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**MASTER TRUST INDENTURE**

by and between

**SUSQUEHANNA AREA REGIONAL AIRPORT AUTHORITY**

and

**MANUFACTURERS AND TRADERS TRUST COMPANY,**  
as Trustee

Dated as of April 15, 2003

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## MASTER TRUST INDENTURE

**THIS MASTER TRUST INDENTURE** (this "*Indenture*"), dated as of April 15, 2003, is by and between **SUSQUEHANNA AREA REGIONAL AIRPORT AUTHORITY** (the "*Authority*"), a body corporate and politic existing under the Municipality Authorities Act of the Commonwealth of Pennsylvania (the "*Commonwealth*"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, having a trust office in Harrisburg, Pennsylvania, a New York state chartered bank with trust powers, as trustee (the "*Trustee*").

### RECITALS

**WHEREAS**, the Authority is a municipality authority organized and existing under the Act, pursuant to ordinances enacted by the respective governing bodies of the Municipalities; and

**WHEREAS**, the Act specifies that the purposes of the Authority, *inter alia*, shall be for "acquiring, holding, constructing, improving, maintaining and operating, owning, leasing either in the capacity of lessor or lessee...airports, and all facilities necessary or incident thereto"; and

**WHEREAS**, the Act provides that the Authority shall have the power "to pledge, hypothecate or otherwise encumber all or any of the revenues and receipts of the Authority as security for all or any of the obligations of the Authority" and "to borrow money, make and issue negotiable notes, bonds, refunding bonds, and other evidences of indebtedness"; and

**WHEREAS**, the Authority has determined that it is necessary and advisable to issue bonds and other indebtedness from time to time for the purposes set forth in the Act and this Indenture and that such bonds and other indebtedness be payable from and secured by the Net Revenues; and

**WHEREAS**, the Authority wishes to provide in this Indenture for the issuance and payment of its bonds and other indebtedness and the pledge, charge and lien of the Net Revenues with respect thereto, and the Trustee is willing to accept the trusts provided in this Indenture;

**NOW, THEREFORE**, the Authority and the Trustee agree as follows, each for the benefit of the other and/or the benefit of holders of the bonds secured by this Indenture (the "Bonds"):

### GRANTING CLAUSE

To secure the payment of the interest, principal and premium, if any, on the Bonds and the performance and observance by the Authority of all the covenants, agreements and conditions expressed or implied herein or contained in the Bonds, the Authority hereby pledges and assigns to the Trustee and grants to the Trustee, to the extent provided herein, a lien on and security interest in all right, title and interest of the Authority in and to all of the following and provides that such lien and security interest shall be prior in right to any other pledge, lien or security interest created by the Authority in the following: (a) the Net Revenues, (b) all moneys and securities held from time to time by the Trustee under this Indenture (excluding moneys and

securities on deposit in any Rebate Fund) and, to the extent provided in any Supplemental Indenture, moneys and securities held in any Construction Fund whether or not held by the Trustee, (c) earnings on amounts included in provisions (a) and (b) of this Granting Clause (except to the extent excluded from the definition of "Revenues" by this Indenture), and (d) any and all other funds, assets, rights, property or interests therein, of every kind or description which may from time to time hereafter, by delivery or by writing of any kind, be sold, transferred, conveyed, assigned, pledged, mortgaged, granted or delivered to or deposited with the Trustee as additional security hereunder, for the equal and proportionate benefit and security of all Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall, with respect to the security provided by this Granting Clause, be of equal rank without preference, priority or distinction as to any Bond over any other Bond or Bonds, except as to the timing of payment of the Bonds. Moneys in the Debt Service Reserve Fund and any Debt Service Reserve Fund Surety Policy, as defined hereinafter, provided at any time in satisfaction of all or a portion of the Debt Service Reserve Requirement and any other security, Liquidity Facility or Credit Facility provided for specific Bonds, a specific Series of Bonds or one or more Series of Bonds may, as provided by a Supplemental Indenture, secure only such specific Bonds, Series of Bonds or one or more Series of Bonds and, therefore, shall not be included as security for all Bonds under this Indenture unless otherwise provided by a Supplemental Indenture, and moneys and securities held in trust as provided in Section 4.12 exclusively for Bonds which have become due and payable and moneys and securities which are held exclusively to pay Bonds which are deemed to have been paid under Article VII hereof shall be held solely for the payment of such specific Bonds.

## ARTICLE I

### DEFINITIONS; INTERPRETATION

**Section 1.01. Definitions.** The capitalized terms used in this Indenture and in any Supplemental Indenture shall, for all purposes of this Indenture, have the meanings specified in this Article I, unless a different definition is given such term in said Supplemental Indenture or unless the context clearly requires otherwise.

*"Account" or "Accounts"* means an account or accounts, as applicable, created pursuant to Article IV hereof or any Supplemental Indenture.

*"Accreted Value"* means, as of any date of calculation, the sum of the initial principal amount of any Capital Appreciation Bond plus the interest accumulated and unpaid thereon as of a date certain specified for such calculation, determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bond.

*"Act"* means the Municipality Authorities Act, Act No. 22 approved on June 19, 2001; 53 Pa.C.S.A. § 5601 et seq., as amended and supplemented.

*"Administrative Expenses"* means compensation and expenses of officers and members of the Authority; legal, printing, advertising, engineering, architectural and auditing fees and expenses; fees and expenses of the Trustee, Subordinate Obligation Trustee and any other authorized depository and other items of general administrative expense incurred by the

Authority, all of the foregoing being subject to proper allocation to various projects of the Authority, if applicable.

*“Aggregate Annual Debt Service”* means for any Fiscal Year the aggregate amount of Annual Debt Service on all Outstanding Bonds and Unissued Program Bonds. For purposes of calculating Aggregate Annual Debt Service, the following components of debt service shall be computed as follows:

(a) in determining the amount of principal to be funded in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds and Unissued Program Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds maturing or scheduled for redemption in such year; in determining the amount of interest to be funded in each year, interest payable at a fixed rate shall (except to the extent subsection (b), (c) or (d) of this definition applies) be assumed to be made at such fixed rate and on the required funding dates; provided, however, that interest payable on the Bonds shall be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(b) if all or any portion or portions of an Outstanding Series of Bonds or Unissued Program Bonds constitute Balloon Indebtedness (excluding Program Bonds or Unissued Program Bonds to which subsection (f) applies), then, for purposes of determining Aggregate Annual Debt Service, each maturity which constitutes Balloon Indebtedness shall, unless otherwise provided in the Supplemental Indenture pursuant to which such Balloon Indebtedness is issued or unless provision (c) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Indebtedness was issued, and extending not later than 30 years from the date such Balloon Indebtedness was originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds, Unissued Program Bonds or Program Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable and, with respect to any Series of Bonds, Unissued Program Bonds or Program Bonds or that portion of a Series of Bonds thereof which constitutes Balloon Indebtedness, all funding requirements of principal and interest becoming due prior to the year of the stated maturity of the Balloon Indebtedness shall be treated as described in (a) above or such other provision of this definition as shall be applicable;

(c) any maturity of Bonds which constitutes Balloon Indebtedness as described in provision (b) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Aggregate Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date and provision (b) above shall not apply thereto unless there is delivered to the entity making the calculation of Aggregate Annual Debt Service a certificate of an Authorized Authority Representative stating that the Authority intends 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 certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Aggregate Annual Debt Service, provided that such assumption shall not result in an interest rate lower than that which would be assumed under provision (b) above and shall be amortized over a term of not more than 30 years from the date of refinancing;

(d) if any Outstanding Bonds (including Program Bonds) or any Bonds which are then proposed to be issued constitute Tender Indebtedness (but excluding Program Bonds or Bonds as to which a Qualified Swap is in effect and to which subsection (g) or (h) applies), then, for purposes of determining Aggregate Annual Debt Service, Tender Indebtedness shall be treated as if the principal amount of such Bonds were to be amortized over a term of not more than 30 years commencing in the year in which such Series is first subject to tender and with substantially level Annual Debt Service payments and extending not later than 30 years from the date such Tender Indebtedness was originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; and with respect to all funding requirements of principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender, such payments shall be treated as described in (a) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in (e) or (f) below, as appropriate;

(e) if any Outstanding Bonds constitute Variable Rate Indebtedness, including obligations described in subsection (h)(ii) to the extent it applies (except to the extent subsection (b) or (c) relating to Balloon Indebtedness or (d) relating to Tender Indebtedness or subsection (h)(i) relating to Synthetic Fixed Rate Debt applies), the interest rate on such Bonds shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to

select a replacement index, that rate determined by a Consultant to be a reasonable market rate for variable rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(f) with respect to any Program Bonds or Unissued Program Bonds (i) debt service on Program Bonds then Outstanding shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (ii) with respect to Unissued Program Bonds, it shall be assumed that the full principal amount of such Unissued Program Bonds will be amortized over a term certified by an Authorized Authority Representative at the time the initial Program Bonds of such Program are issued to be the expected duration of such Program or, if such expectations have changed, over a term certified by an Authorized Authority Representative to be the expected duration of such Program at the time of such calculation, but not to exceed 30 years from the date the initial Program Bonds of such Program are issued and it shall be assumed that debt service shall be paid in substantially level Annual Debt Service payments over such assumed term; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(g) debt service on Repayment Obligations, to the extent such obligations constitute Bonds under Section 2.13, shall be calculated as provided in Section 2.13; and

(h) for purposes of computing the Aggregate Annual Debt Service:

(i) with respect to Synthetic Fixed Rate Debt, the interest payable thereon shall, if the Authority elects, be that rate as provided for by the terms of the Qualified Swap or the net interest rate payable pursuant to offsetting indices, as applicable; or, if the Authority fails to elect such rate, then it shall be deemed to be the fixed interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority; and

(ii) with respect to which a Qualified Swap has been entered into whereby the Authority has agreed to pay the floating variable rate thereunder, no fixed interest rate amounts payable on the Bonds to which such Swap pertains shall be included in the calculation of Aggregate Annual Debt Service, and the interest rate with respect to such Bonds shall, if the Authority elects, be the sum of that rate as determined in accordance with subsection (e) relating to Variable

Rate Indebtedness plus the difference between the interest rate on the Designated Debt and the rate received from the Swap Provider.

*“Airport Director”* means the person at a given time who is the Director of Aviation of the Authority or such other title as the Authority may from time to time assign for such position and the officer or officers succeeding to such position as certified to the Trustee by the Authority.

*“Airport Facilities”* or *“Airport Facility”* means a facility or group of facilities or category of facilities which constitute or are part of the Airport System.

*“Airport System”* means all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the Authority, including the Harrisburg International Airport and the Capital City Airport and any area of land or water, which is designated for the landing and taking off of aircraft, whether or not facilities are provided for the shelter, servicing or repairing of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities and all appurtenant rights-of-way, including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Authority or in which the Authority has other rights or from which the Authority derives revenues at such location; and including or excluding, as the case may be, such property as the Authority may either acquire or which shall be placed under its control, or divest or have removed from its control.

*“Annual Debt Service”* means, with respect to any Bond, the aggregate amount of Revenues required to be set aside in the Debt Service Fund during the Fiscal Year under consideration to satisfy the funding requirements for payments of principal and interest, and if a Qualified Swap is in effect for any Bond, plus the amount payable by the Authority (or the Trustee) under the Qualified Swap in accordance with the terms thereof, less any amount to be received by the Authority from the Qualified Swap Provider pursuant to the Qualified Swap, calculated using the principles and assumptions set forth in the definition of Aggregate Annual Debt Service; provided, however, that:

(a) 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 such principal and/or interest, then such principal and/or interest to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Annual Debt Service; and

(b) if Passenger Facility Charges or LOI Receipts have not been included in the definition of Revenues and have been irrevocably committed or are held by the Trustee or another fiduciary and are to be set aside exclusively to be used to pay such principal and/or interest, then such principal and/or interest to be paid from such Passenger Facility Charges or LOI Receipts or from earnings thereon shall be disregarded and not included in calculating Annual Debt Service.

*“Authority”* means Susquehanna Area Regional Airport Authority, a body corporate and politic organized and existing under the Act pursuant to ordinances enacted by the respective governing bodies of the Municipalities. Any action required or authorized to be taken by the Authority in this Indenture may be taken by the Authorized Authority Representative with such formal approvals by the Authority as are required by the policies and practices of the Authority and applicable laws; provided, however, that any action taken by the Authorized Authority Representative in accordance with the provisions of this Indenture shall conclusively be deemed by the Trustee and the Owners to be the act of the Authority without further evidence of the authorization thereof by the Authority.

*“Authorized Amount”* means, when used with respect to Bonds, including Bonds issued pursuant to a Program, the maximum Principal Amount of Bonds which is then authorized by a Supplemental Indenture pursuant to Section 2.09 hereof to be Outstanding at any one time under the terms of such Program or Supplemental Indenture.

*“Authorized Authority Representative”* means the Chairman or Vice Chairman of the Authority, or such other officer or employee of the Authority or other person, which other officer, employee or person has been designated by the Board of the Authority as an Authorized Authority Representative by written notice delivered to the Trustee.

*“Average Annual Debt Service”* means, with respect to any Series of Bonds, the sum of the Annual Debt Service for years contained in the period under consideration divided by the number of years contained in such period.

*“Balloon Indebtedness”* means, with respect to any Series of Bonds 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness the amount of Bonds of a Series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such Series which matures during any Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds, scheduled to be amortized by prepayment or redemption prior to their stated maturity date. A Commercial Paper Program and the Commercial Paper constituting part of such Program shall not be Balloon Indebtedness.

*“Bond”* or *“Bonds”* means any debt obligation of the Authority issued as a taxable or tax-exempt obligation under and in accordance with the provisions of Article II of this Indenture, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Authority, Repayment Obligations to the extent provided in Section 2.13 of this Indenture, Program Bonds and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein. The term *“Bond”* or *“Bonds”* does not include any Subordinated Obligation.

*“Bond Counsel”* means a firm or firms of attorneys which are nationally recognized as experts in the area of municipal finance and which are familiar with the transactions contemplated under this Indenture and which are acceptable to the Authority.

“*Bondholder*,” “*holder*,” “*Owner*,” “*owner*” or “*registered owner*” means the person in whose name any Bond or Bonds are registered on the books maintained by the Registrar and shall include any Credit Provider or Liquidity Provider to which a Repayment Obligation is then owed, to the extent that such Repayment Obligation is deemed to be a Bond under the provisions of Section 2.13 of this Indenture.

“*Business Day*” means any day other than a Saturday, Sunday or holiday or a day on which banks in the city or cities in which are located the principal corporate trust office of the Trustee, the principal office of the Paying Agent, the Registrar, the Liquidity Provider or any remarketing agent are required or authorized to close for general banking business or on which the New York Stock Exchange is closed; provided, however, that such term may have a different meaning for any specified Series of Bonds if so provided by a Supplemental Indenture.

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

“*Capital Improvement Account*” means the Capital Improvement Account created within the General Fund under Section 4.09 hereof.

“*Capitalized Interest*” means the amount of interest on Bonds, if any, funded from the proceeds of the Bonds or other monies deposited with the Trustee in the Debt Service Fund as shall be described in a Supplemental Indenture upon issuance of Bonds.

“*Chairman*” means the chairman of the Authority or such other title as the Authority may from time to time assign for such position.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations applicable with respect thereto.

“*Commercial Paper*” means notes of the Authority with a maturity of not more than 270 days from the date of issuance and which are issued and reissued from time to time pursuant to a Program adopted by the Authority.

“*Commercial Paper Program*” means a Program authorized by the Authority pursuant to which Commercial Paper shall be issued and reissued from time to time, up to the Authorized Amount of such Program.

“*Commonwealth*” means the Commonwealth of Pennsylvania.

“*Construction Fund*” means any of the funds authorized to be created as provided by Section 4.04 hereof.

*“Consultant”* means any Independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm, or other expert recognized to be well-qualified for work of the character required and retained by the Authority to perform acts and carry out the duties provided for such consultant in this Indenture.

*“Costs”* or *“Costs of a Project”* means all costs of planning, developing, designing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service and shall include, but not be limited to the following: (a) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land to which structures may be removed; (b) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (c) costs of insurance requirements and performance and payment sureties; (d) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether an employee of the Authority or Independent Consultant; (e) costs of the Authority properly allocated to a Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (f) financing expenses, including costs related to issuance of and securing of Bonds, costs of Credit Facilities, Investment Agreements and Liquidity Facilities, Capitalized Interest, Trustee’s fees and expenses, and funding the Reserve Requirement, if any; (g) any Swap Termination Payments due in connection with a Series of Bonds or the failure to issue such Series of Bonds; and (h) such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the Authority.

*“Coverage Account”* means the “Coverage Account” created by the Authority within the General Fund pursuant to Section 4.09 hereof.

*“Credit Facility”* means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby bond purchase agreement, Debt Service Reserve Fund Surety Policy or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Authority fails to do so.

*“Credit Provider”* means the party obligated to make payment under the terms of a Credit Facility.

*“Debt Service Fund”* means the fund created under Section 4.05 hereof.

*“Debt Service Reserve Fund”* means the fund created under Section 4.06.

*“Debt Service Reserve Fund Surety Policy”* means an insurance policy or surety bond, or a letter of credit, deposited with the Trustee for the credit of the Debt Service Reserve Fund

created for one or more series of Outstanding Bonds in lieu of or in partial substitution for cash or securities on deposit therein. The entity providing such Debt Service Reserve Fund Surety Policy shall be rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

*“Debt Service Reserve Requirement”* means, as of the date in question, such amount as shall be specified in any Supplemental Indenture as required to be maintained on deposit in an identified Account within the Debt Service Reserve Fund with respect to all Outstanding Bonds participating in such identified Account. For purposes of determining the Debt Service Reserve Requirement, if any, with respect to a Series of Bonds that constitute Variable Rate Indebtedness, the Annual Debt Service shall, upon the issuance of such Series, be calculated on the basis of the assumptions set forth in subsection (e) of the definition of Aggregate Annual Debt Service, and the amount so determined shall not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series. For purposes of the Debt Service Reserve Requirement, the Annual Debt Service requirements assumed at the time of issuance of any Series of Bonds containing Balloon Indebtedness or Tender Indebtedness shall not, with respect to such Series, require subsequent increases.

*“Defeasance Obligations”* means and includes any of the following investments, to the extent permitted by applicable law with respect to the moneys proposed to be invested therein:

- (i) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (ii) below);
- (ii) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America; or
- (iii) Senior debt obligations of other United States government-sponsored agencies approved by the Bond Insurer.

*“Designated Debt”* means a specific indebtedness designated by the Authority which shall be offset with a Swap; such specific indebtedness may include all or any part of a Series of Bonds.

*“Estimated Completion Date”* means the estimated date upon which a specified Project will have been substantially completed in accordance with the plans and specifications applicable thereto or the estimated date upon which a specified Project is expected to have been acquired and payment therefor made, in each case, as that date shall be set forth in a certificate of an Authorized Authority Representative delivered to the Trustee at or prior to the time of issuance of the Bonds which are issued to finance such specified Project.

*“Event of Default”* means any occurrence or event specified in Section 8.01 hereof.

*“Fiscal Year”* means the period of time beginning on January 1 of each given year and ending on December 31 of such given year, or such other similar period as the Authority designates as its fiscal year.

“*Fitch*” means Fitch, Inc., a corporation organized and existing under the laws of the State of New York, its successors and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any nationally recognized rating agency designated by the Authority.

“*General Fund*” means the “General Fund” required to be created by the Authority pursuant to Section 4.09 hereof.

“*Government Obligations*” means (a) United States Obligations (including obligations issued or held in book-entry form), (b) prerefunded municipal obligations meeting the following conditions: (i) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (ii) the municipal obligations are secured by cash and/or United States Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (iii) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (iv) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (v) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (vi) the municipal obligations are rated in their highest rating category by one or more of the Rating Agencies, but only if such Rating Agencies have been requested by the Authority to maintain a rating on the Bonds and such Rating Agencies are then maintaining a rating on any of the Bonds; and (c) any other type of security or obligation which the Rating Agencies then maintaining ratings on the Bonds to be defeased have determined to be permitted defeasance securities.

“*Indenture*” means this Master Trust Indenture dated as of April 15, 2003 by and between the Authority and the Trustee, together with all Supplemental Indentures.

“*Independent*” means, when used with respect to any specified firm or individual, such a firm or individual who (a) does not have any direct financial interest or any material indirect financial interest in the operations of the Authority, other than the payment to be received under a contract for services to be performed, and (b) is not connected with the Authority as an official, officer or employee.

“*Initial Bonds*” means those Bonds authorized to be issued pursuant to Section 2.12 of this Indenture.

“*Investment Agreement*” means (a) an investment agreement or guaranteed investment contract with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) an investment agreement or guaranteed investment contract which is fully secured by obligations described in items (b)(i) or (ii) of the definition of Permitted Investments that are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of

the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

*“Liquidity Facility”* means a letter of credit, line of credit, standby purchase agreement or other financial instrument, including a Credit Facility, which is available to provide funds with which to purchase Bonds.

*“Liquidity Provider”* means the entity, including the Credit Provider, which is obligated to provide funds under the terms of a Liquidity Facility.

*“LOI Capital Account”* means the “LOI Capital Account” created by the Authority within the LOI Fund pursuant to Section 4.11 hereof.

*“LOI Fund”* means the “LOI Fund” required to be created as provided by Section 4.11 hereof.

*“LOI Receipts”* means moneys payable to the Authority or its assigns derived from the grant program created by the Airport and Airways Improvement Act of 1982, as amended and supplemented, pursuant to a multi-year letter of intent issued by the Federal Aviation Administration.

*“Mail”* means by first-class United States mail, postage prepaid.

*“Maintenance and Operation Expenses of the Airport System”* means, for any given period, the total operation and maintenance expenses, including Administrative Expenses, of the Airport System as determined in accordance with generally accepted accounting principles as in effect from time to time, excluding depreciation expense, interest on Bonds and Subordinated Obligations, amortization of issuance expenses with respect to Bonds and Subordinated Obligations, and any operation and maintenance expenses of the Airport System payable from moneys other than Revenues.

*“Maintenance and Operation Reserve Fund”* means the “Maintenance and Operation Reserve Fund” created by the Authority pursuant to Section 4.07 hereof.

*“Master Subordinate Trust Indenture”* means the Master Subordinate Trust Indenture, dated as of April 15, 2003, entered into by the Authority with Manufacturers and Traders Trust Company, as the same may be amended from time to time, and upon cancellation, discharge and release thereof, any subsequent master subordinate trust indenture entered into by the Authority with the Subordinate Obligation Trustee.

*“Maximum Aggregate Annual Debt Service”* means, with respect to any Series of Bonds, as of the date in question, the highest Aggregate Annual Debt Service required to be paid in the then current or any succeeding Fiscal Year.

*“Maximum Annual Debt Service”* means, as of the date in question, the highest sum of amounts required to be set aside for payment of interest on and principal of the Series of Bonds

under consideration and for deposit to the credit of any sinking, purchase, redemption or analogous fund established for such Series of Bonds in the then current or any succeeding Fiscal Year for the Bonds then Outstanding or to be Outstanding, calculated over the remaining life of the Series of Bonds; provided, however, that Maximum Annual Debt Service with respect to any Fiscal Year for a Series of Bonds for which there shall have been established a sinking, purchase, redemption or analogous fund shall be determined after projecting operation of such fund to retirement of the Bonds of such Series to the extent the same shall be required to be retired and giving effect to reduction in interest payments to be made with respect to such Bonds by reason of such retirement.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized rating agency designated by the Authority.

“*Municipalities*” means the Counties of Dauphin, Cumberland and York, the City of Harrisburg (Dauphin County), the City of York (York County), and the Townships of Fairview and Lower Swatara (both of Dauphin County).

“*Net Revenues*” means, for any given period, Revenues less amounts which are required to pay the Maintenance and Operation Expenses of the Airport System.

“*Net Proceeds*” means insurance proceeds received as a result of damage to or destruction of Airport Facilities or any condemnation award or amounts received by the Authority from the sale of Airport Facilities under the threat of condemnation less expenses (including attorneys’ fees and expenses and any fees and expenses of the Trustee) incurred in the collection of such proceeds or award.

“*Non-Qualified Swap*” means any Swap which is not a Qualified Swap.

“*Notes*” means Bonds issued under the provisions of Article II of this Indenture which have a maturity of 397 days or less from their date of original issuance and which are not part of a Commercial Paper Program.

“*Operating Budget*” means the annual budget for the Maintenance and Operation Expenses of the Airport System prepared by the Authority and distributed in accordance with Section 5.20 and with any Supplemental Indenture.

“*Outstanding*” when used with respect to Bonds means all Bonds which have been authenticated and delivered under this Indenture, except:

(a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Bonds deemed to be paid in accordance with Article VII;

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.05, 2.06 or 2.08;

(d) Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent;

(e) Bonds which, under the terms of the Supplemental Indenture pursuant to which they were issued, are deemed to be no longer Outstanding;

(f) Repayment Obligations deemed to be Bonds under Section 2.13 hereof to the extent such Repayment Obligation arose under the terms of a Liquidity Facility and are secured by a pledge of Outstanding Bonds acquired by the Liquidity Provider; and

(g) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds under this Indenture, Bonds held by or for the account of the Authority or by any person controlling, controlled by or under common control with the Authority, unless such Bonds are pledged to secure a debt to an unrelated party.

*“Passenger Facility Charges”* means charges payable to the Authority or its assigns and imposed pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 and 14 CFR Part 158, as amended from time to time, in respect of any component of the Airport System 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”* or *“Paying Agents”* means, with respect to the Bonds or any Series of Bonds, the banks, trust companies or other financial institutions or other entities designated in a Supplemental Indenture or a resolution of the Authority as the place where such Bonds shall be payable.

*“Payment Date”* means, with respect to any Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

*“Permitted Investments”* means and includes any of the following and such other investments, from time to time, set forth in a Supplemental Indenture entered into in connection with the issuance of a Series of Bonds, to the extent permitted by applicable laws of the Commonwealth:

(i) Defeasance Obligations;

(ii) Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America, including:

(A) Export-Import Bank

(B) Rural Economic Community Development Administration

- (C) U.S. Maritime Administration
- (D) Small Business Administration
- (E) U.S. Department of Housing & Urban Development  
(PHA's)
- (F) Federal Housing Administration
- (G) Federal Financing Bank;

(iii) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- (A) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- (B) Obligations of the Resolution Funding Corporation (REFCORP)
- (C) Senior debt obligations of the Federal Home Loan Bank System
- (D) Senior debt obligations of other United States government-sponsored agencies approved by the Bond Insurer;

(iv) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing no more than 360 calendar days after the date of purchase (ratings on holding companies shall not be considered as the rating of the bank.);

(v) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(vi) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(vii) Any obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of S&P and Moody’s or any successors thereto; or

(B) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (ii) of the definition of “Defeasance Obligations” above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(viii) Municipal obligations rated “Aaa/AAA” or general obligations of States with a rating of at least “A2/A” or higher by both Moody’s and S&P;

(ix) Investment agreements approved in writing by the Bond Insurer; and

(x) Other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer.

“*PFC Capital Account*” means the “PFC Capital Account” created by the Authority within the PFC Fund pursuant to Section 4.10 hereof.

“*PFC Fund*” means the “PFC Fund” required to be created as provided by Section 4.10 hereof.

“*Principal Amount*” or “*principal amount*” means, as of any date of calculation, (a) with respect to any Capital Appreciation Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest) and (b) with respect to any other Bonds, the principal amount of such Bond payable at maturity.

“*Program*” means a financing program identified in a Supplemental Indenture, including but not limited to a Commercial Paper Program, (a) which is authorized and the terms thereof approved by a resolution adopted by the Authority and the items described in Section 2.09(a) through (h) have been filed with the Trustee, (b) wherein the Authority has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in an Authorized Amount, and (c) the Authorized Amount of which has met the additional bonds test set forth in Section 2.11 of this Indenture and the Outstanding amount of which may vary from time to time, but not exceed the Authorized Amount.

“*Program Bonds*” means Bonds issued and Outstanding pursuant to a Program, other than Unissued Program Bonds.

“*Project*” means any and all facilities, improvements and other expenditures related to the Airport System financed in whole or in part with proceeds of a Series of Bonds.

“*Qualified Self-Insurance*” is defined in Section 5.10 hereof.

“*Qualified Swap*” means any Swap (a) whose Designated Debt is all or part of a particular Series of Bonds; (b) whose Swap Provider is a Qualified Swap Provider or has been a Qualified Swap Provider within the 60 day period preceding the date on which any calculation based upon Annual Debt Service or Aggregate Annual Debt Service is being made; (c) which has a term not greater than the term of the Designated Debt or to a specified mandatory tender or redemption of such Designated Debt; and (d) which has been designated in writing to the Trustee by the Authority as a Qualified Swap with respect to such Bonds.

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

“*Rating Agency*” and “*Rating Agencies*” means Fitch, Moody’s or S&P, or any other nationally recognized rating agency of municipal obligations, but only if such Rating Agencies have been requested by the Authority to maintain a rating on the Bonds and such Rating Agencies are then maintaining a rating on any of the Bonds.

“*Rating Category*” and “*Rating Categories*” means (a) with respect to any long-term rating category, 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, 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.

“*Rebate Fund*” means any fund created by the Authority pursuant to a Supplemental Indenture in connection with the issuance of the Bonds or any Series of Bonds for the purpose of complying with the Code and providing for the collection and holding for and payment of amounts to the United States of America.

“*Record Date*” means, with respect to any Series of Bonds, the record date as specified in the Supplemental Indenture which provides for the issuance of such Series.

“*Refunding Bonds*” means any Bonds issued pursuant to Section 2.10 hereof to refund or defease all or a portion of any series of Outstanding Bonds or any Subordinated Obligation.

“*Registrar*” means, with respect to the Bonds or any Series of Bonds, the bank, trust company or other entity designated in a Supplemental Indenture or a resolution of the Authority to perform the function of Registrar under this Indenture, and which bank, trust company or other entity has accepted the position in accordance with Section 9.12.

“*Regularly Scheduled Swap Payments*” means the regularly scheduled payments under the terms of a Swap which are due absent any termination, default or dispute in connection with such Swap.

“*Renewal and Replacement Fund*” means the “Renewal and Replacement Fund” required to be created as provided by Section 4.08 hereof.

“*Repayment Obligation*” means an obligation arising under a written agreement of the Authority and a Credit Provider pursuant to which the Authority agrees to reimburse the Credit Provider for amounts paid through a Credit Facility to be used to pay debt service on any Bonds or an obligation arising under a written agreement of the Authority and a Liquidity Provider pursuant to which the Authority agrees to reimburse the Liquidity Provider for amounts paid through a Liquidity Facility to be used to purchase Bonds.

“*Responsible Officer*” means any corporate trust officer of the Trustee assigned by the Trustee to administer this Indenture.

“*Revenue Credit Account*” means the “Revenue Credit Account” required to be created by the Authority within the General Fund pursuant to Section 4.09 hereof.

“*Revenue Fund*” means the “Revenue Fund” required to be established by the Authority pursuant to the provisions of Section 4.02 hereof.

“*Revenues*” means, except to the extent specifically excluded herefrom, all income, receipts, earnings and revenues received by the Authority from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to, (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the Authority for the use or availability of the Airport System, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto. Additionally, “Revenues” shall include amounts released from the Revenue Credit Account to the Revenue Fund and all income, receipts and earnings (except any earnings to be applied by the terms of a Supplemental Indenture to fund Capitalized Interest and the Construction Fund) from the investment of amounts held in the Revenue Fund, any Construction Fund, the Debt Service Fund (except Capitalized Interest on deposit therein), the Debt Service Reserve Fund, the Maintenance and Operation Reserve Fund, the Renewal and Replacement Fund, and any such additional moneys payable to the Authority as are designated as “Revenues”

under the terms of any Supplemental Indenture. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code, (ii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds (except to the extent Net Proceeds are utilized to pay Maintenance and Operation Expenses of the Airport System) and (iii) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in Section 5.07 hereof). In addition, the following, including any investment earnings thereon, are specifically excluded from "Revenues," unless designated as "Revenues" under the terms of a Supplemental Indenture or pursuant to a certificate of an Authorized Authority Representative delivered to the Trustee: (A) grants-in-aid and gifts, (B) any Swap Termination Payments paid to the Authority pursuant to a Qualified Swap, (C) Passenger Facility Charges, (D) LOI Receipts, (E) investment income derived from any moneys or securities which may be placed in escrow or trust and committed to defease Bonds or Subordinated Obligations and (F) Capitalized Interest. Further, interest earnings or other investment earnings on any Construction Fund established by any Supplemental Indenture are specifically excluded from "Revenues," unless otherwise provided for in such Supplemental Indenture.

"*Series*" means Bonds designated as a separate Series by a Supplemental Indenture and, with respect to Program Bonds or a Commercial Paper Program, means the full Authorized Amount of such program, regardless of when or whether issued, unless portions thereof are, by Supplemental Indenture, designated as separate Series.

"*Significant Portion*" means, for purposes of Section 5.12 and Section 5.13 of this Indenture, any Airport Facilities or portions thereof which, if such facilities had been sold or disposed of by the Authority would have resulted in a reduction of more than 5% of Net Revenues generated for the immediately preceding twelve-month period. The Authority shall notify each of the Rating Agencies prior to the selling or disposing of a Significant Portion of any Airport Facilities.

"*S&P*" means Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies, Inc., its successors and their assigns, and if such entity shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

"*Special Facilities*" or "*Special Facility*" means a facility or group of facilities or category of facilities which are designated as a Special Facility pursuant to the provisions of Section 5.07 of this Indenture.

"*Special Facilities Revenue*" means the contractual payments and all other revenues derived by or available to the Authority from a Special Facility which are pledged to secure Special Facility Obligations.

"*Special Facility Obligations*" means bonds or other debt instruments issued pursuant to an indenture other than this Indenture to finance Special Facilities and which are not secured by

or payable from a lien on and pledge of the Net Revenues, but which are secured by Special Facilities Revenues.

“*Specified Project*” means a Project or a group of alternative Projects which are described in a certificate of a Consultant described in Section 5.15 hereof, the revenues and expenses of which Project or group of alternative Projects are to be taken into account by such Consultant in preparing such certificate.

“*Subordinate Obligation Trustee*” means the entity named and serving as the trustee under the Master Subordinate Trust Indenture, until a successor replaces it and, thereafter, means such successor.

“*Subordinated Obligation*” means any bond, note or other debt instrument issued or otherwise entered into by the Authority which ranks junior and subordinate to the Bonds and which may be paid from moneys constituting Net Revenues only if all amounts of principal and interest which have become due and payable on the Bonds whether by maturity, redemption or acceleration have been paid in full and the Authority is current on all payments, if any, required to be made to replenish the Debt Service Reserve Fund. “Subordinated Obligations” shall be issued and secured by the Master Subordinate Trust Indenture; provided, however, that in the event the that a Master Subordinate Trust Indenture is not in place and effective, the Authority may elect by Supplemental Indenture to have the provisions of this Indenture applicable to the Bonds apply to the Subordinated Obligations issued thereunder, except that such Subordinated Obligations shall be secured on a junior and subordinate basis to the Bonds from the Net Revenues. No bond, note or other instrument of indebtedness shall be deemed to be a “Subordinated Obligation” for purposes of this Indenture and payable on a subordinated basis from Net Revenues unless specifically designated by the Authority as a “Subordinated Obligation” in a Supplemental Indenture or other written instrument. In connection with any Subordinated Obligation with respect to which a Swap is in effect or proposes to be in effect, the term “Subordinated Obligation” includes, collectively, both such Subordinated Obligation and either such Swap or the obligations of the Authority under each such Swap, as the context requires. The term “Subordinated Obligations” also includes a Swap or the obligations of the Authority under such Swap which has been entered into in connection with a Subordinated Obligation, as the context requires, although none of the Subordinated Obligations with respect to which such Swap was entered into remain outstanding. In connection with any Bonds with respect to which a Qualified Swap is in effect or proposed to be in effect, the term “Subordinated Obligation” includes any Swap Termination Payment if designated as a Subordinated Obligation in a Supplemental Indenture.

“*Supplemental Indenture*” means any document supplementing or amending this Indenture or providing for the issuance of Bonds and entered into as provided in Article X of this Indenture.

“*Swap*” means any financial arrangement between the Authority and a Swap Provider which provides that (a) each of the parties shall pay to the other an amount or amounts calculated as if such amount were interest accruing during the term of the arrangement at a specified rate (whether fixed or a variable rate or measured against some other rate) on a Designated Debt, and payable from time to time or at a designated time or times (whether before, during or after the

term of the arrangement); (b) if such amount is to be paid before it is deemed to have accrued, the amount paid shall reflect the present value of such future amount (i.e., an upfront premium), while an amount to be paid after it is deemed to have accrued shall reflect the time value of such funds; (c) payment dates and calculated accrual rates need not be the same for each payor, but to the extent payment dates coincide, the arrangement may (but need not) provide that one shall pay to the other any net amount due under such arrangement.

“*Swap Provider*” means a party to a Swap with the Authority.

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

“*Synthetic Fixed Rate Debt*” means indebtedness issued by the Authority which: (a) is combined, as Designated Debt, with a Qualified Swap and creates, in the opinion of a Consultant, a substantially fixed interest rate or rates for a term not exceeding the maturity or maturities of such Designated Debt, or (b) consisting of an arrangement in which two inversely related variable-rate securities are issued in equal principal amounts with interest based on off-setting indices resulting in a combined payment which is economically equivalent to a fixed rate.

“*Tax Compliance Certificate*” means the certificate prepared by Bond Counsel and delivered by the Authority at the time of issuance and delivery of any Series of Bonds, the interest on which is excluded from gross income for federal income tax purposes pursuant to a favorable opinion of such Bond Counsel, making certifications and representations of the Authority as to the status of such Bonds under the Code.

“*Tender Indebtedness*” means any Bonds or portions of Bonds a feature of which is an obligation or option on the part of the Bondholders, under the terms of such Bonds, to tender all or a portion of such Bonds to the Authority, the Trustee, the Paying Agent or other fiduciary or agent or Credit Provider for payment or purchase and requiring that such Bonds or portions of Bonds be purchased if properly presented.

“*Term Bonds*” means Bonds of a Series which are payable on or before their specified maturity dates from sinking installment payments established pursuant to the Supplemental Indenture for such series for that purpose and calculated to retire the Bonds on or before their specified maturity dates.

“*Trustee*” means the entity named as such in the heading of this Indenture until a successor replaces it and, thereafter, means such successor.

“*Unissued Program Bonds*” means the bonds, notes or other indebtedness authorized to be issued pursuant to a Program and payable from Net Revenues, issuable in an amount up to the Authorized Amount relating to such Program, which have been approved for issuance by the Authority pursuant to a resolution adopted by the Authority and with respect to which Program the items described in Section 2.09(a) through (h) have been filed with the Trustee but which have not yet been authenticated and delivered pursuant to the Program documents.

*“United States Bankruptcy Code”* means Title 11 U.S.C. Section 101 et seq., as amended or supplemented from time to time, or any successor federal act.

*“United States Obligations”* means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein: (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (c) the underlying United States Obligations are held in a special account separate from the custodian’s general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated. *“United States Obligations”* shall include any stripped interest or principal portion of United States Treasury securities and any stripped interest portion of Resolution Funding Corporation securities.

*“Variable Rate Indebtedness”* means any Bond or Bonds the interest rate on which is not, at the time in question, fixed to maturity, excluding any Commercial Paper Program.

**Section 1.02. Rules of Interpretation.** For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) The definitions in this Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms which are not defined in this Indenture have the meanings assigned to them in accordance with then applicable generally accepted accounting principles.

(d) Any pronouns used in this Indenture include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Indenture have the meanings attributed to them where defined.

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

(g) The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(h) The Section numbers are those of this Indenture unless stated otherwise.

## ARTICLE II

### FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

**Section 2.01. Issuance of Bonds; Form; Dating.** Either taxable or tax-exempt Bonds may be issued by the Authority under the terms of this Indenture for any purpose for which the Authority, at the time of such issuance, may incur debt which may include issuing Bonds and loaning the proceeds to other entities (if it is determined to be legally permissible for the Authority to do so at such time), provided that if the proceeds of the Bonds are loaned to other entities, the loan repayments and interest thereon shall be included as Revenues. Bonds may be issued under this Indenture only if the provisions of Section 2.09 are satisfied. The total principal amount of Bonds of each Series Outstanding may not exceed the amount specified in the Supplemental Indenture providing for the issuance of such Bonds, except as provided in Section 2.05 with respect to replacement of mutilated, lost or stolen or destroyed Bonds. The Bonds may be in certificated or book-entry only form, and Bonds which are issued in certificated form may be freely transferable or may be immobilized and held by a custodian for the beneficial owners, all as shall be set forth or permitted in the Supplemental Indenture providing for the issuance of such Bonds. The Bonds may have notations, legends or endorsements required by law or usage.

Bonds will be numbered and dated as provided in the applicable Supplemental Indenture.

**Section 2.02. Terms, Medium and Place of Payment.** The Bonds shall be issued in the principal amount, shall bear interest at a rate or rates, including a rate of 0% and including variable or adjustable rates or rates set by auction, or by such other methods as the Authority may from time to time determine, and such interest may be payable periodically, in whole or in part, or may be accumulated and paid at maturity or at such other time or times as the Authority shall determine. Bonds shall mature and shall be subject to redemption prior to their respective maturities, all as shall be set forth in a Supplemental Indenture. The Bonds of each Series shall state that they are issued under and are secured by this Indenture and the pledge of Net Revenues and state that regardless of the form thereof, they are "Bonds" issued hereunder and within the meaning of this Indenture.

Payments with respect to the Bonds shall be made as provided in the Supplemental Indenture providing for the issuance of such Bonds or as provided in the Bonds, which provisions shall include the designation of the currency in which such payments shall be made.

**Section 2.03. Execution and Authentication.** The Bonds, if in certificated form, will be signed for the Authority as provided in the Supplemental Indenture or in the resolution authorizing such Bonds. In case any officer whose signature or whose facsimile signature shall appear on any Bonds shall cease to be such officer before the authentication of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Bond is the proper officer on the actual date of execution, the Bond will be valid even

if that person is not the proper officer on the nominal date of action and even though, at the date of this Indenture, such person was not such officer.

A Bond in certificated form will not be valid until the Trustee or its agent or an authenticating agent designated by the Authority manually signs the certificate of authentication on the Bond. Such signature will be conclusive evidence that the Bond has been authenticated under this Indenture.

The Authority may appoint an authenticating agent or the Trustee may appoint an authenticating agent acceptable to the Authority to authenticate Bonds or different authenticating agents may be appointed for different Series of Bonds. An authenticating agent may authenticate Bonds whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent.

Bonds issued under this Indenture may be issued as book-entry only, in which case the procedures for issuance and delivery and evidence of validity, ownership, transfer and exchange shall be as provided in a Supplemental Indenture, and neither the provisions of this Section 2.03 nor any other provision of this Indenture shall be deemed to prohibit or restrict the issuance of book-entry only Bonds.

**Section 2.04. Bond Register.** Bonds of each Series may be presented at the principal corporate trust office of the Trustee or such other Registrar, unless a different office has been designated for such purpose, for registration, transfer and exchange. The Trustee or a Registrar will keep a register of each Series of Bonds and of their transfer and exchange.

**Section 2.05. Mutilated, Lost, Stolen or Destroyed Bonds.**

(a) In the event any Bond is mutilated or defaced but identifiable by number and description, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, date, maturity and denomination as such Bond, upon surrender thereof to the Trustee; provided that there shall first be furnished to the Trustee clear and unequivocal proof satisfactory to the Trustee that the Bond is mutilated or defaced. The Bondholder shall accompany the above with a deposit of money required by the Trustee for the cost of preparing the substitute Bond and all other expenses connected with the issuance of such substitute. The Trustee shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Bond is lost, stolen or destroyed, the Authority may execute and the Trustee may authenticate and deliver a new Bond of like Series, date, maturity and denomination as that Bond lost, stolen or destroyed, provided that there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it.

(c) Except as limited by any Supplemental Indenture, the Trustee may charge the holder of any such Bond all governmental charges and transfer taxes, if any, and its reasonable fees and expenses in this connection. All substitute Bonds issued and authenticated pursuant to this Section 2.05 shall be issued as a substitute and numbered, if

numbering is provided for by the Supplemental Indenture or the Trustee, as determined by the Trustee. In the event any such Bond has matured or been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same at its maturity or redemption without surrender thereof upon receipt of indemnity satisfactory to the Trustee.

**Section 2.06. Registration and Transfer or Exchange of Bonds; Persons Treated as Owners.** Unless otherwise provided by a Supplemental Indenture, all Bonds shall be issued in fully registered form.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee or Registrar, the Trustee or Registrar shall deliver in the name of the transferee or transferees a new fully authenticated and registered Bond or Bonds of authorized denominations of the same Series and same maturity for the same aggregate principal amount.

Bondholders may present Bonds at the principal corporate trust office of the Registrar for exchange for Bonds of different authorized denominations and, upon such presentation, the Trustee or Registrar shall deliver to the Bondholder a new fully authenticated and registered Bond or Bonds of the same Series and same maturity for the same aggregate principal amount.

All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee or Registrar, duly executed by the Bondholder or by his duly authorized attorney.

Except as limited by any Supplemental Indenture, the Trustee or Registrar also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered.

Supplemental Indentures may designate certain limited periods during which Bonds will not be exchanged or transferred.

Bonds delivered upon any exchange or transfer as provided herein, or as provided in Section 2.05, shall be valid limited obligations of the Authority, evidencing the same debt as the Bond or Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond or Bonds surrendered.

The Authority, the Trustee, the Registrar and the Paying Agent shall treat the Bondholder of a Bond, as shown on the registration books kept by the Registrar, as the person exclusively entitled to payment of principal, premium, if any, and interest on such Bond and as the party entitled to the exercise of all other rights and powers of the Bondholder, except that all interest payments will be made to the party who, as of the Record Date, is the Bondholder.

**Section 2.07. Destruction of Bonds.** Whenever any Bonds shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 2.05 or exchange or transfer pursuant to Section 2.06, such Bond shall be cancelled and destroyed by the Trustee or the

Registrar and upon request of the Authority counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Authority.

**Section 2.08. Temporary Bonds.** Pending preparation of definitive Bonds of any Series, the Authority may execute and the Trustee shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary bonds or certificates which shall be exchanged for the Bonds.

If temporary Bonds shall be issued, the Authority shall cause the definitive Bonds to be prepared and to be executed, authenticated and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary bond, shall cancel the same and deliver in exchange therefor at the place designated by the Bondholder, without charge to the Bondholder thereof, definitive Bonds of an equal aggregate principal amount of authorized denominations, of the same Series, date, maturity and bearing interest the same as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

**Section 2.09. Issuance of Series of Bonds; Supplemental Indenture; Application of Bond Proceeds.** Bonds may be issued, from time to time, subject to the conditions of this Section 2.09.

Bonds shall be dated, shall mature, shall bear interest, shall be subject to redemption and shall be amortized and, within a Program, shall be issued from time to time, all as provided in the Supplemental Indenture relating to such Series of Bonds. In addition, each such Supplemental Indenture may provide for the appointment of a Registrar or Registrars and a Paying Agent or Paying Agents and such other agents as the Authority shall determine to be necessary that may be other than the Trustee.

Each Series of the Bonds, upon execution by the Authority, shall be deposited with the Trustee or an agent for authentication and delivery, but prior to or simultaneously with the original delivery of such Series of Bonds or delivery of the first Bonds of a Program, there shall be filed with the Trustee the following:

(a) an original executed counterpart or a copy, certified by the Secretary to the Authority, of this Indenture;

(b) an original executed counterpart or a copy, certified by the Secretary of the Authority, of the Supplemental Indenture or Supplemental Indentures providing for the issuance of such Series of Bonds or creating a Program and setting forth the terms of such Series of Bonds or Program;

(c) except with respect to the issuance of any Refunding Bonds, a certificate of an Authorized Authority Representative listing those Projects or undertakings which the Authority expects to finance with proceeds of the sale of such Series of Bonds or Program or from which the Authority expects to select those Projects which will be financed with proceeds of the sale of such Series of Bonds or Program and such certificate shall, with respect to each item on the list include an estimated cost of such facility or undertaking;

(d) the certificate of an Authorized Authority Representative or the Consultant or Consultants, as the case may be, required by Section 2.11;

(e) except with respect to issuance of the Initial Bonds, a certificate of an Authorized Authority Representative stating that none of the Events of Default set forth in Sections 8.01(a), (b), (c), (e) and (f) of this Indenture have occurred and remain uncured and that the Authority is in full compliance with the terms of Sections 5.03, 5.04, 5.05 and 5.12 herein;

(f) an opinion of Bond Counsel to the effect that the issuance of such Bonds has been duly authorized, that all legal conditions precedent to the delivery of such Bonds have been fulfilled, that the Bonds are valid and binding obligations of the Authority in accordance with their terms; and

(g) written instructions from the Authority to authenticate the Bonds and, upon receipt of the purchase price, to deliver the Bonds to or upon the order of the purchasers named in such instructions.

When the documents mentioned in clauses (a) to (g), inclusive, of the immediately preceding paragraph shall have been filed with the Trustee and when such Bonds shall have been executed and authenticated, the Trustee or authenticating agent shall deliver such Bonds to or upon the order of the purchasers thereof, but only upon payment by the purchasers of the purchase price of such Bonds.

**Section 2.10. Refunding Bonds.** Refunding Bonds may be issued under and secured by this Indenture. Such Refunding Bonds shall be issued in accordance with the provisions of Sections 2.09 and 2.11 of this Indenture.

**Section 2.11. Tests for Issuance of Bonds.** Subject to the provisions under subparagraphs (c), (d) or (e) of the last paragraph of this Section 2.11 and excepting the Initial Bonds, as a condition to the issuance of any Series of Bonds, there first shall be delivered to the Trustee either:

(a) a certificate of an Authorized Authority Representative stating that the Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds or preceding the first issuance of the proposed Program Bonds were at least equal to 110% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds, Unissued Program Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds and the full Authorized Amount of such proposed Program Bonds (as applicable) were then Outstanding; or

(b) a certificate of a Consultant to the effect that the Annual Debt Service of the proposed Series of Bonds or the full Authorized Amount of proposed Program Bonds (as applicable) is payable out of Net Revenues and stating that the Authority will be in compliance with the Section 5.04 (a) and (b) during either (i) each of the first three Fiscal Years succeeding the date on which the Specified Project is expected to be completed, or

(ii) during each of the first five Fiscal Years succeeding the date of issuance of such Bonds, whichever is later.

For purposes of subparagraph (a) above, the Authorized Authority Representative shall be allowed to adjust Net Revenues for any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Series of Bonds but which rates, charges and fees were not in effect for the 12-month period under consideration, in an amount equal to the sum by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole of the such 12-month period provided, however, such increase is intended to continue to be effective following the issuance of such proposed Series of Bonds.

Neither of the certificates described in subparagraphs (a) and (b) above shall be required:

(c) if Bonds being issued are for the purpose of refunding then Outstanding Bonds and there is delivered to the Trustee, instead, a certificate of an Authorized Authority Representative showing that Maximum Aggregate Annual Debt Service after the issuance of such Refunding Bonds will not exceed Maximum Aggregate Annual Debt Service prior to the issuance of such Refunding Bonds;

(d) if the Bonds being issued constitute Notes and there is delivered to the Trustee, instead, a certificate prepared by an Authorized Authority Representative showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the 24 months immediately preceding the issuance of the proposed Notes and there is delivered to the Trustee a certificate of an Authorized Authority Representative setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the Authority will be in compliance with Section 5.04(a) and (b) of this Indenture; or

(e) if the Bonds being issued are to pay costs of completing a Project for which Bonds previously have been issued and the principal amount of such Bonds being issued does not exceed an amount equal to 15% of the principal amount of Bonds originally issued and reasonably allocated for such Project as shown in a written certificate of an Authorized Authority Representative and there is delivered to the Trustee (i) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (ii) a certificate of an Authorized Authority Representative to the effect that (A) all of the proceeds of the Bonds previously issued to finance such Project, together with investment earnings on amounts in the Funds allocable to such Project, have been or shall be applied to pay Costs of the Project and (B) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys on deposit in Funds and available for such purpose.

**Section 2.12. Issuance of Initial Bonds.** The Initial Bonds shall be issued pursuant to a Supplemental Indenture and shall be denominated "Susquehanna Area Regional Airport Authority, Airport System Revenue Bonds." Each series of the Initial Bonds shall be designated

as "Series 2003" and given a separate consecutive letter designation, beginning with the letter "A."

**Section 2.13. Repayment Obligations Afforded Status of Bonds.** *If a Credit Provider or Liquidity Provider makes payment of principal of or interest on a Bond or advances funds to purchase or provide for the purchase of Bonds and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Authority, but is not reimbursed, the Authority's Repayment Obligation under such written agreement may, if so provided in the written agreement, be afforded the status of a Bond issued under this Article II, and, if afforded such status, the Credit Provider or Liquidity Provider shall be the Bondholder and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of Sections 2.09 through 2.11 of this Article II. The payment terms of such Bond shall be the stated terms of the Repayment Obligation (unless otherwise provided in the Supplemental Indenture pursuant to which such Bonds are issued). Any amount which comes due on the Repayment Obligation by its terms and which is in excess of the amount treated as principal of and interest on a Bond shall be a Subordinated Obligation of the Authority. This provision shall not defeat or alter the rights of subrogation which any Credit Provider may have under law or under the terms of any Supplemental Indenture. The Trustee may conclusively rely on a written certification by the Credit Provider or Liquidity Provider of the amount of such non-reimbursement and that such Repayment Obligation is to be afforded the status of a Bond under this Indenture.*

**Section 2.14. Obligations Under Qualified Swap; Nonqualified Swap.**

(a) The obligation of the Authority to make Regularly Scheduled Swap Payments under a Qualified Swap with respect to a Series of Bonds may be on a parity with the obligation of the Authority to make payments with respect to such Series of Bonds and other Bonds under this Indenture, except as otherwise provided by a Supplemental Indenture and elsewhere herein with respect to any Swap Termination Payments. The Authority may provide in any Supplemental Indenture that Regularly Scheduled Swap Payments under a Qualified Swap shall be secured by a pledge of or lien on the Net Revenues on a parity with the Bonds of such Series and all other Bonds, regardless of the principal amount, if any, of the Bonds of such Series remaining Outstanding. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by the Qualified Swap Provider necessary to preserve and protect such pledge, lien and assignment and to enforce the obligations of the Authority with respect thereto. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted in the Indenture or to institute any action, suit or proceeding in its own name, the Qualified Swap Provider shall provide to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

(b) In the event that a Swap Termination Payment or any other amounts other than as described in clause (a) above are due and payable by the Authority under a Qualified Swap, such Swap Termination Payment and any such other amounts shall constitute a Subordinated Obligation hereunder.

(c) Obligations of the Authority to make payments, including termination payments, under a Nonqualified Swap shall constitute Subordinated Obligations hereunder.

### ARTICLE III

#### REDEMPTION OF BONDS

Bonds may be made subject to redemption either in whole or in part and at such times, prices and in such order and under such terms as may be provided by the Supplemental Indenture providing for the issuance of such Bonds. The Authority may provide for the redemption of Bonds from any funds available to the Authority and not obligated for other purposes.

In connection with the partial early redemption of any Term Bonds of a Series, the Authority may, in any Supplemental Indenture, provide that the principal amount of Bonds of such Series being redeemed shall be allocated against its scheduled sinking fund redemption and modify its scheduled sinking fund installments payable thereafter as to the Outstanding Term Bonds of such Series in any manner the Authority may determine. The Authority may provide in any Supplemental Indenture that, prior to notice of redemption for any Bonds of a Series, moneys in the Debt Service Fund and the Debt Service Reserve Fund relating to such Series of Bonds may be applied at the direction of the Authority to the purchase of Bonds of such Series and, if any such purchased Bonds are Term Bonds, the Authority may allocate the principal amount of Bonds of such Series being redeemed against its scheduled sinking fund redemption for such Bonds and may modify its scheduled sinking fund installments thereafter payable with respect to Bonds of such Series in any manner the Authority may determine.

### ARTICLE IV

#### REVENUES AND FUNDS

**Section 4.01. Bonds Secured by a Pledge and Lien on Net Revenues.** The Bonds authorized and issued under the provisions of this Indenture shall be secured as provided in the Granting Clauses of this Indenture. The Authority hereby represents and states that it has not created any charge or lien on or any security interest in the Revenues or the Net Revenues other than as herein provided. The Authority covenants that, until all the Bonds authorized and issued under the provisions of this Indenture and the interest thereon shall have been paid or are deemed to have been paid, it will not, except as otherwise provided under this Indenture, grant any prior or parity pledge of or any security interest in the Net Revenues or any of the other security which is pledged pursuant to the Granting Clauses of this Indenture, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Bonds from time to time Outstanding under this Indenture. The Authority may, as provided in and as limited by Section 5.06, grant a lien on or security interest in the Net Revenues to secure Subordinated Obligations.

**Section 4.02. Receipt, Deposit and Use of Revenues—Revenue Fund.**

(a) The Authority covenants and agrees to deposit in the “Revenue Fund”, which Fund hereby is created, all Revenues when and as received. The Authority further covenants to deposit into the Revenue Fund all other moneys required by this Indenture to be so deposited. So long as no Event of Default exists and is continuing, the Revenue Fund shall remain in the possession of the Authority; otherwise to be held by the Trustee.

(b) As long as there are any Outstanding Bonds, all Revenues shall be deposited in the Revenue Fund and shall be applied by the Authority in the manner, at the times and in the order of priority as follows:

(i) *Maintenance and Operation Expense of the Airport System.* Payment Maintenance and Operation Expenses of the Airport System then due and payable.

(ii) *Debt Service Fund.* Revenues shall be paid over by the Authority to the Trustee for deposit in the Debt Service Fund, in the amounts, at the times and in the manner provided in Section 4.03 or in such other amounts and times provided in a Supplemental Indenture to provide for the payment of principal and interest to become due on Outstanding Bonds.

(iii) *Debt Service Reserve Fund.* Revenues shall be paid over by the Authority to the Trustee for deposit in the Debt Service Reserve Fund in the amounts and at the times as shall be specified in a Supplemental Indenture to be used in the manner provided in Sections 4.03 and 4.06 hereof.

(iv) *Subordinated Obligation Debt Service.* Revenues shall be applied in such amounts and at such times as shall be sufficient to pay the debt service with respect to Subordinated Obligations, including any indebtedness issued and outstanding pursuant to the terms of the Master Subordinate Trust Indenture, but only to the extent of a specific pledge of Net Revenues, in writing, for the purpose.

(v) *Subordinated Obligation Debt Service Reserve Fund.* Revenues shall be applied in such amounts and at such times as shall be sufficient to fund any reserve requirement for debt service with respect to Subordinated Obligations, including any indebtedness issued and outstanding pursuant to the terms of the Master Subordinate Trust Indenture, but only to the extent of a specific pledge of Net Revenues, in writing, for the purpose.

(vi) *Maintenance and Operation Reserve Fund.* Revenues shall be transferred to the Maintenance and Operation Reserve Fund in the amounts required in accordance with Section 4.07 hereof.

(vii) *Renewal and Replacement Fund.* Revenues shall be transferred to the Renewal and Replacement Fund in the amounts required in accordance with Section 4.08 hereof.

(viii) *General Fund*. Revenues shall be transferred to the General Fund at the time and in such amounts, if any, as the Authority, from time to time, may determine as provided in Section 4.09 hereof.

**Section 4.03. Funding of Debt Service Fund.** The Trustee, after taking into account Capitalized Interest and other money, if any, on deposit in the Debt Service Fund, shall, at least 15 Business Days prior to each Payment Date on any Bond, give the Authority notice by telephone, promptly confirmed in writing, of the amount required, if any, to be deposited with the Trustee to make each required payment of principal and interest due on such Payment Date. Upon receipt of such notice, the Authority, at least five Business Days prior to such Payment Date, shall withdraw from the Revenue Fund and pay to the Trustee said amount, if any, required to make the interest and/or principal payments due on such Payment Date.

The Supplemental Indenture under which any Series of Bonds are issued may provide for different times and methods of notifying the Authority of payment dates and amounts to accommodate the specific provisions of such Series and, in such event, the terms of such Supplemental Indenture shall control.

On any day on which the Trustee receives moneys from the Authority to be used to pay principal of or interest on Bonds, the Trustee shall deposit such amounts into the respective Accounts of the Debt Service Fund for the Series of Bonds for which such payments were made and any excess shall be applied to pay all amounts of principal and interest becoming due on any subsequent Payment Dates. If, on any Payment Date, the Trustee does not have sufficient amounts in the Debt Service Fund (without regard to any amounts which may be available from the Debt Service Reserve Fund) to pay in full all amounts of principal and/or interest due on such date, the Trustee shall allocate the total amount which is available to make payment on such day (without regard to any amounts in the Debt Service Reserve Fund) as follows: first to the payment of interest then due on the Bonds and, if the amount available shall not be sufficient to pay in full all interest on the Bonds then due, then pro rata among the Series according to the amount of interest then due and second to the payment of principal then due on the Bonds and, if the amount available shall not be sufficient to pay in full all principal on the Bonds then due, then pro rata among the Series according to the Principal Amount then due on the Bonds.

If an Account or Accounts in the Debt Service Reserve Fund (or a Credit Facility provided in lieu thereof) have been used to make payments on Bonds secured thereby, then the Authority may be required by Supplemental Indenture to replenish such Account or Accounts or reimburse the Credit Provider from Net Revenues provided that (a) no amount from Net Revenues may be used for such purpose until all payments of principal of and interest on all Bonds which have become due and payable shall have been paid in full, (b) the required payments to replenish the Debt Service Reserve Fund or reimburse the Credit Provider shall be due in no more than 12 substantially equal monthly installments commencing in January of the year immediately succeeding any such withdrawal and (c) if the aggregate amount of payments due on any date to replenish such Accounts in the Debt Service Reserve Fund and reimburse the Credit Provider exceeds the amount available for such purpose, the payments to be made for such purpose to the Trustee and to the Credit Provider shall be allocated among such Accounts in the Debt Service Reserve Fund pro rata on the basis of the Outstanding Principal Amount of Bonds secured thereby.

Notwithstanding the foregoing, the Authority may, in the Supplemental Indenture authorizing such Series of Bonds, provide for different provisions and timing of deposits with the Trustee and different methods of paying principal of or interest on such Bonds depending upon the terms of such Bonds and may provide for payment through a Credit Facility with reimbursement to the Credit Provider from the respective Account in the Debt Service Fund created for the Series of Bonds for which such Credit Facility is provided.

If the Net Revenues are at any time insufficient to make the deposits required to make payments on the Bonds, the Authority may, at its election, pay to the Trustee funds from any available sources with the direction that such funds be deposited into a specified Account or Accounts or subaccount or subaccounts in the Debt Service Fund.

**Section 4.04. Authorization for Creation of Construction Fund.** Proceeds of each Series of Bonds which are to be used to pay Costs of a Project shall be deposited into a fund created for such Series of Bonds which shall be designated "Susquehanna Area Regional Airport Authority Airport Revenue Bonds Series \_\_\_\_\_ Construction Fund" (each, respectively, a "Construction Fund") which may be held either by the Authority or the Trustee or part by the Authority and part by the Trustee, all as provided by this Indenture, a Supplemental Indenture or Supplemental Indentures. All moneys in each Construction Fund shall be held and disbursed as provided in the Supplemental Indenture or Supplemental Indentures under which such fund or funds were created. Notwithstanding this provision, no Construction Fund shall be required for a given Series of Bonds if all of the proceeds thereof (except those deposited into the Debt Service Reserve Fund or the Debt Service Fund) are spent at the time of issuance of such Series or are used to refund Bonds or otherwise and the Authority determines that there is no need to create a Construction Fund for such Series.

**Section 4.05. Creation of Debt Service Fund.** There is created a fund, known as the "Debt Service Fund", which shall be held, in trust, by the Trustee or any agent of the Trustee. Amounts to be used to pay principal and interest on such Series, as received by the Trustee or its agent, shall be deposited therein and used for such purpose. Accounts shall be created in the Debt Service Fund with respect to each Series of Bonds at the time of issuance, which shall be held by the Trustee or such agents as shall be provided by Supplemental Indenture.

The moneys in each Account of the Debt Service Fund shall be held in trust and applied as provided in the Supplemental Indenture with regard to each such Account, and pending such application on the arrival of the Payment Date such amounts shall be subject to a lien on and security interest in favor of the holders of the Bonds issued and Outstanding under this Indenture.

**Section 4.06. Creation of Debt Service Reserve Fund.** There is created a fund known as the "Debt Service Reserve Fund", which shall be held, in trust, by the Trustee or any agent of the Trustee until applied as herein provided. The Authority may, at the time of issuance of any Series of Bonds by Supplemental Indenture provide for the creation of an Account within the Debt Service Reserve Fund as additional security for such Series, and in its discretion reserve the right to allow a future Series of Bonds to participate in such Account, or provide that such Series of Bonds participate in an Account previously created for an Outstanding Series of Bonds. The Authority shall, by such Supplemental Indenture, specify the amount of the Debt Service Reserve Requirement with respect to such Account, provide for the manner of funding and

replenishing such Account and shall establish such other terms with respect to the Debt Service Reserve Fund as the Authority may deem to be appropriate, including delivery of a Credit Facility in lieu thereof. In addition, the Authority may, by Supplemental Indenture, create additional funds and accounts for such purposes as the Authority deems appropriate, including separate funds available only for specified Bonds or Series of Bonds.

**Section 4.07. Creation of Maintenance and Operation Reserve Fund.** The Authority shall create a Fund to be designated as the "Maintenance and Operation Reserve Fund." The Authority shall transfer to the Maintenance and Operation Reserve Fund in each Fiscal Year such amounts as shall established by the Authority from time to time. Moneys in the Maintenance and Operation Reserve Fund shall be used by the Authority to pay Maintenance and Operation Expenses of the Airport System in the event there are insufficient moneys in the Revenue Fund to make such payments.

**Section 4.08. Creation of Renewal and Replacement Fund.** The Authority shall create a Fund to be designated as the "Renewal and Replacement Fund." The Authority shall transfer to the Renewal and Replacement Fund in each Fiscal Year such amounts as shall be required to maintain a balance in such Fund, in the amount as, from time to time, shall be established by the Authority. Moneys in the Renewal and Replacement Fund shall be used by the Authority to pay for emergency or unforeseen capital projects of the Authority for which moneys are not otherwise available.

**Section 4.09. Creation of General Fund.** The Authority shall create a Fund to be designated as the "General Fund". The Authority initially shall create, within the General Fund the "Coverage Account," the "Revenue Credit Account," and the "Capital Improvement Account."

At the end of each Fiscal Year commencing with the Fiscal Year ending December 31, 2003 or as soon thereafter as is practicable, after all transfers, payments and deposits required to be made from the Revenue Fund pursuant to clauses (i) through (vii) of Section 4.02(b), the Authority shall transfer to the General Fund moneys remaining in the Revenue Fund after provision for a reasonable reserve for said clauses (i) through (vii).

Moneys so transferred to the General Fund shall be applied, first, to the Coverage Account in an amount determined by the Authority but not to exceed an amount equal to 25% of Aggregate Annual Debt Service, and second, to the Capital Improvement Account, to the Revenue Credit Account and to such other Accounts that may be established, from time to time, within the General Fund, in such amounts and such priority as shall be determined by the Authority.

Moneys in the Capital Improvement Account may be used for any lawful Airport System purpose including, at the Authority's discretion, payment of the costs of capital improvements of the Airport System.

Moneys in the Revenue Credit Account shall be transferred at the beginning of each Fiscal Year to the Revenue Fund and applied for such Fiscal Year as a credit in the calculation of such fees and charges as shall be determined by the Authority that are related to Airport System.

**Section 4.10. Creation of PFC Fund.** The Authority shall create a Fund to be designated as the "PFC Fund", and within the PFC Fund, initially, an account known as the "PFC Capital Account". The Authority covenants and agrees that all Passenger Facility Charges, when and as received by the Authority, shall be deposited into the PFC Fund. In addition to Passenger Facility Charges, all earnings derived from investment of the PFC Fund shall be retained in the PFC Fund, unless otherwise provided in a Supplemental Indenture. The Authority shall make transfers, payments or deposits from the PFC Fund at the times and in the amounts determined by the Authority to fund principal and interest on Outstanding Bonds or Subordinated Obligations, if any, issued to fund Costs of a Project authorized to be funded with Passenger Facility Charges.

Any Passenger Facility Charges not used for such transfers, payments or deposits may be transferred, at the election of the Authority, to the PFC Capital Account or to such other Accounts as may be created within the PFC Fund as the Authority may determine in conformity with federal statutes and regulations governing the use of the Passenger Facility Charges. Funds on deposit in the PFC Capital Account and any other Accounts established within the PFC Fund may be transferred or applied as the Authority shall determine in conformity with applicable law.

**Section 4.11. Creation of LOI Fund.** The Authority shall create a Fund to be designated the "LOI Fund", and within the LOI Fund, initially, an Account known as the "LOI Capital Account". The Authority covenants and agrees that all LOI Receipts, when and as received by the Authority, shall be deposited into the LOI Fund. In addition to LOI Receipts, all earnings derived from investment of the LOI Fund shall be retained in the LOI Fund, unless otherwise provided in a Supplemental Indenture. The Authority shall make transfers, payments or deposits from the LOI Fund at the times and in the amounts determined by the Authority to fund principal and interest on Outstanding Bonds or Subordinated Obligations issued to fund Costs of a Project authorized to be funded with LOI Receipts.

Any LOI Receipts not used for such transfers, payments or deposits may be transferred, at the election of the Authority, to the LOI Capital Account or to such other Accounts as may be created within the LOI Fund as the Authority may determine in conformity with federal statutes and regulations governing the use of the LOI Receipts. Funds on deposit in the LOI Capital Account and any additional Accounts established within the LOI Fund may be transferred or applied as the Authority shall determine in conformity with applicable law.

**Section 4.12. Moneys Held in Trust for Matured Bonds; Unclaimed Moneys.** All moneys which shall have been withdrawn from a Debt Service Fund and set aside or deposited with a Paying Agent for the purpose of paying any of the Bonds, either at the maturity thereof or upon call for redemption, or which are set aside by the Trustee for such purposes and for which Bonds the maturity date or redemption date shall have occurred, shall be held in trust for the respective holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the holders of such Bonds for a period of five years after the date on which such Bonds shall have become due and payable (or such longer period as shall be required by state law) shall be paid to the Authority, and thereafter the holders of such Bonds shall look only to the Authority for payment and the Authority shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and neither the Trustee nor any Paying Agent shall have any responsibility with respect to any of

such moneys. The Authority hereby recognizes that while any Bonds are Outstanding in book-entry only form there should be no unclaimed moneys.

**Section 4.13. Additional Security.** The pledge of Net Revenues and the other security provided in the Granting Clauses hereof secure all Bonds issued under the terms of this Indenture on an equal and ratable basis, except as to the timing of such payments. The Authority may, however, in its discretion, provide additional security or credit enhancement for specified Bonds or Series of Bonds with no obligation to provide such additional security or credit enhancement to other Bonds.

## ARTICLE V

### COVENANTS OF THE AUTHORITY

**Section 5.01. Payment of Principal and Interest.** The Authority covenants and agrees that it will duly and punctually pay or cause to be paid from the Net Revenues and to the extent thereof the principal of, premium, if any, and interest on every Bond at the place and on the dates and in the manner herein, in the Supplemental Indentures and in the Bonds specified, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements herein and in the Bonds contained, provided that the Authority's obligation to make payment of the principal of, premium, if any, and interest on the Bonds shall be limited to payment from the Net Revenues, the funds and accounts pledged therefor in the Granting Clauses of this Indenture and any other source which the Authority may specifically provide for such purpose and no Bondholder shall have any right to enforce payment from any other funds of the Authority.

**Section 5.02. Performance of Covenants by Authority.** The Authority covenants that it will faithfully perform at all times any and all covenants and agreements contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under the Constitution and laws of the Commonwealth to issue the Bonds and pledge and grant a security interest in the Net Revenues and other security pledged thereto or in which a security interest is granted and that the Authority has not previously pledged such Net Revenues or other assets to secure other obligations.

**Section 5.03. Senior Lien Obligations Prohibited.** The Authority hereby agrees that so long as any Bonds are Outstanding under this Indenture, it will not issue, or authorize issuance of, any bonds or other obligations with a lien on or security interest granted in Net Revenues which is senior to the Bonds.

**Section 5.04. Rate Covenant.** The Authority covenants to fulfill the following requirements:

- (a) The Authority, so long as any Bonds remain Outstanding, shall establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the Aggregate Annual Debt Service on any Outstanding Bonds required to be funded by the Authority in such Fiscal Year as required by this Indenture;

(ii) the required deposits to the Debt Service Reserve Fund which may be established by a Supplemental Indenture;

(iii) the interest on and principal of any indebtedness required to be funded during such Fiscal Year other than Outstanding Bonds, including Subordinated Obligations;

(iv) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinated Obligations;

(v) the reimbursement owed to any Credit Provider as required by a Supplemental Indenture or the Master Subordinate Trust Indenture;

(vi) transfers to the Maintenance and Operation Reserve Fund pursuant to Section 4.07; and

(vii) transfers to the Renewal and Replacement Fund pursuant to Section 4.08.

(b) The Authority further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with the amount on deposit in the Coverage Account, will be equal to at least 125% of Aggregate Annual Debt Service on the Outstanding Bonds. For purposes of this subsection (b), the amount on deposit in the Coverage Account taken into account shall not exceed 25% of Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

(c) The Authority covenants that if Net Revenues, together with any amount on deposit in the Coverage Account (only as applied in (b) above), in any Fiscal Year are less than the amount specified in paragraph (a) or (b) of this Section 5.04, the Authority will retain and direct a Consultant to make recommendations as to the revision of the Authority's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Authority in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made the Authority shall take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to produce Net Revenues, together with any amount on deposit in the Coverage Account (only as applied in (b) above), in the amount specified in paragraph (a) or (b) of this Section 5.04 in the next succeeding Fiscal Year.

(d) In the event that Net Revenues for any Fiscal Year are less than the amount specified in paragraph (a) or (b) of this Section 5.04, but the Authority promptly has taken prior to or during the next succeeding Fiscal Year all lawful measures to revise the

schedule of rentals, rates, fees and charges as required by paragraph (c) of this Section 5.04, such deficiency in Net Revenues shall not constitute an Event of Default under the provisions of Section 8.01(d). Nevertheless, if after taking the measures required by paragraph (c) of this Section 5.04 to revise the schedule of rentals, rates, fees and charges, Net Revenues in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the Authority for such Fiscal Year) are less than the amount specified in paragraph (a) or (b) of this Section 5.04, such deficiency in Net Revenues shall constitute an Event of Default under the provisions of Section 8.01(d).

**Section 5.05. No Inconsistent Contract Provisions.** The Authority covenants that no contract or contracts will be entered into or any action taken by the Authority which shall be inconsistent with the provisions of this Indenture. The Authority covenants that it will not take any action which, in the Authority's judgment at the time of such action, will substantially impair or materially adversely affect the pledge of Net Revenues, or will substantially impair or materially adversely affect in any manner the pledge of, lien on or security interest granted in the Net Revenues herein or the rights of the holders of the Bonds. The Authority shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to pay from the Net Revenues the principal of and interest on the Bonds and to make the other payments provided for herein.

**Section 5.06. Subordinated Obligations.** The Authority may, from time to time, incur indebtedness which is subordinate to the Bonds and which indebtedness is, in this Indenture, referred to as Subordinated Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Authority shall determine, provided that:

(a) any Supplemental Indenture authorizing the issuance of any Subordinated Obligations shall specifically state that such lien on or security interest granted in the Net Revenues is junior and subordinate to the lien on and security interest in such Net Revenues and other assets granted to secure the Bonds; and

(b) payment of principal of and interest on such Subordinated Obligations shall be permitted, provided that all deposits required to be made pursuant to Sections 4.02(b)(i) through (iii), if any, are then current in accordance with Section 4.02 of this Indenture.

**Section 5.07. Special Facilities and Special Facility Obligations.** The Authority shall be permitted to designate new or existing Airport Facilities as Special Facilities as permitted in this Section 5.07. The Authority may, from time to time, and subject to the terms and conditions of this Section 5.07, (a) designate a separately identifiable existing facility or planned facility as an "Special Facility," (b) pursuant to an indenture other than this Indenture and without a pledge of any Net Revenues, incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third party to acquire, construct, renovate or improve, such facility, (c) 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 (a) of the second succeeding paragraph, be "Special Facilities Revenue" and not included as Revenues or Net Revenues unless on terms provided in any supplemental indenture, and (d) provide that the debt so incurred shall be a "Special Facility Obligation" and the principal of and interest thereon

shall be payable solely from the Special Facilities Revenue. The Authority may from time to time refinance any such Special Facility Obligations with other Special Facility Obligations.

Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest solely from Special Facilities Revenue, 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, firm or corporation, either public or private, as shall undertake the operation of a Special Facility.

No Special Facility Obligations shall be issued by the Authority unless there shall have been filed with the Trustee:

(a) a certificate of an Authorized Authority Representative stating that the estimated Special Facilities Revenue pledged to the payment of obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, 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 all sinking fund, reserve or other payments required with respect to the Special Facility Obligations as the same become due; and

(b) a certificate of a Consultant with respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a "Special Facility" or "Special Facilities," to the effect that the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Maintenance and Operation Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with Section 5.04(a) and (b) of this Indenture; and

(c) no Event of Default then exists under Section 8.01 of this Indenture.

To the extent Special Facilities Revenue received by the Authority during any Fiscal Year shall exceed the amounts required to be paid pursuant to clause (a) of the immediately preceding paragraph for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, shall constitute Revenues.

Notwithstanding any other provision of this Section 5.07, 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.

**Section 5.08. Maintenance of Powers.** The Authority covenants that it will not 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 the performance or observance of any of the covenants herein contained.

The Authority will not take, or allow any person to take, any action which would (i) cause the Administrator of the Federal Aviation Administration, U.S. Department of Transportation or any successor to the powers and authority of such Administrator, or other

governmental agency having jurisdiction to suspend or revoke the Authority's operating certificates issued under the Federal Aviation Act of 1958, or any successor statute, (ii) cause the termination or reduction of the Authority's power to impose, collect and use Passenger Facility Charges or (iii) cause the Authority to be disqualified from receipt and use of grant funds for which it has received a commitment. The Authority will comply with all valid acts, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to the Airport System, unless the same shall be contested in good faith, all to the end that the Airport System will remain in operation at all times.

**Section 5.09. Maintenance and Operation of Airport System.** The Authority covenants that the Airport System shall at all times be operated and maintained in good working order and condition and in compliance with all lawful orders of any governmental agency or authority having jurisdiction (provided the Authority shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith), and that all licenses and permits necessary with respect to construction or operation of any part of the Airport System shall be obtained and maintained, and that all necessary repairs, improvements and replacements of the Airport System shall be made in order to maintain proper operation of the Airport System.

The Authority will, from time to time, duly pay and discharge, or cause to be paid and discharged, except to the extent the imposition or payment thereof is being contested in good faith by the Authority, all taxes (if any), assessments or other governmental charges lawfully imposed upon the Airport System or upon any part thereof, or upon the Revenues or Net Revenues, when the same shall become due, as well as any lawful claim for labor, materials or supplies or other charges which, if unpaid, might by law become a lien or charge upon the Revenues or Net Revenues or Airport System or any part thereof constituting part of the Airport System.

**Section 5.10. 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:

(i) the Authority will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the Airport System 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; and

(ii) the Authority will place on file with the Trustee, annually within 120 days after the close of each Fiscal Year, a certificate of an Authorized Authority Representative containing a summary of all insurance policies and self-insured programs then in effect with respect to the Airport System and the operations of the Authority. The Trustee may conclusively rely upon such

certificate and shall not be responsible for the sufficiency or adequacy of any insurance required herein or obtained by the Authority.

(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 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, and such self-insurance program shall be reviewed at least once every 12 months by a Consultant who shall deliver to the Authority a report on the adequacy of the reserves established thereunder. If the Consultant determines that such reserves are inadequate, he shall make a recommendation as to the amount of reserves that should be established and maintained, and the Authority shall comply with such recommendation unless it can establish to the satisfaction of and receive a certification from a Consultant that a lower amount is reasonable to provide adequate protection to the Authority.

(c) If, as a result of any event, any part of the Airport System is destroyed or severely damaged, the Authority shall create within the Revenue Fund a special account and shall credit the Net Proceeds received as a result of such event of damage or destruction to such account 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 System, or portions thereof, which were damaged or destroyed, (ii) provide additional revenue-producing Airport Facilities, (iii) redeem Bonds or Subordinated Obligations, or (iv) create an escrow fund pledged to pay (I) specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article VII hereof; or (II) specified Subordinated Obligations and thereby cause such Subordinated Obligations to be deemed to be paid as provided in Article VII of the Master Subordinate Trust Indenture, provided, however, in either case, that the Authority shall first deliver to the Trustee a certificate of a Consultant showing that, after taking into account the use of the Net Proceeds for the redemption of such specified Bonds or Subordinated Obligations, the test set forth in Section 5.04(a) and (b) would, nevertheless, be met.

**Section 5.11. Financial Records.** 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 this 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 System shall be open upon reasonable notice during business hours to the Trustee and to the Owners of not less than 10% of the Principal Amount of Bonds then Outstanding, or their representatives duly authorized in writing. Within 210 days after the close of each Fiscal Year, so long as any of the Bonds

remain Outstanding, the Authority will prepare audited financial statements including a statement of the income and expenses for such Fiscal Year and a balance sheet prepared as of the close of such Fiscal Year for the Authority all accompanied by a certificate or opinion in writing of an Independent certified public accountant of recognized standing, selected by the Authority, which opinion shall include a statement that said financial statements present fairly in all material respects the financial position of the Authority and are prepared in accordance with generally accepted accounting principles.

**Section 5.12. Transfer of Airport Facility or Airport Facilities.** The Authority shall not, except as permitted below, transfer, sell or otherwise dispose of an Airport Facility or Airport Facilities. For purposes of this Section 5.12, 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 Airport Facilities.

The Authority may transfer, sell or otherwise dispose of any property or interest in property constituting 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 immediately preceding 12-month period (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are deposited into the Revenue Fund to be used as described below and the Authority believes that such disposal will not prevent it from fulfilling its obligations under this Indenture; or

(c) the Authority receives fair market value for the property, the proceeds are deposited in the Revenue Fund to be used as described below, and prior to the disposition of such property, there is delivered to the Trustee a certificate of a Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Authority as evidenced by a certificate of an Authorized Authority Representative, the Consultant estimates that Authority will be in compliance with Section 5.04(a) and (b) of this Indenture during each of the three Fiscal Years immediately following such disposition.

Net proceeds of sale or other disposition of property or interest in property shall be applied by the Authority to replacement of property so sold or otherwise disposed of, if deemed necessary or proper by the Authority, or, in lieu thereof, shall be deposited by the Authority to the Revenue Fund, in the case of sale or other disposition of current assets (determined in accordance with sound accounting practice) or the lease of property, and otherwise in the Renewal and Replacement Fund or Debt Service Fund, as appropriate to the intended use thereof.

Notwithstanding the foregoing provisions of this Section 5.12, Airport Facilities (excluding property described in subparagraph (a) above) which were financed with the proceeds

of obligations the interest on which is then excluded from gross income for federal income tax purposes shall not be disposed of unless the Authority has first received a written opinion of Bond Counsel to the effect that such disposition will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

No such disposition shall be made which would cause the Authority to be in default of any other covenant contained in this Indenture.

The Authority covenants that it will not dispose of assets necessary to operate the Airport System in the manner and at the levels of activity required to enable it to perform its covenants contained herein, including, without limitation, the covenants contained in Section 5.04 hereof.

**Section 5.13. 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 create within the Revenue Fund a special account and credit the Net Proceeds received as a result of such taking or conveyance to such account 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 Airport Facilities, (c) redeem Bonds, 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 VII hereof.

**Section 5.14. Covenant Against Competing Facilities.** The Authority covenants that it will not construct, operate, or enter into any agreement permitting or facilitating the construction or operation of, any facilities or structures that will compete with the operations of the Airport System in a manner that would materially and adversely affect its ability to comply with the covenant set forth in Section 5.04(a) and (b) hereof; provided, however, that with respect to any airport designated by the Authority to be a part of the Airport System, the ability to comply with the covenant set forth in Section 5.04(a) and (b) shall not be deemed materially and adversely affected for purposes of this Section if the Authority takes all lawful measures necessary to produce Net Revenues sufficient to satisfy the covenant set forth in Section 5.04(a) and (b) with respect to the first full Fiscal Year commencing after the date the Authority first assumes any responsibilities or obligations with respect to operation of such designated airport.

**Section 5.15. Completion of Specified Project; Substitution of Specified Project.** The Authority will, upon the issuance of a Series of Bonds the proceeds of which are to be used for a Specified Project, proceed with due diligence to construct or acquire such Specified Project; provided, however, that the Authority may, if the conditions set forth in this Section 5.15 are met, substitute another Project therefor and shall proceed with due diligence to construct or acquire such substituted Project. The Authority may determine not to proceed with any of the Specified Projects or may determine to substitute another Project or Projects for a Specified Project if, as a condition to discontinuing the acquisition or construction of a Specified Project or to the substitution of another Project or Projects therefor, the Authority (a) first delivers to the Trustee a certificate of a Consultant showing that after taking into account the discontinuation of such Specified Project or the substitution of Project or Projects therefor, the test set forth in Section 5.04(a) and (b) would, nevertheless, be met and (b) second, if the original Project was financed with the proceeds of obligations the interest on which is then excluded from gross

income for federal income tax purposes, there is delivered an opinion of Bond Counsel to the effect that the substitution of one Project for another Project will not cause interest on the Series of Bonds with respect to which the original Project was to be financed to be included in gross income of the recipients thereof for federal income tax purposes. If the Authority determines not to proceed with a Specified Project and fails to deliver the Consultant's certificate and to undertake a substitute Project or Projects, then Bond proceeds which would have been used to acquire or construct such Specified Project shall be used to redeem Bonds, or used as otherwise provided in the Supplemental Indenture pursuant to which they were issued.

**Section 5.16. Covenants of Authority Binding on Authority and Successors.** All covenants, stipulations, obligations and agreements of the Authority contained in this 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 Act or a new Act or any provision of the Constitution or any other law of the Commonwealth 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 this 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 in this Indenture provided, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof 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 this Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority by the provision of this 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 5.17. Instruments of Further Assurance.** The Authority covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures, and such further acts, instruments and transfers as the Trustee may reasonably request for the better assuring and confirming to the Trustee all and singular the rights and obligations of the Authority under and pursuant to this Indenture and the security intended to be conferred hereby to secure the Bonds.

**Section 5.18. Indenture To Constitute a Contract.** This Indenture, including all Supplemental Indentures, is executed by the Authority for the benefit of the Bondholders and constitutes a contract with the Trustee for the benefit of the Bondholders.

**Section 5.19. Obligations Secured by Other Revenues.** The Authority may, from time to time, incur indebtedness payable solely from certain revenues of the Airport System which do not constitute Revenues or Net Revenues at such times and upon such terms and conditions as the Authority shall determine, provided that such indebtedness shall specifically include a provision that payment of such indebtedness is neither secured by nor payable from Net Revenues. The Authority may also, from time to time, incur indebtedness payable from and secured by both Net Revenues and certain revenues of the Airport System which do not

constitute Revenues or Net Revenues at such times and upon such terms and conditions as the Authority shall determine, provided that the conditions set forth in this Indenture for the issuance of indebtedness payable from and secured by Net Revenues, including, without limitation, Section 2.09, Section 2.11 and Section 5.06, as applicable, are met.

#### **Section 5.20. Operating Budget.**

(a) Prior to the beginning of each Fiscal Year and as may be required pursuant to any Supplemental Indenture, the Authority shall prepare, adopt and deliver to the Trustee an Operating Budget, showing on a monthly basis the estimated Maintenance and Operation Expenses, as well as the Revenues or other moneys held hereunder estimated to be available to pay such Maintenance and Operation Expenses for the ensuing Fiscal Year, together with any other information required to be set forth therein by any Supplemental Indenture. Such Operating Budget may set forth such additional information as the Authority may determine.

(b) If for any reason the Authority shall not have adopted the Operating Budget as provided in this Section 5.20, the Operating Budget for the then current Fiscal Year shall be deemed to be the Operating Budget for the ensuing Fiscal Year until a new Operating Budget is adopted.

(c) The Authority may at any time adopt an amended Operating Budget for the then current or ensuing Fiscal Year, but no such amended Operating Budget shall supersede any prior Operating Budget until the Authority shall have filed with the Trustee a copy of such amended Operating Budget.

### **ARTICLE VI**

#### **INVESTMENTS**

Moneys held by the Trustee in the funds and accounts created herein and under any Supplemental Indenture shall be invested and reinvested as directed by the Authority, in Permitted Investments subject to the restrictions set forth in this Indenture and such Supplemental Indenture. The Authority shall direct such investments by written certificate (upon which the Trustee may conclusively rely) of an Authorized Authority Representative or by telephone instruction followed by prompt written confirmation by an Authorized Authority Representative; in the absence of any such instructions, the Trustee shall, to the extent practicable, invest in Permitted Investments specified in item (ix) of the definition thereof, which includes a money market fund comprised of United States Obligations, or in a money market fund or account (which is generally referred to as the U.S. Government Fund) of the Trustee, provided it meets the requirements specified in (ix) of the definition of Permitted Investments.

The Trustee shall not be liable for any loss resulting from following the written directions of the Authority or as a result of liquidating investments to provide funds for any required payment, transfer, withdrawal or disbursement from any fund or account in which such Permitted Investment is held.

The Trustee may buy or sell any Permitted Investment through its own (or any of its affiliates) investment department.

## ARTICLE VII

### DEFEASANCE

Bonds or portions thereof (such portions to be in integral multiples of the authorized denomination) which have been paid in full or which are deemed to have been paid in full shall no longer be secured by or entitled to the benefits of this Indenture except for the purposes of payment from moneys or Defeasance Obligations held by the Trustee or a Paying Agent for such purpose. When all Bonds which have been issued under this Indenture have been paid in full or are deemed to have been paid in full, and all other sums payable hereunder by the Authority, including all necessary and proper fees, compensation and expenses of the Trustee, the Registrar and the Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Trustee in and to the pledge of Net Revenues and the other assets pledged to secure the Bonds hereunder shall thereupon cease, terminate and become void, and thereupon the Trustee shall cancel, discharge and release this Indenture, shall execute, acknowledge and deliver to the Authority such instruments as shall be requisite to evidence such cancellation, discharge and release and shall assign and deliver to the Authority any property and revenues at the time subject to this Indenture which may then be in the Trustee's possession, except funds or securities in which such funds are invested and are held by the Trustee or the Paying Agent for the payment of the principal of, premium, if any, and interest on the Bonds; Provided, however, that so long as any Subordinate Obligation remains outstanding, the Trustee shall not cancel, discharge and release this Indenture.

A Bond shall be deemed to be paid within the meaning of this Article VII and for all purposes of this Indenture when payment of the principal, interest and premium, if any, either (a) shall have been made or caused to be made in accordance with the terms of the Bonds and this Indenture or (b) shall have been provided for by depositing with the Trustee in trust and setting aside exclusively for such payment, (i) moneys sufficient to make such payment and/or (ii) Defeasance Obligations, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment. At such times as Bonds shall be deemed to be paid hereunder, such Bonds shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of payment from such moneys or Defeasance Obligations.

Any deposit under clause (b) of the foregoing paragraph shall be deemed a payment of such Bonds. Once such deposit shall have been made, the Trustee shall notify all holders of the affected Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article VII. No notice of redemption shall be required at the time of such defeasance or prior to such date as may be required by the Supplemental Indenture under which such Bonds were issued. The Authority may at any time, prior to issuing such notice of redemption as may be required by the Supplemental Indenture under which such Bonds were issued, modify or otherwise change the scheduled date for the redemption or payment of any Bond deemed to be paid under the terms of the foregoing paragraph in accordance with the terms of the Bonds or this Indenture subject to (a) receipt of an approving opinion of nationally recognized Bond Counsel that such action will not adversely affect the tax-exemption of any Bond or Bonds then Outstanding and (b) receipt of a report of a nationally recognized accounting firm verifying sufficiency of the deposit of the

amount of moneys and/or maturing principal of and interest on Defeasance Obligations estimated to be derived therefrom for the payment of the principal of, premium, if any, and interest on such Bonds. Notwithstanding anything in Article VII herein to the contrary, monies from the trust or escrow established for the defeasance of Bonds may be withdrawn and delivered to the Authority so long as the requirements of subparagraphs (a) and (b) above are met prior to or concurrently with any such withdrawal.

In connection with the redemption or defeasance, or partial redemption or defeasance of Bonds, the Authority may permit, or cause to be assigned to Bonds of a single maturity, multiple CUSIP numbers.

## ARTICLE VIII

### DEFAULTS AND REMEDIES

**Section 8.01. Events of Default.** Each of the following events shall constitute and is referred to in this Indenture as an "Event of Default":

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Indenture;

(d) a failure by the Authority to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) of this Section 8.01) that are to be observed or performed by the Authority and which are contained in this Indenture or a Supplemental Indenture, which failure, except for a violation under Section 5.04 which shall be controlled by the provisions set forth therein, shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Authority by the Trustee, which notice may be given at the discretion of the Trustee and shall be given at the written request of holders of 25% or more of the Principal Amount of the Bonds then Outstanding, unless the Trustee, or the Trustee and the holders of Bonds in a Principal Amount not less than the Principal Amount of Bonds the holders of which requested such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Authority within such period and is being diligently pursued until such failure is corrected;

(e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of the United States Bankruptcy Code, or other proceedings for relief under any federal or state

bankruptcy law or similar law for the relief of debtors are instituted by or against the Authority and, if instituted against the Authority, said proceedings are consented to or are not dismissed within 60 days after such institution; or

(f) the occurrence of any other Event of Default as is provided in a Supplemental Indenture.

If, on any date on which payment of principal of or interest on the Bonds is due and sufficient moneys are not on deposit with the Trustee or Paying Agent to make such payment, the Trustee shall give telephone notice of such insufficiency to the Authority.

#### **Section 8.02. Remedies.**

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written direction of the holders of 25% or more of the Principal Amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Authority to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act or any other law to which it is subject and this Indenture;

(ii) bring suit upon the Bonds;

(iii) commence an action or suit in equity to require the Authority to account as if it were the trustee of an express trust for the Bondholders; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default and has received indemnity to its satisfaction as described in Section 8.02(a) above.

(c) In no event, upon the occurrence and continuation of an Event of Default described in Section 8.01, shall the Trustee, the Bondholders, a Credit Provider or any other party have the right to accelerate the payment of principal of and interest on the Bonds Outstanding.

(d) An Event of Default with respect to the one Series of Bonds shall not cause an Event of Default with respect to any other Series of Bonds unless such event or conditions on its own constitutes an Event of Default with respect to such other Series of Bonds pursuant to Section 8.01 hereof.

**Section 8.03. Restoration to Former Position.** In the event that any proceeding taken by the Trustee to enforce any right under this Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Authority, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**Section 8.04. Bondholders' Right To Direct Proceedings.** Anything in this Indenture to the contrary notwithstanding, holders of a majority in Principal Amount of the Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture to be taken in connection with the enforcement of the terms of this Indenture or exercising any trust or power conferred on the Trustee by this Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Indenture and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

**Section 8.05. Limitation on Right To Institute Proceedings.** No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on such Bonds, unless such Bondholder or Bondholders previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also holders of 25% or more of the Principal Amount of the Bonds then Outstanding shall have made written request of the Trustee to do so, after the right to institute such suit, action or proceeding under Section 8.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders.

**Section 8.06. No Impairment of Right To Enforce Payment.** Notwithstanding any other provision in this Indenture, the right of any Bondholder to receive payment of the principal of and interest on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the pledge of Net Revenues and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

**Section 8.07. Proceedings by Trustee Without Possession of Bonds.** All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production

thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, subject to the provisions of this Indenture.

**Section 8.08. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Indenture or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 8.08.

**Section 8.09. No Waiver of Remedies.** No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article VIII to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

**Section 8.10. Application of Moneys.** If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article VIII (which shall not include moneys provided through a Credit Facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including attorneys' fees and disbursements), shall be applied as follows:

(a) First, to payment of all Maintenance and Operation Expenses of the Airport System; and

(b) Second, to payment of the whole amount of principal and interest which then shall be due and unpaid upon Bonds, and in case such amounts shall be insufficient to pay in full the whole sums so due and unpaid, then to payment of such principal and interest ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest;

(c) Third, unless otherwise funded, to payment of all expenses and charges of the Trustee, and reimbursement of each Credit Provider, if any, for all amounts drawn under the applicable Credit Facility, if any, and used to pay principal, premium, if any, and interest on the Bonds; and

(d) Fourth, to payment of the whole amount of principal and interest which then shall be due and unpaid upon Subordinated Obligations, and in case such amounts shall be insufficient to pay in full the whole sums so due and unpaid, then to payment of such principal and interest ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest.

Whenever moneys are to be applied pursuant to the provisions of this Section 8.10, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all installments of interest then due on the Bonds and all unpaid principal amount of any Bonds that shall have become due have been paid under the provisions of this Section 8.10 and all expenses and charges of the Trustee have been paid, and each Credit Provider, if any, has been reimbursed for all amounts drawn under the applicable Credit Facility, if any, and used to pay principal, premium, if any, and interest on the Bonds, Revenues shall be applied in the manner, at the times and according to the priority set forth in Section 4.02 hereof by the Trustee or the Authority, as applicable.

**Section 8.11. Severability of Remedies.** It is the purpose and intention of this Article VIII to provide rights and remedies to the Trustee and the Bondholders, which may be lawfully granted under the provisions of the Act and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture or by applicable law.

**Section 8.12. Additional Events of Default and Remedies.** So long as any particular Series of Bonds is Outstanding, the remedies as set forth in this Article VIII may be supplemented with additional remedies as set forth in a Supplemental Indenture under which such Series of Bonds is issued.

## ARTICLE IX

### TRUSTEE, PAYING AGENT AND CO-PAYING AGENTS; REGISTRAR

**Section 9.01. Acceptance of Trusts.** The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Indenture, but only upon the additional terms set forth in this Article IX, to all of which the Authority agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds.

**Section 9.02. Duties of Trustee.**

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers 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.

(b) The Trustee shall perform the duties set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee.

(c) Except during the continuance of an Event of Default, in the absence of any negligence on its part or any actual knowledge to the contrary, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall review the certificates and opinions to determine whether they conform to the requirements of this Indenture.

(d) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts; and

(ii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Bondholders, any Credit Provider or the Authority in the manner provided in this Indenture.

(e) The Trustee shall not, by any provision of this Indenture, be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders of the Bonds, unless such holders shall have offered to the Trustee satisfactory security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) Every provision of this Indenture that in any way relates to the Trustee is subject to all the paragraphs of this Section 9.02.

**Section 9.03. Rights of Trustee.** Subject to the foregoing Section 9.02, the Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, direction, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper authority or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may rely upon the

calculations provided by the entity preparing the calculation of Aggregate Annual Debt Service in connection with the amount required to be on deposit in the Debt Service Reserve Fund.

The Trustee may consult with counsel with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Whenever in the administration of the trusts or duties imposed upon it by this Indenture the Trustee shall deem it necessary that a matter be proved or established prior to taking or not taking any action hereunder, such matter may be deemed to be conclusively proved and established by a certificate of an Authorized Authority Representative, and such certificate shall be full warrant to the Trustee for any action taken or not taken by it in good faith under the provisions of this Indenture in reliance on such certificate.

The Trustee makes no representation as to the sufficiency or validity of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture.

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

In the performance of its duties hereunder, the Trustee may employ attorneys, agents and receivers and shall not be liable for any actions of such attorneys, agents and receivers to the extent selected by it with reasonable care.

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

**Section 9.04. Individual Rights of Trustee.** The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Authority with the same rights it would have if it were not Trustee. Any Paying Agent or other agent may do the same with like rights. The foregoing notwithstanding, the Trustee shall notify the Authority in the event that its ownership or security interests may constitute a breach of its duties hereunder as Trustee.

**Section 9.05. Trustee's Disclaimer.** The Trustee shall not be accountable for the Authority's use of the proceeds from the Bonds paid to the Authority and it shall not be responsible for any statement in the Bonds other than its certificate of authentication.

**Section 9.06. Notice of Defaults.** If (a) an Event of Default has occurred or (b) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and, with respect to such events for which notice to the Authority is required before such events will become Events of Default, such notice has been given, then the Trustee shall promptly, after obtaining actual notice of such Event of Default or event described in (b) of the first sentence of this Section 9.06, give notice thereof to each Bondholder. Except in the case of a default in payment or purchase on any Bonds, the Trustee may withhold the notice if and so

long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Bondholders.

**Section 9.07. Compensation of Trustee.** For acting under this Indenture, the Trustee shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under this Indenture, in accordance with a separate fee schedule setting forth such terms and conditions which has been approved by the Authority. The Authority agrees to indemnify and hold the Trustee and its officers, agents and directors harmless against any liabilities, costs, claims or expenses not arising from the Trustee's own negligence, misconduct or breach of duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder including the enforcement of any remedies and the defense of any suit. Such obligation shall survive the discharge of this Indenture or the resignation or removal of the Trustee.

**Section 9.08. Eligibility of Trustee.** This Indenture shall always have a Trustee that is a trust company, banking association or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the Commonwealth, is subject to supervision or examination by United States, state or District of Columbia authority and has (together with its corporate parent) a combined capital and surplus of at least \$100,000,000 as set forth in its most recent published annual report of condition.

**Section 9.09. Replacement of Trustee.** The Trustee may resign by notifying the Authority in writing prior to the proposed effective date of the resignation. The holders of a majority in Principal Amount of the Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the Authority's consent. The Authority may remove the Trustee, by notice in writing delivered to the Trustee at least 60 days prior to the proposed removal date; provided, however, that the Authority shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee under this Section 9.09 shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the Authority and the retiring Trustee is paid in full all of its costs, fees and expenses through the date of transfer to the successor trustee. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Indenture, the Authority shall promptly appoint a successor Trustee.

If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within 60 days after the retiring Trustee delivers notice of resignation or the Authority delivers notice of removal, the retiring Trustee, the Authority or the holders of a majority in

Principal Amount of the Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

**Section 9.10. Successor Trustee or Agent by Merger.** If the Trustee, any Paying Agent or Registrar consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation and such corporation meets the qualifications set forth in this Indenture, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, Paying Agent or Registrar.

**Section 9.11. Paying Agent.** The Authority may upon notice to the Trustee at any time or from time to time appoint a Paying Agent or Paying Agents for the Bonds or for any Series of Bonds, and each Paying Agent, if other than the Trustee, shall designate to the Authority and the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder or under a Supplemental Indenture by a written instrument of acceptance delivered to the Authority and the Trustee under which each such Paying Agent will agree, particularly:

(a) to hold all sums held by it for the payment of the principal of, premium or interest on Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;

(b) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the Authority and the Trustee on each Business Day during reasonable business hours; and

(c) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

**Section 9.12. Registrar.** The Authority shall appoint the Registrar for the Bonds or a Registrar or Registrars for any Series of Bonds and may from time to time remove a Registrar and name a replacement. Each Registrar, if other than the Trustee, shall designate to the Trustee, the Paying Agent, and the Authority its principal office and signify its acceptance of the duties imposed upon it hereunder or under a Supplemental Indenture by a written instrument of acceptance delivered to the Authority and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority, the Trustee, and the Paying Agent on each Business Day during reasonable business hours.

**Section 9.13. Other Agents.** The Authority, or the Trustee with the consent of the Authority, may from time to time appoint other agents as may be appropriate at the time to perform duties and obligations under this Indenture or under a Supplemental Indenture all as provided by a Supplemental Indenture or resolution of the Authority.

**Section 9.14. Several Capacities.** Anything in this Indenture to the contrary notwithstanding, with the consent of the Authority, the same entity may serve hereunder as the Trustee, Paying Agent, Registrar and any other agent as appointed to perform duties or obligations under this Indenture, under a Supplemental Indenture or an escrow agreement, or in any combination of such capacities, to the extent permitted by law. The Paying Agent and the

Registrar shall be entitled to the same protections, limitations from liability and indemnities afforded to the Trustee under this Indenture. The foregoing notwithstanding, the Trustee shall notify the Authority in the event that the performance of its duties in any capacity other than Trustee may constitute a breach of its duties hereunder as Trustee.

**Section 9.15. Accounting Records and Reports of the Trustee.**

(a) The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established by it pursuant to this Indenture. Such records shall be available for inspection with reasonable prior notice by the Authority on each Business Day during reasonable business hours and by any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall provide to the Authority each month a report of any Bond proceeds received during that month, if any, and the amounts deposited into each fund and account held by it under this Indenture and the amount disbursed from such funds and accounts, the earnings thereon, the ending balance in each of such funds and accounts and the investments of each such fund and account.

**ARTICLE X**

**MODIFICATION OF THIS INDENTURE**

**Section 10.01. Limitations.** This Indenture shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Bonds except as provided in and in accordance with and subject to the provisions of this Article X.

**Section 10.02. Supplemental Indentures Not Requiring Consent of Bondholders.** The Authority may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Indentures supplementing and/or amending this Indenture or any Supplemental Indenture as follows:

(a) to provide for the issuance of a Series or multiple Series of Bonds under the provisions of Section 2.09 of this Indenture and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

(b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Indenture or any Supplemental Indenture, provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the Authority in this Indenture or any Supplemental Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Authority, provided such supplement or amendment shall not adversely affect the interests of the Bondholders;

(d) to confirm, as further assurance, any interest of the Trustee in and to the pledge of Net Revenues or in and to the funds and accounts held by the Trustee or in and to any other moneys, securities or funds of the Authority provided pursuant to this Indenture or to otherwise add additional security for the Bondholders;

(e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Supplemental Indenture at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Supplemental Indenture;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;

(g) to modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect which is not materially adverse to the Bondholders;

(h) to provide for book-entry only Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal;

(i) to qualify the Bonds or a Series of Bonds for a rating or ratings from a Rating Agency;

(j) to accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, swaps, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the Authority from time to time deems appropriate to incur;

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

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

Before the Authority shall, pursuant to this Section 10.02, execute any Supplemental Indenture, there shall have been delivered to the Authority and Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by this Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not cause interest on any of the Bonds which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes.

### **Section 10.03. Supplemental Indenture Requiring Consent of Bondholders.**

(a) Except for any Supplemental Indenture entered into pursuant to Section 10.02 and any Supplemental Indenture entered into pursuant to Section 10.03(b) below, subject to the terms and provisions contained in this Section 10.03 and not otherwise, the holders of not less than a majority in aggregate Principal Amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Authority of any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in a Supplemental Indenture; provided, however, that, unless approved in writing by the holders of all the Bonds then Outstanding or unless such change affects less than all Series of Bonds and the following subsection (b) is applicable, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing herein contained, including the provisions of Section 10.03(b) below, shall, unless approved in writing by the holders of all the Bonds then Outstanding, permit or be construed as permitting (iii) the creation of a lien (except as expressly permitted by this Indenture) upon or pledge of the Net Revenues created by this Indenture, ranking prior to or on a parity with the claim created by this Indenture, (iv) except with respect to additional security which may be provided for a particular Series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds with respect to the security granted therefor under the Granting Clauses hereof, or (v) a reduction in the aggregate Principal Amount of Bonds the consent of the Bondholders of which is required for any such Supplemental Indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the execution of any Supplemental Indenture as authorized in Section 10.02, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Net Revenues.

(b) The Authority may, from time to time and at any time, execute a Supplemental Indenture which amends the provisions of an earlier Supplemental Indenture under which a Series or multiple Series of Bonds were issued. If such Supplemental Indenture is executed for one of the purposes set forth in Section 10.02, no notice to or consent of the Bondholders shall be required. If such Supplemental Indenture contains provisions which affect the rights and interests of less than all Series of Bonds Outstanding and Section 10.02 is not applicable, then this subsection (b) rather than subsection (a) above shall control and, subject to the terms and provisions contained in this Section 10.03(b) and not otherwise, the holders of not less than a majority in aggregate Principal Amount of the Bonds of all Series which are affected by such changes shall have the right from time to time to consent to any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Indenture and affecting only the Bonds of such Series; provided, however, that, unless approved in writing by the holders of all the Bonds of all the affected Series then Outstanding, nothing herein contained shall permit, or be

construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Indenture as authorized in Section 10.02, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Net Revenues.

(c) If at any time the Authority shall desire to enter into any Supplemental Indenture for any of the purposes of this Section 10.03, the Authority shall cause notice of the proposed execution of the Supplemental Indenture to be given by Mail to all Bondholders or, under Section 10.03(b), all Bondholders of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Authority for inspection by all Bondholders and it shall not be required that the Bondholders approve the final form of such Supplemental Indenture but it shall be sufficient if such Bondholders approve the substance thereof.

(d) The Authority may execute and deliver such Supplemental Indenture in substantially the form described in such notice, but only if there shall have first been delivered to the Authority (i) the required consents, in writing, of Bondholders and (ii) the opinion of Bond Counsel required by the last paragraph of Section 10.02.

(e) If Bondholders of not less than the percentage of Bonds required by this Section 10.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Bondholders shall have any right to object to the adoption of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof.

**Section 10.04. Effect of Supplemental Indenture.** Upon execution and delivery of any Supplemental Indenture pursuant to the provisions of this Article X, this Indenture or the Supplemental Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture and the Supplemental Indenture of the Authority, the Trustee, the Paying Agent, the Registrar and all Bondholders shall thereafter be determined, exercised and enforced under this Indenture and the Supplemental Indenture, if applicable, subject in all respects to such modifications and amendments.

No Supplemental Indenture shall modify the duties, rights or obligations of the Trustee, Paying Agent or Registrar without the written consent of such party thereto.

**Section 10.05. Supplemental Indentures To Be Part of This Indenture.** Any Supplemental Indenture adopted in accordance with the provisions of this Article X shall thereafter form a part of this Indenture or the Supplemental Indenture which they supplement or

amend, and all of the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture or the Supplemental Indenture which they supplement or amend for any and all purposes.

## ARTICLE XI

### CREDIT PROVIDERS

If a Credit Facility is provided for a Series of Bonds or for specific Bonds, the Authority may in the Supplemental Indenture under which such Bonds are issued, provide any or all of the following rights to the Credit Provider as the Authority shall deem to be appropriate:

(a) the right to make requests of, direct or consent to the actions of the Trustee or to otherwise direct proceedings all as provided in Article VIII of this Indenture to the same extent and in place of the owners of the Bonds which are secured by the Credit Facility and for such purposes the Credit Provider shall be deemed to be the Bondholder of such Bonds; and

(b) the right to act in place of the owners of the Bonds which are secured by the Credit Facility for purposes of removing a Trustee or appointing a Trustee under Article IX hereof.

The rights granted to any such Credit Provider, with respect to the provisions of Articles VIII and IX hereof shall be disregarded and be of no effect if the Credit Provider is in default of its payment obligations under its Credit Facility.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

**Section 12.01. Parties in Interest.** Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Authority, the Trustee, the Paying Agent, other agents from time to time hereunder, the Bondholders and, to the limited extent provided by Supplemental Indenture, the Credit Providers any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent, such other agents, the Bondholders and, to the limited extent provided in the applicable Supplemental Indenture, the Credit Providers.

**Section 12.02. Severability.** In case any one or more of the provisions of this Indenture, or of any Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Indenture or of Bonds, and this Indenture and any Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

**Section 12.03. No Personal Liability.** No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any present or

future Authority member, official, officer, agent or employee of the Authority or the Airport System, in their individual capacity, and neither the members of the Authority, the officers and employees of the Authority, nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 12.04. Execution of Instruments; Proof of Ownership.** Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

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

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 2.04 hereof.

Nothing contained in this Section 12.04 shall be construed as limiting the Trustee to such proof. The Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Bondholder shall bind every future Bondholder of the same Bonds or any Bonds issued in lieu thereof in respect of anything done by the Trustee or the Authority in pursuance of such request or consent.

**Section 12.05. Governing Law.** The laws of the Commonwealth shall govern the construction and enforcement of this Indenture and of all Bonds issued hereunder.

**Section 12.06. Notices.** Except as otherwise provided in this Indenture, all notices, certificates, requests, requisitions or other communications by the Authority, the Trustee, the Paying Agent, the Registrar, other agents or a Credit Provider, pursuant to this Indenture shall be in writing and shall be sufficiently given and shall be deemed given when sent by facsimile or mailed by registered mail, postage prepaid, addressed as follows:

if to the Authority:	Susquehanna Area Regional Airport Authority 208 Airport Drive Middletown, PA 17057 Attention: Director of Aviation Facsimile: (717) 948-4636
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if to the Trustee:                   Manufacturers and Traders Trust Company  
Corporate Trust Services  
213 Market Street  
Harrisburg, PA 17101  
Facsimile: (717) 231-2615

if to a Registrar, Paying  
Agent, or another agent:           to such address as is designated in writing to the  
Trustee and the Authority.

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

**Section 12.07. 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 this Indenture, shall not be a Business Day, such payment may, unless otherwise provided in this Indenture or, with respect to any Series of Bonds or portion of Series of Bonds, provided in the Supplemental Indenture under which such Bonds are issued, 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 this Indenture.

**Section 12.08. Counterparts.** This Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first above written.

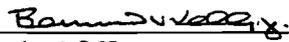
SUSQUEHANNA AREA REGIONAL AIRPORT  
AUTHORITY

By:   
Chairman

Attest:

By:   
Secretary

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By:   
Authorized Officer