentals and charges have been taken by the Authority, in the event the Net Revenues in Fiscal Year Two (as evidenced by the audited financial statements of the Authority for such Fiscal Year), together with any Transfer (only as applied in subsection (b) of this Section), are less than the amount specified in subsection (a) or (b) of this Section, such deficiency in Net Revenues for Fiscal Year Two, as the second successive year of deficiencies in Net Revenues, shall, with the applicable notice, constitute an Event of Default under the provisions of Section 10.01(a)(3).

(d) The Authority shall file with the Trustee pursuant to Section 6.12 a calculation or other evidence from an Authorized Authority Representative or an Independent Certified Public Accountant demonstrating compliance (or non-compliance) with the rate covenants of this Section 6.05.

Section 6.06. Sale or Other Disposition of Property. The Authority shall not, except as permitted below, transfer, sell or otherwise dispose of any Airport facility or facilities. For purposes of this Section, any transfer of an asset over which the Authority retains substantial control in accordance with the terms of such transfer, shall not, for so long as the Authority has such control, be deemed a disposition of an Airport facility or facilities.

The Authority may, to the extent permitted by law, transfer, sell or otherwise dispose of Airport facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) The property being disposed of is inadequate, obsolete or worn out; or

(b) The property proposed to be disposed of and all other Airport facilities disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion, the proceeds of such disposition are to be used as described below and the Authority delivers to the Trustee a certificate of an Authorized Authority Representative to the effect that the Authority expects that such disposal will not prevent it from fulfilling its obligations under the Indenture or any Issuing Instrument with respect to all Outstanding Obligations; or

(c) The Authority has furnished evidence (including, but not limited to, a certificate of an Authorized Authority Representative) to the Trustee that (i) the disposition of such Airport facilities, including Airport facilities constituting a Significant Portion of the Airport, would not result in the ratings on any Obligations being suspended or downgraded by any Rating Agency and (ii) such disposition would be for a consideration not less than fair market value; or

(d) The Authority has furnished to the Trustee (i) a certificate of an Authorized Authority Representative or an Airport Consultant to the effect that notwithstanding such disposition of Airport facilities, including Airport facilities constituting a Significant Portion of the Airport, but taking into account the use of the proceeds of such disposition in

accordance with the expectations of the Authority as evidenced by a certificate of an Authorized Authority Representative, the Authority is expected to be in compliance with Section 6.05(a) and Section 6.05(b) during each of the five Fiscal Years immediately following such disposition and (ii) a Rating Confirmation with respect to the disposition of any Significant Portion of Airport facilities.

Subject to the requirements of any grant assurances provided by the Authority to the Federal Aviation Administration under any grant agreement for property acquired under such grant agreement, proceeds of the disposition of Airport facilities under subsection (b), (c) and (d) above shall be deposited into a separate fund or account held by the Authority and used, within a reasonable period of time, to (i) provide additional revenue-producing Airport facilities, (ii) pay or redeem Obligations or (iii) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article IX or create an escrow fund pledged to pay specified other Obligations and thereby cause such other Obligations to be deemed paid in accordance with the Issuing Instrument pursuant to which such Obligations were issued; provided, however, that if the Authority proposes to use the proceeds as described in clause (ii) or (iii) above, the Authority shall pay, redeem or defease, as applicable, Obligations as shall be determined by the Authority in its sole discretion.

Airport facilities which were financed with the proceeds of Obligations the interest on which is then Tax-Exempt shall not be disposed of except under the terms of subsection (a) above, unless the Authority has first received a Favorable Opinion of Bond Counsel with respect to such disposition.

No such disposition shall be made which would cause the Authority to be in default of any other covenant contained in the Indenture or any Issuing Instrument.

Section 6.07. Insurance; Application of Insurance Proceeds.

(a) Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, the Authority will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance (as defined in subsection (b) of this Section) with respect to the facilities constituting the Airport and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Authority, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self insured programs provided by similar airports.

(b) “Qualified Self Insurance” shall mean insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the Authority may have a material interest and of which the Authority may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage on an actuarially sound basis as determined by the Authority and which the Authority determines to be reasonable to protect

against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance.

(c) If, as a result of any event, any part of the Airport is destroyed or severely damaged, the Authority shall deposit the Net Proceeds received as a result of such event of damage or destruction to the Net Proceeds Fund and such Net Proceeds shall, within a reasonable period of time taking into account any terms under which insurance proceeds are paid and any insurance restrictions upon the use or timing of the use of insurance proceeds, be used to: (i) repair or replace the Airport, or portion thereof, which were damaged or destroyed, (ii) provide additional revenue-producing Airport facilities, (iii) pay or redeem Obligations, or (iv) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article IX or create an escrow fund pledged to pay specified other Obligations and thereby cause such other Obligations to be deemed paid in accordance with the Issuing Instrument pursuant to which such Obligations were issued; provided, however, that if the Authority proposes to use the proceeds as described in clause (iii) or clause (iv) above, the Authority shall pay, redeem or defease, as applicable, Obligations as shall be determined by the Authority in its sole discretion and the Authority shall first deliver to the Trustee a certificate of an Authorized Authority Representative or an Airport Consultant showing that, after taking into account the proposed use of the Net Proceeds, the Authority is expected to be in compliance with Section 6.05(a) and Section 6.05(b) during the Fiscal Year in which such use occurs.

Section 6.08. Eminent Domain. If a Significant Portion of any Airport facility or Airport facilities are taken by eminent domain proceedings or conveyance in lieu thereof, the Authority shall deposit the Net Proceeds received as a result of such taking or conveyance to the Net Proceeds Fund and shall within a reasonable period of time, after the receipt of such amounts, use such proceeds to (a) replace the Airport facility or Airport facilities which were taken or conveyed, (b) provide an additional revenue-producing Airport facility or facilities, (c) pay or redeem Obligations, or (d) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article IX or create an escrow fund pledged to pay specified other Obligations and thereby cause such other Obligations to be deemed paid in accordance with the Issuing Instrument pursuant to which such Obligations were issued; provided, however, that, if the Authority proposes to use the proceeds as described in clause (c) or clause (d) above, the Authority shall pay, redeem or defease, as applicable, Obligations as shall be determined by the Authority in its sole discretion and the Authority shall first deliver to the Trustee a certificate of an Authorized Authority Representative or an Airport Consultant showing that, after taking into account the proposed use of the Net Proceeds, the Authority is expected to be in compliance with Section 6.05(a) and Section 6.05(b) during the Fiscal Year in which such use occurs.

Section 6.09. Operation and Maintenance of the Airport; Budgets. The Authority shall maintain and preserve the Airport facilities in good repair and working order at all times and shall operate the Airport in an efficient and economical manner and shall pay all Operating Expenses as they become due and payable. The Authority shall prepare, not later than July 30 of each Fiscal Year, a proposed Annual Budget for the Airport for approval by the Commission setting forth the estimated Revenues, Operating Expenses, scheduled Debt Service for all Outstanding Obligations of the Authority for such Fiscal Year and shall take such action as may

be necessary to include all such payments and all other payments required to be made under the Issuing Instruments for Outstanding Obligations of the Authority during such Fiscal Year. Any such Annual Budget may be amended at any time during any Fiscal Year provided that such amended budget shall include all payments coming due in such Fiscal Year with respect to Obligations, and debt service reserves therefor, payable from Net Revenues.

The Authority covenants to adopt a budget with respect to Capital Improvements for the Airport for each Fiscal Year which will show, in addition to such other matters as the Authority may determine to include, the amounts, if any, to be expended during such Fiscal Year for identified Capital Improvements to the Airport and the sources of such amounts. The Capital Improvements budget may be part of the Authority's Annual Budget.

The Authority covenants to file copies of its Annual Budget and its Capital Improvements budget promptly upon availability with the Trustee. The Trustee shall not be responsible for reviewing the Annual Budget or the Capital Improvements budget.

If the Authority determines to amend its Capital Improvements budget to pay from Revenues any unbudgeted expenditure, the Authority shall, as a condition to making such amendment, file a certificate of an Authorized Authority Representative with the Trustee demonstrating that payment from Revenues of such unbudgeted expenditure is not expected to impair the Authority's ability to comply with Section 6.05.

Section 6.10. Payment of Taxes and Compliance with Governmental Regulations. The Authority shall pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Authority with respect to the ownership or operation of the Airport, services rendered in connection with such ownership or operation, or the Construction of any Capital Improvements to the Airport or other operations at the Airport or any part thereof when the same shall become due. The Authority shall duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Airport or any part thereof; provided, however, the Authority shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith and contesting such validity or application shall not materially impair the operations or financial condition of the Airport or the performance by the Authority of all of its obligations and covenants under the Indenture or any Issuing Instrument and with respect to all Outstanding Obligations.

Section 6.11. Tax Covenants. The Authority hereby covenants it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of interest on any Obligations under Section 103 of the Code, it being recognized that the interest on some of the Obligations may not be Tax-Exempt. Without limiting the generality of the foregoing, the Authority shall comply with the requirements of the Tax Certificate, if any, delivered in connection with the issuance of each Series of Obligations.

In the event that at any time the Authority is of the opinion that, in order to comply with its obligations under this Section, it is necessary or helpful to restrict or limit the yield on the investment of any moneys in any of the Funds or Accounts held by the Trustee pursuant to the

Indenture, the Authority shall so instruct the Trustee in writing, and cause the Trustee to take such action as may be necessary to comply with such instructions.

Notwithstanding any provisions of this Section to the contrary, if the Authority provides the Trustee with an Opinion of Bond Counsel to the effect that any specified action required under this Section or a Tax Certificate is no longer required or that some further or different action is required to maintain the Tax-Exempt status of interest on any Obligations under Section 103 of the Code, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the applicable Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

The covenants in this Section shall survive payment in full of the Obligations and the provision for such payment in accordance with Article IX.

Section 6.12. Accounts; Financial Statements and Other Reports. The Authority covenants that it will keep and provide accurate books and records of account showing all Revenues received and all expenditures of the Authority and that it will keep or cause to be kept accurate books and records of account showing all moneys, Revenues, accounts and funds (including the Revenue Fund and all Funds and Accounts provided for in the Indenture) which are or shall be in the control or custody of the Authority; and that all such books and records pertaining to the Airport shall be open upon reasonable notice during business hours to the Trustee and to the Owners of not less than 10% of the principal of Obligations then Outstanding, or their representatives duly authorized in writing. Within 185 days after the close of each Fiscal Year, so long as any of the Obligations remain Outstanding, the Authority shall prepare and file with the Trustee financial statements of the Authority including a statement of the revenues and expenses for such Fiscal Year, a statement of cash flows as of the end of such Fiscal Year and a balance sheet prepared as of the close of such Fiscal Year, all accompanied by a written audit opinion from an Independent Certified Public Accountant, which opinion shall include a statement that said financial statements present fairly in all material respects the financial position of the Authority as of the close of such Fiscal Year and the results of operations for such Fiscal Year and a statement that such financial statements are prepared in accordance with Generally Accepted Accounting Principles. In addition, the Authority shall file with the Trustee at the same time financial statements of the Authority are filed with the Trustee a calculation or other evidence from an Authorized Authority Representative or an Independent Certified Public Accountant indicating that such financial statements demonstrate compliance (or non-compliance) with the rate covenants of Section 6.05. The Trustee shall have no duty to review, verify or analyze such financial statements and shall hold such financial statements solely as a repository for the benefit of the Owners; the Trustee shall not be deemed to have notice of any information contained therein, default or event of default which may be disclosed therein in any manner.

There shall also be filed with the Trustee within 185 days after the end of each Fiscal Year a certificate of an Authorized Authority Representative stating to the best of such person's knowledge, (i) whether there existed at the end of the Fiscal Year, any violation of any covenants or agreements herein contained and (ii) whether at any time during the Fiscal Year, any Event of Default occurred, and if so, the nature of such Event of Default.

ARTICLE VII

AMENDMENTS TO INDENTURE

Section 7.01. Amendments Permitted.

(a) This Master Indenture or any Supplemental Indenture and the rights and obligations of the Authority and of the Owners of the Outstanding Obligations and of the Fiduciaries may be modified, amended or supplemented from time to time and at any time by a Supplemental Indenture or Supplemental Indentures, which the Authority and the Trustee may enter into with the written consent of each Credit Provider whose consent is required by a Credit Support Agreement, when the written consent of the Owners of at least a majority in aggregate principal amount of the Senior Obligations then Outstanding shall have been filed with the Trustee; or if less than all of the Outstanding Obligations are affected, the written consent of the Owners of at least a majority in aggregate principal amount of all affected Outstanding Obligations; provided that if such modification, amendment or supplement shall, by its terms, not take effect so long as any Obligations of any particular Series and maturity remain Outstanding, the consent of the Owners of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Obligations for purposes of this Section. No such modification, amendment or supplement shall (i) reduce the aforesaid percentage of Obligations the consent of the Owners of which is required to effect any such modification, amendment or supplement without the consent of the Owners of all of the Obligations then Outstanding; (ii) extend the fixed maturity of any Obligation, or reduce the principal amount thereof, or reduce the amount of any Sinking Fund Installment therefor, or extend the due date of any such Sinking Fund Installment, or reduce the rate of interest on any Obligation or extend the time of payment of interest thereon, without the consent of the Owner of each Obligation so affected; or (iii) modify the rights or obligations of any Fiduciary without the consent of such Fiduciary.

It shall not be necessary for the consent of the Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. For the avoidance of doubt, the written consent of an Owner of an Outstanding Obligation may be effected through a provision in a Supplemental Indenture or Issuing Instrument that deems the purchase of related Obligations by the beneficial owners thereof to be consent by the Owner of such Obligation for purposes of this Section 7.01.

Prior to the entry into any Supplemental Indenture by the Authority and the Trustee for any of the purposes of this Section, the Authority shall cause notice of the proposed Supplemental Indenture to be emailed, or mailed, by first class mail, postage prepaid, to the Owners of all Outstanding Obligations (or the affected Outstanding Obligations) at their addresses appearing on the Bond Register. Such notice shall briefly set forth the substance of the proposed Supplemental Indenture and shall state that copies thereof are on file at the office of the Trustee for inspection by each Owner of an Outstanding Obligation.

Whenever, at any time after the date of the emailing or mailing of notice of the proposed entry into a Supplemental Indenture pursuant to this subsection, the Authority shall have

received an instrument or instruments in writing executed in accordance with Section 11.01 by or on behalf of the Owners of not less than a majority in aggregate principal amount of the Senior Obligations then Outstanding, or if less than all of the Outstanding Senior Obligations are affected, by the Owners of not less than a majority in aggregate principal amount of the affected Outstanding Obligations, which instrument or instruments shall refer to the proposed Supplemental Indenture described in the notice of the proposed Supplemental Indenture and shall consent to the substance of such Supplemental Indenture referred to in such notice, thereupon, but not otherwise, the Authority and the Trustee may enter into such Supplemental Indenture without liability or responsibility to any Owner of any Obligation, whether or not such Owner shall have consented thereto.

(b) Subject to Section 7.01(a) hereof, this Master Indenture or any Supplemental Indenture or Issuing Instrument may be supplemented from time to time and at any time by a Supplemental Indenture or Issuing Instrument, which the Authority and the Trustee may enter into without the consent of any Credit Provider and without the consent of the Owner of any Obligation, to solely provide for the issuance of a Series of Obligations in accordance with the terms and conditions of Article II, and establishing the terms and conditions thereof.

(c) This Master Indenture and any Supplemental Indenture and the rights and obligations of the Authority, the Fiduciaries and the Owners of the Outstanding Obligations may also be modified, amended or supplemented from time to time and at any time by a Supplemental Indenture or Supplemental Indentures, which the Authority and the Trustee may enter into with the consent of each Credit Provider whose consent is required by a Supplemental Indenture or a Credit Support Agreement but without the consent of any Owners of Obligations, so long as such modification, amendment or supplement shall not materially, adversely affect the interests of the Owners of the Outstanding Obligations, including for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the Authority contained in this Master Indenture or a Supplemental Indenture other covenants and agreements thereafter to be observed, to pledge, provide or assign any security for the Obligations (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the Authority;
- (ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Master Indenture or a Supplemental Indenture, or in regard to matters or questions arising under this Master Indenture or a Supplemental Indenture, as the Authority may deem necessary or desirable;
- (iii) to modify, amend or supplement this Master Indenture or a Supplemental Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal

statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

- (iv) to provide for the issuance of Additional Bonds in accordance with Article II;
- (v) to modify any provision in order to avoid any unintended impact on the compliance by the Authority with financial covenants following any change in Generally Accepted Accounting Principles that would affect the computation of any financial ratio or other financial computation under this Master Indenture;
- (vi) to make any other modification, amendment or supplement that shall not materially adversely affect the interests of the Owners of the Outstanding Obligations; or
- (vii) to modify, amend or supplement this Master Indenture pursuant to Section 5.14.

(d) Notwithstanding anything to the contrary in this Section, the provisions of this Master Indenture or any Supplemental Indenture may also be modified, amended or supplemented by a Supplemental Indenture or Supplemental Indentures, including amendments which would otherwise be described in subsection (a) of this Section, which the Authority and the Trustee may enter into without the consent of the Owners of Obligations constituting Tender Obligations if either (i) the effective date of such Supplemental Indenture is a date on which such Obligations are subject to mandatory tender for purchase or (ii) the notice described in the third paragraph of subsection (a) of this Section is given to Owners of such Obligations at least twenty (20) days before the effective date of such Supplemental Indenture, and on or before such effective date, the Owners of such Obligations have the right to demand purchase of such Obligations.

(e) Unless otherwise provided in the Supplemental Indenture or Issuing Instrument relating to the Obligations and notwithstanding anything to the contrary in the Indenture, the Credit Provider for all or any portions of the Obligations shall be deemed to be the Owner of such Obligations for all purposes under the Indenture except the payment of interest of and principal and premium of any of the Obligations.

(f) For purposes of this Section, it shall not be necessary that consents of the Owners of any particular percentage of Outstanding Obligations of any affected Series be obtained but it shall be sufficient for purposes of this Section if the consent of the Owners of a majority in aggregate principal amount of the combination of affected Outstanding Obligations shall be obtained.

Section 7.02. Effect of Supplemental Indenture. Upon the Authority and the Trustee entering into any Supplemental Indenture pursuant to this Article, the Indenture shall be deemed to be modified, amended or supplemented in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Authority, the Fiduciaries and all Owners of Outstanding Obligations shall thereafter be determined, exercised and enforced subject in all

respects to such modification, amendment and supplement, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes. Upon the Authority and the Trustee entering into any Supplemental Indenture pursuant to this Article, no Owner of any Obligation shall have any right to object to the entry into such Supplemental Indenture by the Authority and the Trustee, 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 entry into such Supplemental Indenture, or to enjoin or restrain the Authority or the Trustee from entering into the same or to enjoin or restrain the Authority or the Trustee from taking any action pursuant to the provisions thereof whether or not such Owner gave its consent to such Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by the Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such Supplemental Indenture is authorized or permitted by the Indenture and complies with the terms hereof.

Section 7.03. Obligations Owned by Authority. For purposes of this Article, Obligations owned or held by or for the account of the Authority, or any funds of the Authority, shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations provided for in this Article, and the Authority shall not be entitled with respect to such Obligations to give any consent or take any other action provided for in this Article as an Owner of Obligations. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Authority Representative upon which the Trustee may rely, describing all Obligations so to be excluded.

Section 7.04. Notation on Obligations. Obligations delivered after the effective date of any Supplemental Indenture entered into by the Authority and the Trustee as in this Article provided may bear a notation by endorsement or otherwise in a form approved by the Authority as to such action, and in that case upon demand of the Owner of any Obligation Outstanding on such effective date and presentation of the Obligation for the purpose at the Principal Office of the Trustee or upon any transfer or exchange of any Obligation Outstanding on such effective date, suitable notation shall be made on such Obligation or upon any Obligation issued upon any such transfer or exchange by the Trustee as to any such action.

ARTICLE VIII

CONCERNING THE FIDUCIARIES

Section 8.01. Trustee; Acceptance of Duties. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture, including the duties of Paying Agent for the Obligations, by the execution and the delivery of this Master Indenture to the Authority and by such execution and delivery the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Obligations thereafter to be issued, but only, however, upon the terms and conditions set forth in the Indenture and no implied covenants shall be read into the Indenture against the Trustee. In the event any additional property, by delivery or by writing of any kind, be subjected to the lien hereof by the Authority or by anyone on its

behalf, the Trustee is hereby authorized to receive the same at any time as additional security for the Obligations Outstanding hereunder.

Section 8.02. Paying Agents; Appointment and Acceptance of Duties.

(a) The Authority hereby appoints the Trustee as a Paying Agent for the Obligations of each Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 8.13 as an additional Paying Agent or Agents for the Obligations of one or more Series.

(b) Each Paying Agent other than the Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

Section 8.03. Responsibilities of Fiduciaries.

(a) Any recitals of fact in the Indenture or any Issuing Instrument and in the Obligations contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Indenture or any Issuing Instrument or of any Obligations issued or secured thereunder or as to the security afforded by the Indenture, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be responsible for or have any liability with respect to the Airport or any act or omission of the Authority with respect thereto. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Indenture. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection (b) of this Section, no Fiduciary shall be liable in connection with the performance of its duties under the Indenture except for its own negligence or willful misconduct.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Any provision of the Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

Without limiting the generality of the foregoing:

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

(2) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of a Credit Provider or a Reserve Guaranty Provider or the Owners in accordance with the provisions of Article X relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture.

(3) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(4) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners, a Credit Provider or a Reserve Guaranty Provider pursuant to the Indenture (except for declaring an acceleration of the Obligations or requesting credit and/or liquidity support pursuant to a Credit Support Instrument), unless such Owners, such Credit Provider or such Reserve Guaranty Provider shall have offered to the Trustee reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(5) 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, debenture, coupon, facsimile transmission, electronic mail or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority, personally or by agent or attorney.

(6) The Trustee shall not be required to take notice of and shall not be deemed to have knowledge of any Event of Default (other than an Event of Default specified in subsections (a)(1) or (a)(2) of Section 10.01) or any event which would, with the passage of time, the giving of notice, or both, constitute an Event of Default, unless the Trustee shall have been notified of such Event of Default or other event by the Authority, a Credit Provider or a Reserve Guaranty Provider, or the Owners in accordance with the provisions of Article X.

(7) The Trustee shall not be responsible for any moneys or funds held by the Authority, for monitoring the accounting and investment practices of the Authority, or accountable for the Authority's use of the proceeds from the Obligations, other than requiring the delivery of the Annual Budget and annual financial statements and reports pursuant to Section 6.12.

(8) The Trustee may perform its duties under the Indenture through agents and attorneys and the Trustee shall not be liable for the negligence or misconduct on the

part of any agent or attorney appointed with due care by it under the Indenture if the Authority has a right to proceed directly against such agent or attorney for any such negligence or misconduct.

(9) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Obligations.

(10) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Obligations. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

(11) The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and delivered using Electronic Means, provided, however, that, the Authority shall provide to the Trustee an incumbency certificate listing persons designated and authorized to give such Instructions or directions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which such incumbency certificate shall be amended and replaced by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority, as applicable. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction unless due to negligence or willful misconduct of the Trustee. The Authority agrees: (i) to assume all risks arising out of the use of such Electronic Means to submit Instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(12) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Airport, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee. The Trustee shall provide the Authority notice upon obtaining actual knowledge of an imminent unavoidable delay.

(13) Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Authority as may be requested by the Trustee which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such certificate, but in its discretion the Trustee may (but shall have no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(14) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

Whether or not therein expressly provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

Section 8.04. Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, requisition, consent, order, certificate, report, opinion, bond, statement, instrument, debenture, note, direction, other evidence of indebtedness or other paper or document furnished to it pursuant to any provision of the Indenture, shall examine such instrument to determine whether it conforms to the requirements, if any, of the Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be Bond Counsel or counsel to the Authority, and the advice or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Authority Representative, as such Fiduciary may request and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Indenture upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in the Indenture, any request, requisition, order, notice or other direction required or permitted to be furnished pursuant to any provision of the Indenture by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority by an Authorized Authority Representative (upon which the Trustee may conclusively rely).

Section 8.05. Compensation. The Authority shall cause to be paid to each Fiduciary from time to time reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Indenture; provided, however, that so long as any Obligations remain Outstanding or any amounts remain due to a Credit Provider under a Credit Support Agreement or a Reserve Guaranty Provider under a Reserve Guaranty, no Fiduciary shall have a lien therefor on any part of the Trust Estate. The Authority further agrees, to the extent permitted by law, to indemnify and save each Fiduciary harmless against any and all loss, damage, claim, liability or expense, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the Authority, or any holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, or in connection with enforcing the provisions of this Section, except to the extent that such loss, damage, claim, liability or expense is due to its own negligence or willful misconduct.

Section 8.06. Certain Permitted Acts. Any Fiduciary may become the Owner of any Obligations, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of the Obligations or to effect or aid in any reorganization growing out of the enforcement of the Obligations or the Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Obligations then Outstanding.

Section 8.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Indenture by giving not less than thirty (30) days written notice to the Authority, each Credit Provider and each Reserve Guaranty Provider, specifying the date when such resignation shall take effect; provided that no such resignation shall take effect until a successor Trustee shall have accepted the appointment in accordance with Section 8.09.

Section 8.08. Removal of Trustee. The Trustee may be removed upon thirty (30) days written notice (i) with the consent (to the extent required by a Supplemental Indenture, an Issuing Instrument, a Credit Support Agreement or a Reserve Guaranty Agreement) of each Credit Provider and each Reserve Guaranty Provider, at any time when no Event of Default has occurred and is continuing and when no event has occurred which, with notice or the passage of time, would become an Event of Default which has not been cured, by an instrument in writing signed by an Authorized Authority Representative and filed with the Trustee or (ii) with the consent (to the extent required by a Supplemental Indenture, an Issuing Instrument, a Credit Support Agreement or a Reserve Guaranty Agreement) of each Credit Provider and each Reserve Guaranty Provider, at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Senior Obligations then Outstanding, excluding any Senior Obligations held by or for the account of the Authority or (iii) with the consent (to the extent required by a Supplemental Indenture, an Issuing Instrument, a Credit Support Agreement or a Reserve Guaranty Agreement) of each Credit Provider and each Reserve Guaranty Provider, at any time by an instrument in writing signed by an Authorized Authority Representative and filed with the Trustee, for any breach of its fiduciary duties under the Indenture; or (iv) at any time by an instrument in writing signed by a Credit Provider and filed with the Trustee and the Authority, for any breach of its fiduciary duties under the Indenture; provided that no such removal shall be effective until the later of 30 days from the filing of such instrument with the Trustee and until a successor Trustee shall have accepted the appointment in accordance with Section 8.09.

If, and only if, the Senior Obligations are no longer Outstanding, all references to Senior Obligations in this Section 8.08 shall be read to be references to Subordinate Obligations and if, and only if, the Subordinate Obligations and Senior Obligations are no longer Outstanding, all references to Senior Obligations in this Section 8.08 shall be read to be references to Junior Subordinate Obligations.

Section 8.09. Appointment of Successor Trustee; Financial Qualifications of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Senior Obligations then Outstanding, excluding any Senior Obligations held by or for the account of the Authority, with (to the extent required by a Supplemental Indenture, an Issuing Instrument, a Credit Support Agreement or a Reserve Guaranty Agreement) the consent of each Credit Provider and each Reserve Guaranty Provider, by an instrument or concurrent instruments in writing signed and acknowledged by such Owners of the Senior Obligations or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; provided, nevertheless, that unless a successor Trustee shall have been appointed by the Owners of the Senior Obligations as aforesaid, the Authority, by a duly executed written instrument signed by an Authorized Authority Representative, shall forthwith appoint a successor Trustee to replace a resigning or removed Trustee or to fill such vacancy until a successor Trustee shall be

appointed by the Owners of such Senior Obligations as authorized in this Section. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by the successor Trustee appointed by the Owners of such Senior Obligations. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 8.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee (in the case of its resignation under Section 8.07) or the Owner of any Senior Obligation (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) The Trustee appointed under the provisions of this Article or any successor to the Trustee shall be a bank or trust company organized under the laws of any state of the United States or national banking association, in good standing and duly authorized to exercise trust powers and subject to examination by federal or state authority. Each successor Trustee shall have a reported capital and surplus aggregating at least \$75,000,000, or have all of its obligations under the Indenture guaranteed by a bank or trust company organized under the laws of the United States, or any state thereof, with a reported capital and surplus or net worth aggregating at least \$75,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture. If such bank, national banking association, or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such bank, trust company, or national banking association shall be deemed to be its combined capital and surplus set forth in its most recent report of condition so published.

(d) If, and only if, the Senior Obligations are no longer Outstanding, all references to Senior Obligations in this Section 8.09 shall be read to be references to Subordinate Obligations and if, and only if, the Subordinate Obligations and Senior Obligations are no longer Outstanding, all references to Senior Obligations in this Section 8.09 shall be read to be references to Junior Subordinate Obligations.

Section 8.10. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee and the Authority an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, power, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, at the written request of the Authority or of the successor Trustee, execute, acknowledge, deliver, file and record such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in

and to any property held by it under the Indenture or subject to the lien of the Indenture, and shall pay over, assign and deliver to the successor Trustee all of the Trust Estate. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such lien, estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 8.11. Merger or Consolidation. Any company into which a Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, shall satisfy the applicable standards of a successor set forth in the Indenture, and shall be authorized by law to perform all the duties imposed upon it by the Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 8.12. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or provided in the Indenture that the certificate of the Trustee shall have.

Section 8.13. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 60 days written notice to the Authority, the Trustee, each Credit Provider, each Reserve Guaranty Provider and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Authority Representative. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee (and each Credit Provider and each Reserve Guaranty Provider whose consent is required by a Supplemental Indenture, a Credit Support Agreement or a Reserve Guaranty Agreement) and shall be a commercial bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$25,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture. If such bank, national banking association, or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such bank, trust company, or national banking association shall be deemed to be its combined capital and surplus set forth in its most recent report of condition

so published.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

(c) The Paying Agent shall perform the duties provided for in the Indenture and in exercising such duties shall be entitled to the same rights and immunities applicable to the Trustee as set forth in the Indenture and shall not be liable for any action or omission to act except for negligence or willful misconduct.

ARTICLE IX

DEFEASANCE

Section 9.01. Payment of Bonds.

(a) If the Authority shall pay, or cause to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal amount or Redemption Price, if applicable, of the Bonds, and interest due or to become due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, together with all other Obligations and all other sums payable by the Authority under the Indenture, including all fees and expenses of the Trustee, then and in that case, subject to the provisions of subsection (b) of this Section, the Indenture, the Issuing Instruments and the lien of the Indenture and all covenants, agreements and obligations of the Authority contained in the Indenture and the Issuing Instruments, shall cease and terminate and shall be completely discharged and satisfied and the Authority shall be released therefrom and the Trustee shall assign and transfer to or upon the order of the Authority all of the Trust Estate (in excess of the amounts required for the foregoing) free and clear of any liens or encumbrances thereon pursuant to the Indenture and the Issuing Instruments and shall execute such documents as may be reasonably required by the Authority in this regard.

(b) Notwithstanding the termination, satisfaction and discharge of the Indenture in its entirety or the satisfaction and discharge of the Indenture in respect of any Bonds, those provisions of the Indenture relating to the payment of the Bonds at maturity or upon prior redemption, interest payments and dates thereof, tender provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, compliance by the Authority with the covenants contained in Section 6.12 and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Authority, the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys and investments then held by the Trustee for the payment of the principal or Redemption Price of, and interest on, the Bonds, to pay to the Owners, but only from the moneys and investments so held by the Trustee, the principal or Redemption Price of, and interest on, the Bonds as and when such payment becomes due. Notwithstanding the satisfaction and

discharge of the Indenture in its entirety or the satisfaction and discharge of the Indenture in respect of any Bonds, those provisions of the Indenture contained in Section 8.05 relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Authority.

(c) Notwithstanding anything in the Indenture to the contrary, in the event that the principal of and/or interest due on any Bonds shall be paid by a Credit Provider pursuant to a Credit Support Instrument, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and shall not be considered paid by the Authority, and the lien of the Indenture, and all covenants, agreements and other obligations of the Authority to the Owners of such Bonds shall continue to exist and shall run to the benefit of the applicable Credit Provider and the applicable Credit Provider shall be subrogated to the rights of such Owners.

Section 9.02. Bonds Deemed Paid. Bonds (or portions of Bonds) for the payment or redemption of which moneys shall have been set aside and shall be held in trust by an Escrow Agent at the maturity or redemption date thereof, as applicable, shall be deemed to have been paid within the meaning and with the effect expressed in Section 9.01. Any Outstanding Bond (or any portion thereof such that both the portion thereof which is deemed paid and the portion which is not deemed paid pursuant to this Section shall be in an Authorized Denomination) shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 9.01 (except that the obligations under the Indenture set forth in Section 9.01 (b) and the giving of the notices of the redemption of Bonds to be redeemed as provided in Article IV shall continue) if (i) in case said Bond (or portion thereof) is to be redeemed on any date prior to maturity, the Authority shall have given the Trustee irrevocable instructions to give notice of redemption of such Bond (or portion thereof) on said date as provided in Article IV, (ii) there shall have been deposited with an Escrow Agent either moneys in an amount which shall be sufficient, or Defeasance Securities, the principal of and the interest on which when due shall provide moneys which, together with the other moneys, if any, held by such Escrow Agent for such purpose, shall be sufficient, in each case as evidenced by an Accountant's Certificate, to pay when due the principal amount of, and any redemption premiums on, said Bond (or portion thereof) and interest due and to become due on said Bond (or portion thereof) on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) if such Bond (or portion thereof) is not to be paid or redeemed within 60 days of the date of the deposit required by (ii) above, the Authority shall have given the Trustee, in form satisfactory to it, instructions to email or mail, as soon as practicable, by first class mail, postage prepaid, to the Owner of such Bond, at the last address, if any, appearing upon the Bond Register, a notice that the deposit required by (ii) above has been made with an Escrow Agent and that said Bond (or the applicable portion thereof) is deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal amount of, and any redemption premiums on, said Bond. Any notice given pursuant to clause (iii) of this Section with respect to Bonds which constitute less than all of the Outstanding Bonds of any Series and maturity shall specify the letter and number or other distinguishing mark of each such Bond. Any notice given pursuant to clause (iii) of this Section with respect to less than the full principal amount of a Bond shall specify the principal amount of such Bond which shall be deemed paid pursuant to this Section and notify the Owner of such Bond that such Bond must be surrendered as provided in

Section 9.03. The receipt of any notice required by this Section shall not be a condition precedent to any Bond being deemed paid in accordance with this Section and the failure of any Owner to receive any such notice shall not affect the validity of the proceedings for the payment of Bonds in accordance with this Section. Neither Defeasance Securities nor moneys deposited with an Escrow Agent pursuant to this Section, nor principal or interest payments on any such Defeasance Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal amount of, and any redemption premiums on, said Bonds and the interest thereon; provided that any cash received from principal or interest payments on such Defeasance Securities deposited with an Escrow Agent, (i) to the extent such cash shall not be required at any time for such payment, as evidenced by an Accountant's Certificate, shall be paid as provided in a written direction of an Authorized Authority Representative free and clear of any trust, lien, pledge or assignment securing said Bonds, and (ii) to the extent such cash shall be required for such payment at a later date, shall, to the extent practicable, at the written direction of an Authorized Authority Representative, be reinvested in Defeasance Securities maturing at times and in amounts, which together with the other funds to be available to the Escrow Agent for such purpose, shall be sufficient to pay when due the principal amount of, and any redemption premiums on, said Bonds and the interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, as evidenced by an Accountant's Certificate.

Provision for the payment of any Bonds (or a portion thereof) in accordance with Section 9.01 or Section 9.02, the Owner of such Bond shall thereafter be entitled only to payment of the interest on such Bond (or portion thereof) and the principal or Redemption Price thereof (without interest accrued thereon after such redemption date or maturity date, as applicable) out of the money and Defeasance Securities deposited with the Escrow Agent for their payment, subject, however, to the provisions of Sections 6.12 and 9.02.

No Bond which constitutes a Tender Obligation shall be deemed to be paid within the meaning of the Indenture unless the Purchase Price of such Bond, if tendered for purchase in accordance with the Indenture, could be paid when due from such moneys or Defeasance Securities (as evidenced by an Accountant's Certificate) or a Credit Support Instrument is provided in connection with such Purchase Price.

Nothing in the Indenture shall prevent the Authority from substituting for the Defeasance Securities held for the payment or redemption of Bonds (or portions thereof) other Defeasance Securities which, together with the moneys held by the Escrow Agent for such purpose, as evidenced by an Accountant's Certificate, shall be sufficient to pay when due the principal amount of, and any redemption premiums on, the Bonds (or portions thereof) to be paid or redeemed, and the interest due on the Bonds (or portions thereof) to be paid or redeemed at the times established with the initial deposit of Defeasance Securities for such purpose provided that the Authority shall deliver to the Escrow Agent a Favorable Opinion of Bond Counsel with respect to such substitution.

Section 9.03. Defeasance of Portion of Bond. If there shall be deemed paid pursuant to Section 9.02 less than all of the full principal amount of a Bond, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the Owner of such Bond, a new Bond or Bonds for the principal amount of the Bond so surrendered

which is deemed paid pursuant to Section 9.02 and another new Bond or Bonds for the balance of the principal amount of the Bond so surrendered, in each case of like Series, maturity and other terms, and in any of the Authorized Denominations.

Section 9.04. Defeasance of Obligations Other than Bonds. If Obligations other than Bonds are capable of being defeased, such Obligations shall be defeased in accordance with the provisions of the Issuing Instrument relating to such Obligations.

ARTICLE X

EVENTS OF DEFAULT; REMEDIES

Section 10.01. Events of Default.

(a) Each of the following shall constitute an Event of Default under the Indenture:

(1) if default shall be made in the payment of the principal of or Sinking Fund Installment for, or interest on, or any other payment of, any Outstanding Senior Obligation when and as the same shall become due and payable, whether on an Interest Payment Date, at maturity, by declaration, or otherwise;

(2) if default shall be made in the payment when due of the Purchase Price of any Outstanding Senior Obligations which are Tender Obligations;

(3) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in the Indenture (other than a default with respect to Subordinate Obligations for so long as any Senior Obligations are Outstanding or a default with respect to Junior Subordinate Obligations for so long as any Senior Obligations or Subordinate Obligations are Outstanding) or in the Outstanding Senior Obligations contained, and such default shall continue for a period of 120 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Owners of not less than 25% in aggregate principal amount of the Senior Obligations Outstanding; provided, however, if such default is such that it can be corrected by the Authority but not within the applicable period specified above, it shall not constitute an Event of Default if corrective action is instituted by the Authority within thirty (30) days of the Authority's receipt of the notice of the default required by this paragraph and diligently pursued until the default is corrected; and provided further that this subsection is subject to the provisions of Section 6.05(c);

(4) any Senior Obligation is declared due and payable as a result of an event of default under the Issuing Instrument for such Senior Obligation; or

(5) an Event of Bankruptcy shall have occurred and be continuing with respect to the Authority.

(b) (1) AS LONG AS ANY SENIOR OBLIGATIONS REMAIN OUTSTANDING, NO EVENT OF DEFAULT SHALL EXIST OR MAY BE DECLARED WITH RESPECT TO ANY SUBORDINATE OBLIGATIONS OR JUNIOR SUBORDINATE OBLIGATIONS. AS LONG AS ANY SUBORDINATE OBLIGATIONS REMAIN OUTSTANDING, NO EVENT OF DEFAULT SHALL EXIST OR MAY BE DECLARED WITH RESPECT TO ANY JUNIOR SUBORDINATE OBLIGATIONS.

(2) If, and only if, the Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.01(a) shall be read to be references to Subordinate Obligations and if, and only if, the Subordinate Obligations and Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.01(a) shall be read to be references to Junior Subordinate Obligations.

(3) Notwithstanding anything herein to the contrary, while the Senior Obligations are Outstanding, a Subordinate Payment Default is not an Event of Default hereunder, provided that in the event of a Subordinate Payment Default, Owners of Subordinate Obligations shall have the remedies set forth in Section 10.05(a) of the Indenture.

(4) Notwithstanding anything herein to the contrary, while the Senior Obligations or Subordinate Obligations are Outstanding, a Junior Subordinate Payment Default is not an Event of Default hereunder, provided that in the event of a Junior Subordinate Payment Default, Owners of Junior Subordinate Obligations shall have the remedies set forth in Section 10.05(b) of the Indenture.

Section 10.02. Right to Accelerate Upon Default.

(a) Notwithstanding anything to the contrary in the Indenture, any Issuing Instrument or in the Senior Obligations, unless all the Outstanding Senior Obligations shall have already become due and payable, upon the occurrence of an Event of Default, the Trustee may, and shall, at the direction of the Owners of a majority in aggregate principal amount of Outstanding Senior Obligations (other than Senior Obligations owned by or on behalf of the Authority) by written notice to the Authority, declare all of the Outstanding Senior Obligations to be immediately due and payable, whereupon the principal of the Senior Obligations thereby coming due and the interest thereon accrued to the date of payment and all other payments thereby coming due shall, without further action, become and be immediately due and payable. If the terms of any Supplemental Indenture, Issuing Instrument or Credit Support Agreement give a Person the right to consent to acceleration of the Obligations issued pursuant to such Supplemental Indenture, Issuing Instrument or Credit Support Agreement, the Obligations issued pursuant to such Supplemental Indenture, Issuing Instrument or Credit Support Agreement may not be accelerated by the Trustee unless such consent is obtained pursuant to the terms of such Supplemental Indenture, Issuing Instrument or Credit Support Agreement. Nothing herein shall affect the rights of the parties to a Swap to terminate such Swap.

(b) Any such declaration, however, is subject to the condition that if, at any time after the Senior Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall have been deposited with the Trustee a sum sufficient to pay the principal of the Senior Obligations matured and coming due prior to such declaration, with interest on such overdue principal at the rate borne by the respective Senior Obligations, the accrued interest on the Senior Obligations due prior to such declaration, any other payments then due and the reasonable fees and expenses of the Trustee (including but not limited to those of its attorneys), and any and all other defaults known to the Trustee (other than in the payment of the principal of the Senior Obligations and accrued interest and other payments due on the Senior Obligations due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of not less than a majority in aggregate principal of the Senior Obligations then Outstanding, by written notice to the Authority and to the Trustee, may, on behalf of the Owners of all of the Senior Obligations, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(c) The Subordinate Obligations shall not be subject to acceleration if any Senior Obligations are then Outstanding. The Junior Subordinate Obligations shall not be subject to acceleration if any Subordinate Obligations or Senior Obligations are then Outstanding.

(d) If, and only if, the Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.02(a) and (b) shall be read to be references to Subordinate Obligations and if, and only if, the Subordinate Obligations and Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.02(a) and (b) shall be read to be references to Junior Subordinate Obligations.

Section 10.03. Appointment of Receiver.

(a) If an Event of Default shall happen and shall not have been remedied, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Senior Obligations under the Indenture and any Issuing Instruments, the Trustee shall be entitled to make application for the appointment of a receiver or custodian of the Net Revenues and the Available Revenues, pending such proceedings, with such power as the court making such appointment shall confer. If an Event of Default shall happen and shall not have been remedied, upon the written request of the Trustee, a Credit Provider or the Owners of not less than 10% of the aggregate principal amount of the Outstanding Senior Obligations, the Authority shall transfer to the Trustee all moneys held in all of the Funds maintained by the Authority under the Indenture and shall transfer to the Trustee, at least monthly all the Net Revenues and Available Revenues received by the Authority.

(b) If, and only if, the Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.03(a) shall be read to be references to

Subordinate Obligations and if, and only if, the Subordinate Obligations and Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.03(a) shall be read to be references to Junior Subordinate Obligations.

Section 10.04. Enforcement Proceedings.

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may, with the consent of each Credit Provider whose consent is required by a Supplemental Indenture, Issuing Instrument or Credit Support Agreement, proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Senior Obligations at the time Outstanding, with the consent of each Credit Provider whose consent is required by a Supplemental Indenture, Issuing Instrument or Credit Support Agreement, shall proceed, to protect and enforce its rights and the rights of the Owners of the Outstanding Senior Obligations by a suit or suits in equity or at law, whether for damages or the specific performance of any covenant contained in the Indenture or any Issuing Instrument, to enforce the lien of the Indenture, or in aid of the execution of any power granted in the Indenture or any Issuing Instrument, or any remedy granted under applicable provisions of the laws of the State, or for an accounting by the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

(b) All rights of action under the Indenture or any Issuing Instrument may be prosecuted and enforced by the Trustee without the possession of any of the Senior Obligations or the production thereof in the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust.

(c) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Indenture or any Issuing Instrument, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Indenture or any Issuing Instrument and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(d) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Owners of a majority in principal amount of the Senior Obligations then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture or any Issuing Instrument by any acts which may be unlawful or in violation of the Indenture or any Issuing Instrument, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Owners of the Senior Obligations.

(e) If the Trustee or any Owner or Owners of Outstanding Senior Obligations have instituted any proceeding to enforce any right or remedy under the Indenture or any

Issuing Instrument and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Owner or Owners, then and in every such case the Authority, the Trustee and the Owners shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions under the Indenture or such Issuing Instrument, and thereafter all rights and remedies of the Trustee and the Owners shall continue as though no such proceeding had been instituted.

(f) If, and only if, the Senior Obligations are no longer Outstanding, all references to Senior Obligations in the preceding paragraphs of this Section 10.04 shall be read to be references to Subordinate Obligations and if, and only if, the Subordinate Obligations and Senior Obligations are no longer Outstanding, all references to Senior Obligations in the preceding paragraphs of this Section 10.04 shall be read to be references to Junior Subordinate Obligations.

Section 10.05. Remedies for Subordinate Obligations and Junior Subordinate Obligations.

(a) If a Subordinate Payment Default has occurred, then the Owners of at least a majority of the aggregate principal amount of the Subordinate Obligations, may direct the Trustee to take the following actions: enforce by mandamus or specific performance the obligations of the Authority to deposit money pursuant to Section 5.04(e) and/or (f) which is otherwise required to be deposited for the benefit of Subordinate Obligations pursuant to such provisions and is available for such deposit but is being wrongfully withheld by the Authority or direct an accounting of Trustee funds; provided however, that notwithstanding the foregoing, no remedial action may be taken that would adversely affect the Owners of the Senior Obligations.

(b) If a Junior Subordinate Payment Default has occurred, then the Owners of at least a majority of the aggregate principal amount of the Junior Subordinate Obligations, may direct the Trustee to take the following actions: enforce by mandamus or specific performance the obligations of the Authority to deposit money pursuant to Section 5.04(i) which is otherwise required to be deposited for the benefit of Junior Subordinate Obligations pursuant to such provisions and is available for such deposit but is being wrongfully withheld by the Authority or direct an accounting of Trustee funds; provided however, that notwithstanding the foregoing, no remedial action may be taken that would adversely affect the Owners of the Senior Obligations or the Owners of the Subordinate Obligations.

(c) The principal, premium, if any, and interest and any other payment on Subordinate Obligations will be subordinated in right of payment to principal, premium, if any, and interest and any other payments on the Senior Obligations. If any Event of Default shall have occurred and be continuing, Owners of Senior Obligations will be entitled to receive payment thereof in full, including any interest, premium, fees, expenses or other payments that would otherwise have accrued after the occurrence of an Event of Bankruptcy with respect to the Authority (whether or not such interest, premium, fees, expenses or other payments are allowable or allowed in the relevant proceeding, or are avoided or

subordinated) before the Owners of the Subordinate Obligations are entitled to receive payment thereof; and any payment or distribution of assets otherwise payable to Owners of the Subordinate Obligations will be paid to Owners of Senior Obligations until all Senior Obligations have been paid in full, and the Owners of the Subordinate Obligations will be subrogated to the rights of such Owners of Senior Obligations to receive payments or distributions of assets with respect thereto.

(d) The principal, premium, if any, and interest and any other payment on Junior Subordinate Obligations will be subordinated in right of payment to principal, premium, if any, and interest and any other payments on the Subordinate Obligations and Senior Obligations. If any Event of Default shall have occurred and be continuing, and the Senior Obligations are no longer Outstanding, Owners of Subordinate Obligations will be entitled to receive payment thereof in full, including any interest, premium, fees or expenses or other payments that would otherwise have accrued after the occurrence of an Event of Bankruptcy with respect to the Authority (whether or not such interest, premium, fees or expenses or other payments are allowable or allowed in the relevant proceeding, or are avoided or subordinated) before the Owners of the Junior Subordinate Obligations are entitled to receive payment thereof; and any payment or distribution of assets otherwise payable to Owners of the Junior Subordinate Obligations will be paid to Owners of Subordinate Obligations until all Subordinate Obligations have been paid in full, and the Owners of the Junior Subordinate Obligations will be subrogated to the rights of such Owners of Subordinate Obligations to receive payments or distributions of assets with respect thereto.

Section 10.06. Remedies Not Exclusive. No remedy by the terms of the Indenture or any Issuing Instrument conferred upon or reserved to the Trustee or the Owners of the Obligations 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 under the Indenture or any Issuing Instrument or existing at law or in equity or by statute whether effective on or after the effective date of this Master Indenture. The assertion or employment of any right or remedy, under the Indenture or any Issuing Instrument or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 10.07. Application of Net Revenues and Other Moneys After Default.

(a) If an Event of Default shall happen and shall not have been remedied, upon the written request of the Trustee, a Credit Provider or the Owners of not less than 10% of the aggregate principal amount of the Outstanding Senior Obligations, the Authority shall transfer to the Trustee all moneys held in all of the Funds maintained by the Authority under the Indenture and shall transfer to the Trustee, at least monthly all the Net Revenues and Available Revenues received by the Authority.

(b) During the continuance of an Event of Default, the Trustee shall apply any money or other property (other than Available Revenues) received by the Trustee pursuant to any right given or action taken under the provisions of this Article, to the following purposes and in the following order of priority:

First: To the payment of the reasonable and proper charges, expenses and liabilities (including reasonable fees and expenses of counsel and indemnities) of the Fiduciaries for Senior Obligations and the amount to be paid to the Rebate Fund pursuant to the Rebate Instructions for Senior Obligations.

Second: To the payment of the principal, Redemption Price and Purchase Price of and interest on the Outstanding Senior Bonds, and amounts owed on the other Outstanding Senior Obligations then due and payable; provided however, that in the event the amount of money available to the Trustee is not sufficient to make all the payments required by this clause, the Trustee shall apply the available money to the payment of the principal, Redemption Price and Purchase Price of and interest on and other amounts owed on all Outstanding Senior Obligations then due and payable ratably (based on the respective amounts to be paid), without any discrimination or preference.

Third: To the payment to the Reserve Guaranty Providers, the amounts due with respect to Reserve Guaranties relating to Senior Obligations; provided however, that in the event the amount of money available to the Trustee is not sufficient to make all the payments required by this clause with respect to all Reserve Guaranties relating to Senior Obligations, the Trustee shall apply the available money to the payment of the amounts then due with respect to all Reserve Guaranties relating to Senior Obligations ratably (based on the respective amounts to be paid), without any discrimination or preference.

Fourth: To the transfer to the Senior Debt Service Reserve Fund and each Senior Series Debt Service Reserve Fund and to each debt service reserve for other Outstanding Senior Obligations, the amount, if any, necessary so that the amount on deposit in the Senior Debt Service Reserve Fund and each Senior Series Debt Service Reserve Fund shall equal the applicable Senior Debt Service Reserve Requirement and the amount in each debt service reserve for other Outstanding Senior Obligations shall equal the amount required to be on deposit in such debt service reserve under the applicable Issuing Instrument; provided that that in the event the amount of money available to the Trustee is not sufficient to make all the payments required by this clause, the Trustee shall apply the available money to the transfer to the Senior Debt Service Reserve Fund, each Senior Series Debt Service Reserve Fund and each debt service reserve for other Outstanding Senior Obligations ratably (based on the respective amounts to be paid), without any discrimination or preference.

Fifth: To the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries for Subordinate Obligations and the amount to be paid to the Rebate Fund pursuant to the Rebate Instructions for Subordinate Bonds.

Sixth: To the payment of the principal, Redemption Price and Purchase Price of and interest on the Outstanding Subordinate Bonds, and the amounts owed on the other Outstanding Subordinate Obligations then due and payable; provided however, that in the event the amount of money available to the Trustee is not sufficient to make all the payments required by this clause, the Trustee shall apply the available money to the payment of the principal, Redemption Price and Purchase Price of and interest on and other amounts owed on all Outstanding Subordinate Obligations then due and payable ratably (based on the respective amounts to be paid), without any discrimination or preference.

Seventh: To the payment to the Reserve Guaranty Providers, the amounts due with respect to Reserve Guaranties relating to Subordinate Obligations; provided however, that in the event the amount of money available to the Trustee is not sufficient to make all the payments required by this clause with respect to all Reserve Guaranties relating to Subordinate Obligations, the Trustee shall apply the available money to the payment of the amounts due with respect to all Reserve Guaranties relating to Subordinate Obligations ratably (based on the respective amounts to be paid), without any discrimination or preference.

Eighth: To the transfer to the Subordinate Debt Service Reserve Fund and each Subordinate Series Debt Service Reserve Fund and to each debt service reserve for other Outstanding Subordinate Obligations, the amount, if any, necessary so that the amount on deposit in the Subordinate Debt Service Reserve Fund and each Subordinate Series Debt Service Reserve Fund shall equal the applicable Subordinate Debt Service Reserve Requirement and the amount in each debt service reserve for other Outstanding Subordinate Obligations shall equal the amount required to be on deposit in such debt service reserve under the applicable Issuing Instrument; provided that that in the event the amount of money available to the Trustee is not sufficient to make all the payments required by this clause, the Trustee shall apply the available money to the transfer to the Subordinate Debt Service Reserve Fund, each Subordinate Series Debt Service Reserve Fund and each debt service reserve for other Outstanding Subordinate Obligations ratably (based on the respective amounts to be paid), without any discrimination or preference.

Ninth: To the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries for Junior Subordinate Obligations and the amount to be paid to the Rebate Fund pursuant to the Rebate Instructions for Junior Subordinate Obligations.

Tenth: To the payment of amounts due with respect to outstanding Junior Subordinate Obligations in accordance with the provisions of the applicable Supplemental Indenture or Issuing Instrument pursuant to which such Junior Subordinate Obligations have been issued; provided that that in the event the amount of money available to the Trustee is not sufficient to make all the payments required by this clause, the Trustee shall apply the available money to the payments of amounts due with respect to all Junior Subordinate Obligations ratably (based on the respective amounts to be paid), without any discrimination or preference except as otherwise provided in the Issuing Instruments pursuant to which such Junior Subordinate Obligations have been issued.

Eleventh: To the payment of any other amounts due under the Indenture, any Issuing Instrument, the Bonds or the Obligations.

Notwithstanding the foregoing, Available Revenues shall be applied solely as provided in Section 5.14; provided, however, that if the ratable distribution provisions of clauses Second or Sixth of this Section 10.07(b) are applicable, the amounts that would otherwise be distributed pursuant to such clauses Second or Sixth to Obligations that are secured by Available Revenues shall be reduced by the amount of Available Revenues that are available for distribution to such Obligations pursuant to Section 5.14, and the moneys that become available as a result of such reduction shall then be distributed pursuant to Clauses Second or Sixth, as applicable, without regard to this paragraph.

(c) If and whenever all overdue installments of interest on all Outstanding Obligations, together with the reasonable and proper charges, expenses and liabilities of the Fiduciaries and any other fiduciary for Obligations, and all other sums payable for the account of the Authority under the Indenture or any Issuing Instrument, including the principal and Redemption Price of all Outstanding Bonds and payment of the other Outstanding Obligations and unpaid interest on all Outstanding Obligations which shall then be payable, shall be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Indenture and the Outstanding Obligations and the Issuing Instruments shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over all unexpended moneys in the hands of the Trustee (except moneys deposited or pledged, or required by the terms of the Indenture to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Indenture. No such payment by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

(d) The Trustee may in its discretion establish special record dates for the determination of the Owners of Obligations for various purposes hereof, including without limitation, payment of defaulted interest and giving direction to the Trustee.

Section 10.08. Restriction on Owner's Action.

(a) Except as otherwise provided in paragraph (b) of this Section, no Owner of any Senior Obligation shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or any Issuing Instrument or the execution of any trust under the Indenture or any Issuing Instrument or for any remedy under the Indenture or any Issuing Instrument unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least 25% in principal amount of the Senior Obligations then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or any Issuing Instrument or by the applicable laws of the State or to institute such action, suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Senior Obligations shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the lien of the Indenture, or to enforce any right under the Indenture or any Issuing Instrument, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture or any Issuing Instrument shall be instituted, had and maintained in the manner provided in the Indenture and any applicable Issuing Instrument and for the ratable benefit of all Owners of the Outstanding Senior Obligations, subject only to the provisions of Section 11.05.

(b) Nothing in the Indenture, any Issuing Instrument or in the Senior Obligations contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay on the respective due dates thereof and at the places therein expressed, but solely from the Net Revenues and the Trust Estate, the principal amount, or Redemption Price if applicable, and any other payments of the Senior Obligations, and the interest thereon, to the respective Owners thereof, or affect or impair the right, which is also absolute and unconditional, of any Owner to institute suit for the enforcement of any such payment.

(c) If, and only if, the Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.08(a) and (b) shall be read to be references to Subordinate Obligations and if, and only if, the Subordinate Obligations and Senior Obligations are no longer Outstanding, all references to Senior Obligations in Section 10.08(a) and (b) shall be read to be references to Junior Subordinate Obligations.

Section 10.09. Accounting and Examination of Records After Default.

(a) The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and accounts of the Authority and all other records relating to the Airport shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

(b) The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the Authority, upon demand of the Trustee, shall account, as if it were the trustee of an express trust, for all of the Trust Estate for such period as shall be stated in such demand.

Section 10.10. Effect of Waiver and Other Circumstances.

(a) No delay or omission of the Trustee or any Owner of an Obligation to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Owners of the Obligations may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Owners of the Obligations.

(b) The Owners of not less than a majority in principal amount of the applicable Obligations at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Obligations, with the consent of each Credit Provider whose consent is required by a Supplemental Indenture or a Credit Support Agreement, waive any Event of Default and its consequences. No such waiver shall extend to any subsequent or Event of Default or impair any right consequent thereon unless the provisions of this subsection (b) have been satisfied with respect to such subsequent Event of Default.

Section 10.11. Notice of Default. The Trustee shall, within thirty (30) days after obtaining knowledge thereof, email or mail written notice of the occurrence of any Event of Default to each Credit Provider, each Reserve Guaranty Provider and each Owner of Obligations then Outstanding at such Owner's address, if any, appearing in the Bond Register.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Execution of Documents and Proof of Ownership. Any request, direction, consent, or other instrument in writing required or permitted by the Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds shall be sufficient for any purpose of the Indenture (except as otherwise provided in the Indenture), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be provided by a signature guarantee from an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements may include membership or participation in the Securities Transfer Agent’s Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to the ownership of any Obligation, the Person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner for all purposes. None of the Authority, the Trustee or any Paying Agent shall be affected by any notice to the contrary.

(c) Nothing contained in the Indenture shall be construed as limiting the Authority or the Trustee to such proof, it being intended that the Authority or the Trustee may accept any other evidence of the matters stated in this Section which the Authority or the Trustee may deem sufficient. Any request or consent of the Owner of any Obligation shall bind every future Owner of the same Obligation in respect to anything done or suffered to be done by the Authority or the Trustee in pursuance of such request or consent.

Section 11.02. Covenants of Authority Binding on Successors. All covenants, stipulations, obligations and agreements of the Authority contained in the Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law. If the powers or duties of the Authority shall hereafter be transferred by amendment of the Joint Powers Act or a new Act or any provision of the Constitution or any other law of the State or in any other manner there shall be a successor to the Authority, and if such transfer shall relate to any matter or thing permitted or required to be done under the Indenture by the Authority, then the entity that shall succeed to such powers or duties of the Authority shall act and be obligated in the place and stead of the Authority as provided in the Indenture, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors of the Authority from time to time and upon any officer, board,

body or Authority to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreement shall be transferred by or in accordance with law.

Except as otherwise provided in the Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority by the provisions of the Indenture shall be exercised or performed by the Authority or by such officers, board, body or authority as may be permitted by law to exercise such powers or to perform such duties.

Section 11.03. Severability. If any covenant, agreement or provision, or any portion thereof, contained in the Indenture, or the application thereof to any Person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of the Indenture, and the application of any such covenant, agreement or provision, or portion thereof, to other Persons or circumstances, shall be deemed severable and shall not be affected thereby, and the Indenture and the Obligations shall remain valid, and the Owners shall retain all valid rights and benefits accorded to them under the Indenture, the Constitution and statutes of the State.

Section 11.04. General Authorization. The Authorized Authority Representatives and the Authorized Authority Representatives, each acting singly, are hereby respectively authorized to do and perform from time to time any and all acts and things consistent with the Indenture or any Issuing Instrument necessary or appropriate to carry the same into effect.

Section 11.05. Moneys Held for Particular Obligations. Except as otherwise provided with respect to Obligations of any Series in the Supplemental Indenture or Issuing Instrument relating to such Series, the amounts held by the Trustee, any Paying Agent, any Escrow Agent or other Fiduciary for the payment of principal, Redemption Price, Purchase Price or interest or any other payment due on any date with respect to particular Obligations shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Obligations entitled thereto. None of the Authority, the Trustee, any Paying Agent, any Escrow Agent or other Fiduciary shall be liable to any Owner for interest on amounts so held in trust.

Section 11.06. Credit Providers.

(a) Unless provided otherwise in the applicable Supplemental Indenture or Issuing Instrument, any Credit Provider providing a Credit Support Instrument with respect to Obligations of such Series may exercise any right under this Master Indenture or the Supplemental Indenture relating to such Series of Obligations given to the Owners of the Obligations to which such Credit Support Instrument relates in lieu of such Owners.

(b) All provisions under this Master Indenture or a Supplemental Indenture or Issuing Instrument authorizing the exercise of rights by a Credit Provider with respect to Obligations of a Series, including without limitation actions relating to consents, approvals, directions, waivers, appointments and requests, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned therein (i) during any period when such Credit Provider shall have failed to honor a properly presented and conforming drawing or request for payment, as applicable, under the applicable Credit Support Instrument or (ii) unless any related Reimbursement Obligations are outstanding, after the

applicable Credit Support Instrument shall at any time for any reason cease to be valid and binding on the Credit Provider, or shall be declared to be null and void by final judgment of a court of competent jurisdiction, or after the Credit Support Instrument has been rescinded, repudiated or terminated (other than a termination as a result of a default by or the financial condition of the Authority so long as any amounts remain due to the Credit Provider with respect to such Credit Support Instrument), after a receiver, conservator or liquidator has been appointed for the Credit Provider or after the commencement of a bankruptcy or other insolvency proceeding by or against the Credit Provider. The foregoing shall not affect any other rights of a Credit Provider.

(c) All provisions in the Indenture or Issuing Instrument relating to the rights of a Credit Provider shall be of no force and effect if there is no Credit Support Instrument in effect and all amounts owing to the Credit Provider under the Credit Support Agreement have been paid.

(d) To the extent that the Indenture confers upon or gives or grants to a Credit Provider any right, remedy or claim under or by reason of the Indenture, such Credit Provider is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 11.07. Reserve Guaranty Providers.

(a) All provisions under this Master Indenture or a Supplemental Indenture or Issuing Instrument authorizing the exercise of rights by a Reserve Guaranty Provider with respect to Obligations of a Series, including without limitation actions relating to consents, approvals, directions, waivers, appointments and requests, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Reserve Guaranty Provider were not mentioned therein (i) during any period during which there is a default by such Reserve Guaranty Provider under the applicable Reserve Guaranty or (ii) after the applicable Reserve Guaranty shall at any time for any reason cease to be valid and binding on the Reserve Guaranty Provider, or shall be declared to be null and void by final judgment of a court of competent jurisdiction, or after the Reserve Guaranty has been rescinded, repudiated or terminated, after a receiver, conservator or liquidator has been appointed for the Reserve Guaranty Provider or after the commencement of a bankruptcy or other insolvency proceeding by or against the Reserve Guaranty Provider. The foregoing shall not affect any other rights of a Reserve Guaranty Provider.

(b) All provisions in the Indenture or Issuing Instrument relating to the rights of a Reserve Guaranty Provider shall be of no force and effect if there is no Reserve Guaranty in effect issued by such Reserve Guaranty Provider and all amounts owing to such Reserve Guaranty Provider under the Reserve Guaranty have been paid.

(c) To the extent that the Indenture confers upon or gives or grants to a Reserve Guaranty Provider any right, remedy or claim under or by reason of the Indenture, such Reserve Guaranty Provider is hereby explicitly recognized as being a third-party beneficiary

hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 11.08. Parties Interested. Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Authority, the Trustee, each Paying Agent, each Escrow Agent, the other Fiduciaries, the Credit Providers, the Reserve Guaranty Providers and the Owners of the Obligations, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, each Paying Agent, each Escrow Agent, the other Fiduciaries, the Credit Providers, the Reserve Guaranty Providers and the Owners of the Obligations.

Section 11.09. Unclaimed Moneys. Anything in this Master Indenture or any Supplemental Indenture or Issuing Instrument to the contrary notwithstanding, to extent permitted by law, any moneys held by any Fiduciary in trust for the payment and discharge of any of the Obligations which remain unclaimed for two years after the date when such Obligations have become due and payable, either at their stated maturity dates, tender for purchase or by call for redemption, if such moneys were held by such Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with such Fiduciary after the date when such Obligations, the Redemption Price or the Purchase Price thereof became due and payable, shall be repaid (without liability for interest) by such Fiduciary to the Authority, as its absolute property and free and clear of the lien of the Indenture, and such Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of such Obligations shall look only to the Authority for the payment of such Obligations; provided, however, that before being required to make any such payment to the Authority, such Fiduciary shall, at the expense of the Authority, emailed or mail, postage prepaid to the Owners of such Obligations, at the last address, if any, appearing upon the Bond Register a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of emailing or the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the Authority.

Section 11.10. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture or any Issuing Instrument, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in the Indenture, and, unless otherwise specifically provided in a Supplemental Indenture or Issuing Instrument, no interest shall accrue for the period after such nominal date.

Section 11.11. Waiver of Personal Liability. No member, officer or employee of the Commission or the Authority shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, or any other payment on the Obligations, but nothing herein contained shall relieve any member, officer or employee of the Commission or the Authority from the performance of any official duty provided by the Joint Powers Act or any other applicable provisions of law or hereby.

Section 11.12. Governing Law. The Indenture, each Issuing Instrument (unless provided otherwise in such Issuing Instrument) and each Obligation shall be interpreted, governed by and construed for all purposes in accordance with the laws of the State for contracts executed and to be performed in the State.

Section 11.13. Headings Not Binding. The headings in this Master Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Master Indenture.

Section 11.14. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Indenture or any Issuing Instrument shall be retained in its possession and shall be subject at all reasonable times to the inspection by the Authority, the Trustee, any Credit Provider, any Reserve Guaranty Provider and any Owner of an Outstanding Obligation and their agents and their representatives, any of whom may make copies thereof.

Section 11.15. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this Master Indenture may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Master Indenture using an electronic signature, it is signing, adopting, and accepting this Master Indenture and that signing this Master Indenture using an electronic signature is the legal equivalent of having placed its handwritten signature this Master Indenture on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Master Indenture in a usable format.

Section 11.16. Counterparts. This Master Indenture may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Burbank-Glendale-Pasadena Airport Authority has caused these presents to be signed in its name and on its behalf by the President of the Commission, and to evidence its acceptance of the trust hereby created, The Bank of New York Mellon Trust Company, N.A. has caused these presents to be signed in its name and on its behalf by an authorized officer, in each case all as of the date first above written.

BURBANK-GLENDALE-PASADENA AIRPORT
AUTHORITY

By: _____
Felicia Williams, President of the Authority

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

EXHIBIT A

CALCULATION OF MAJORITY BONDHOLDER CONSENT

EXHIBIT B

**LIST OF OUTSTANDING OBLIGATIONS UNDER THE ORIGINAL MASTER
INDENTURE**