

1 **BY AUTHORITY**

2 **ORDINANCE NO. _____**
3 **SERIES OF 2018**

COUNCIL BILL NO. 18-0777
COMMITTEE OF REFERENCE:
4 **BUSINESS, ARTS, WORKFORCE & AERONAUTICAL SERVICES**

5 **A BILL**

6 **An ordinance concerning the Airport System of the City and County of**
7 **Denver; amending and restating Ordinance No. 626 of Series 1984, as**
8 **previously amended, known as the “1984 Airport System General Bond**
9 **Ordinance”; concerning the Airport Facilities of the City and County of**
10 **Denver; establishing general provisions relating to Airport System Revenue**
11 **Bonds to be issued by the City, for and on behalf of its Department of**
12 **Aviation; providing the forms, terms, and conditions of the Bonds, the**
13 **manner and terms of their issuance, the manner of their execution, the**
14 **method of their payment, and the security therefor; providing for the**
15 **collection and disposition of revenues derived from the operation of such**
16 **Airport Facilities; pledging such revenues to the payment of the Bonds;**
17 **providing various covenants, agreements, and other details, and making**
18 **other provisions concerning Airport Facilities, the Bonds, Refunding and**
19 **Improvement Projects, and Airport Facilities Revenues; ratifying action**
20 **previously taken and relating to the foregoing matters; providing other**
21 **matters relating thereto; declaring an emergency; and providing the**
22 **effective date hereof.**

23 **PREFACE**

24 This ordinance (referred to herein as the “2018 Amended and Restated Airport System
25 General Bond Ordinance”) is adopted by the City Council of the City and County of Denver,
26 Colorado.

27 **DEFINITIONS**

28 All defined terms in this 2018 Amended and Restated Airport System General Bond
29 Ordinance have the meanings set forth in Section 102.A of this 2018 Amended and Restated
30 Airport System General Bond Ordinance, except where the context by clear implication
31 otherwise requires.

32 **RECITALS**

33 (1) The City is a municipal corporation duly organized and existing as a home-rule
34 city under Article XX, State Constitution, and under the Charter and is a political subdivision of
35 the State.

1 (2) Subject to certain exceptions, all legislative powers possessed by the City,
2 conferred by Article XX, State Constitution, or contained in the Charter, as either has from time
3 to time been amended, or otherwise existing by operation of law, are vested in the City Council.

4 (3) Pursuant to Article XX, State Constitution, the Charter, and the plenary grant of
5 powers as a home-rule city, and the 1984 General Bond Ordinance, the City has acquired
6 certain airport facilities.

7 (4) The Charter vests in the Department of Aviation the management and control of
8 the Airport System. Pursuant to the Enterprise Ordinance, the City designated the Department
9 as an “enterprise” within the meaning of Section 20, Article X, State Constitution. The
10 Enterprise Ordinance provides that the City owns the Department; the Manager of the
11 Department is the governing body of the Department; and the Department has the authority to
12 issue its own bonds or other financial obligations in the name of the City, payable solely from
13 revenues derived or to be derived from the functions, services, benefits or facilities of the
14 Department or from any other available funds, as authorized by ordinance after approval and
15 authorization by the Manager.

16 (5) After all prerequisite action, the City, for and behalf of the Department, has
17 heretofore issued the Prior Bonds pursuant to the 1984 General Bond Ordinance.

18 (6) Pursuant to the 1984 General Bond Ordinance, which authorizes the issuance of
19 bonds and other financial obligations payable from the Net Revenues of the Airport System and
20 having a lien thereon subordinate to the lien thereon in favor of the Bonds, Obligations and any
21 additional bonds or obligations on a parity therewith, the City has adopted the General
22 Subordinate Bond Ordinance and the General Junior Lien Bond Ordinance.

23 (7) The City, as requested by the Manager of the Department, desires to amend,
24 restate and replace in its entirety, the 1984 General Bond Ordinance with this 2018 Amended
25 and Restated General Bond Ordinance in order to (i) enable the usage of EMMA, or any
26 successor in kind thereto, for the submission and posting of certain documents, (ii) establish
27 the applicability of the Supplemental Act, (iii) add the concept of a Securities Depository as a
28 depository for Bonds, (iv) replace gender specific language, (iv) approve and adopt the 2018
29 Amendments, and (v) create a single document which contains the Prior Amendments and the
30 2018 Amendments.

1 (8) The 1984 General Bond Ordinance provides the following with respect to
2 amendments:

- 3 a. Section 1301 of the 1984 General Bond Ordinance provides that the City may
4 adopt a Supplemental Ordinance amending or supplementing the 1984 General
5 Bond Ordinance, without the consent of or notice to the owners of the Bonds, for
6 certain purposes as described therein;
- 7 b. Section 1302 of the 1984 General Bond Ordinance provides that, in addition to
8 any amendments or supplements described in Section 1301 thereof, the 1984
9 General Bond Ordinance may be amended or supplemented by a Supplemental
10 Ordinance, without receipt by the City of any additional consideration, but with the
11 written consent of the owners of Bonds which constitute more than 50% in
12 aggregate principal amount of all Bonds Outstanding at the time of the adoption
13 of such Supplemental Ordinance and affected by such amendment or
14 supplement;
- 15 c. Section 1304 of the 1984 General Bond Ordinance provides that notice, as
16 described therein, of any proposed amendment under the provisions of Section
17 1302 thereof shall be mailed to the owners of all Bonds then Outstanding and to
18 the Purchaser, or any successor thereof known to the Clerk, of the Bonds then
19 Outstanding; and
- 20 d. Section 1305 of the 1984 General Bond Ordinance provides that whenever,
21 within one year from the date of a notice under the provisions of Section 1304
22 thereof, there shall be filed in the office of the Clerk an instrument or instruments
23 executed by the required number of owners, which instrument or instruments
24 shall refer to the proposed Supplemental Ordinance described in such notice and
25 shall specifically consent to and approve the adoption of such Supplemental
26 Ordinance, thereupon, the Council may adopt such Supplemental Ordinance and
27 such Supplemental Ordinance shall become effective.

28 (9) The provisions of certain agreements entered into by the City, or by the City, for
29 and on behalf of the Department, in connection with the Bonds or the Airport System, including
30 but not limited to certain agreements with credit enhancement providers, hedge facility
31 providers and equipment vendors, establish certain limitations on the ability of the City to

1 amend the 1984 General Bond Ordinance or require the consent of the other parties to such
2 agreements in connection with amendments to the 1984 General Bond Ordinance.

3 (10) Additionally, Section 1303 of the General Subordinate Bond Ordinance prohibits
4 amendments to the 1984 General Bond Ordinance without the consent of the owners of any
5 outstanding subordinate bond or subordinate obligation affected thereby, unless such
6 amendment does not materially and prejudicially affect the right of such owner.

7 (11) The required number of owners of Outstanding Prior Bonds have consented to
8 the 2018 Amendments pursuant to Section 1302 of the 1984 General Bond Ordinance. The
9 2018 Amendments do not require any additional consent of, or notice to, owners of
10 Outstanding Prior Bonds in order to provide for City Council approval thereof and inclusion in
11 this 2018 Amended and Restated General Bond Ordinance.

12 (12) The owners of outstanding subordinate bonds and subordinate obligations under
13 the General Subordinate Bond Ordinance have consented to the 2018 Amendments in
14 accordance with Section 1303 of the General Subordinate Bond Ordinance. The owners of
15 any junior lien bonds or junior lien obligations under the General Junior Lien Bond Ordinance
16 have consented to the 2018 Amendments in accordance with Section 1303 of the General
17 Junior Lien Bond Ordinance.

18 (13) All amendments (other than the 2018 Amendments) to the 1984 General Bond
19 Ordinance set forth in this 2018 Amended and Restated General Bond Ordinance are being
20 enacted pursuant to Section 1301 of the 1984 General Bond Ordinance and do not require (i)
21 consent of or notice to the owners as contemplated in Section 1302 of the 1984 General Bond
22 Ordinance, (ii) notice as contemplated in Section 1304 of the 1984 General Bond Ordinance or
23 (iii) filing of consent to the adoption of this 2018 Amended and Restated General Bond
24 Ordinance as contemplated in Section 1305 of the 1984 General Bond Ordinance.
25 Additionally, such amendments do not materially and prejudicially affect the right of the owners
26 of any subordinate bonds or the beneficiaries of any subordinate obligations as contemplated
27 by Section 1303 of the General Subordinate Bond Ordinance.

28 (14) The Council has determined and does hereby declare that it is necessary and
29 appropriate that the 1984 General Bond Ordinance be amended, supplemented, restated and
30 replaced in its entirety, as provided in this 2018 Amended and Restated General Bond
31 Ordinance and that:

1 A. Notice of the 2018 Amendments under the provisions of Section 1302 has
2 been given in accordance with Section 1304 of the 1984 General Bond Ordinance;

3 B. There has been filed in the office of the Clerk an instrument executed by
4 the required number of owners, referring to this 2018 Amended and Restated Airport System
5 General Bond Ordinance and specifically consenting to and approving the adoption of the
6 2018 Amendments, all as provided in Section 1305 of the 1984 General Bond Ordinance;

7 C. All consents of parties to agreements entered into by the City, or by the
8 City, for and on behalf of the Department, in connection with the Bonds or the Airport System,
9 which are required with respect to the 2018 Amendments have been or will be obtained;

10 D. There has been filed in the office of the Clerk an instrument executed by
11 the owners of subordinate bonds and subordinate obligations in accordance with the General
12 Subordinate Bond Ordinance, referring to this 2018 Amended and Restated Airport System
13 General Bond Ordinance and specifically consenting to and approving the adoption of the
14 2018 Amendments, all as provided in Section 1303 of the General Subordinate Bond
15 Ordinance;

16 E. No additional consent to the amendments and supplements to the 1984
17 General Bond Ordinance as set forth in this 2018 Amended and Restated General Bond
18 Ordinance is required under the provisions of Section 1302 and no notice thereof is required to
19 be given in accordance with Section 1304 of the 1984 General Bond Ordinance; and

20 F. The 2018 Amendments have been consented to by the owners of
21 subordinate bonds and subordinate obligations in accordance with the General Subordinate
22 Bond Ordinance and by the owners of junior lien bonds and junior lien obligations in
23 accordance with the Section 1303 of the General Junior Lien Bond Ordinance. All other
24 amendments and supplements to the 1984 General Bond Ordinance set forth herein do not
25 materially and prejudicially affect the rights of the owners of the subordinate bonds or junior
26 lien bonds or beneficiaries of any subordinate obligations or junior lien obligations.

27 (15) This 2018 Amended and Restated Airport System General Bond Ordinance is
28 intended to govern the issuance of, and establish general provisions relating to, revenue bonds
29 issued by the City, and by the City, for and on behalf of the Department, payable and collectible
30 solely out of the Net Revenues of the Airport System and such other funds and accounts of the
31 Airport System as herein provided.

1 (6) "Airport" or "Airport System" means the following facilities, whether
2 heretofore or hereafter acquired by the City and whether located within or without the
3 boundaries of the City:

4 (a) Stapleton International Airport;

5 (b) Denver International Airport;

6 (c) All other airports, heliports or functionally similar aviation facilities;

7 and

8 (d) All other facilities of whatsoever nature relating to or otherwise used
9 in connection with the foregoing, including without limitation buildings, structures,
10 terminals, parking and ground transportation facilities, roadways, land, hangars,
11 warehouses, runways, shops, hotels, motels and administration offices.

12 The terms do not include any Special Facilities, except to the extent otherwise
13 provided herein.

14 (7) "Airport Consultant" means an independent airport management
15 consultant or airport management consulting firm, as from time to time appointed by the
16 Manager of the Department on behalf and in the name of the City:

17 (a) Who has a wide and favorable reputation for special skill and
18 knowledge in methods of the development, operation, and management of
19 airports and airport facilities; but

20 (b) Who is not in the regular employ or control of the City.

21 (8) "Airport Engineer" means the engineer for the Airport System, in the
22 regular control and employ of the Manager of the Department on behalf of the City, or his or
23 her designee, and his or her successor in functions, if any.

24 (9) "Airport System Fund" means the separate fund designated as the "City
25 and County of Denver, Airport System Fund," created in Section 501 hereof, which fund
26 consists of a self-balancing group of accounts and subaccounts relating to the Airport System,
27 and to which the various accounts herein created or otherwise designated relate.

28 (10) "Attorney" means the attorney for the Airport System, in the regular control
29 and employ of the City, or his or her designee, and his or her successor in functions, if any.

1 (11) "Attorney's Opinion" means an opinion signed by an attorney or by a firm
2 of attorneys of recognized standing (who may be the Attorney), elected, retained, and
3 compensated by the City.

4 (12) "Auditor" means the auditor of the City, or his or her designee, and his or
5 her successor in functions, if any.

6 (13) "Balloon Maturities" means, with respect to any series of Bonds or other
7 Obligations 50% or more of the aggregate principal amount (or stated face amount) of which is
8 payable as a Bond Requirement in any Fiscal Year, that portion of that series which matures
9 within that Fiscal Year. For purposes of this definition, the principal amount maturing on any
10 date shall be reduced by the amount of those Bonds or other Obligations required to be
11 redeemed or otherwise prepaid prior to their stated maturity date. Similar structures with
12 respect to commercial paper, bond anticipation notes or other Short-Term/Demand Obligations
13 shall not be Balloon Maturities for purposes of this Instrument.

14 (14) "Bond Fund" means the special and separate account designated as the
15 "City and County of Denver, Airport System Revenue Bonds, Interest and Principal Retirement
16 Fund," created in Section 502(D) hereof.

17 (15) "Bond Requirements" for any period means the Debt Service
18 Requirements payable during such period excluding the amount of any Obligations payable (or
19 for which reserves are required to be deposited) during such period.

20 (16) "Bond Reserve Fund" means the special and separate account designated
21 as the "City and County of Denver, Airport System Revenue Bonds, Bond Reserve Fund"
22 created in Section 502(E) hereof.

23 (17) "Bonds" means bonds, notes, certificates, commercial paper, or other
24 securities issued by the City or by the City, for and on behalf of the Department, pursuant to the
25 provisions of this Instrument which are payable from the Net Revenues of the Airport System
26 and which payment is secured by a pledge of and lien on such Net Revenues, including without
27 limitation Completion Bonds, Refunding Bonds, Serial Bonds, Term Bonds, Credit Enhanced
28 Bonds, Option Bonds, Capital Appreciation Bonds, and Variable Rate Bonds; but the term does
29 not include any Special Facilities Bonds, Subordinate Bonds, or any Obligations (except as
30 represented by any bonds registered in the name of any provider of any Credit Facility or its
31 nominee as a result of a purchase by a draw on the Credit Facility).

1 (18) "Book-Entry System" means a system under which either (a) bond
2 certificates are not issued and the ownership of bonds is reflected solely by a register, or (b)
3 physical certificates in fully registered form are issued to the Securities Depository or to its
4 nominee as registered owner, with the certificated bonds held by and "immobilized" in the
5 custody of the Securities Depository, and under which records maintained by persons, other
6 than the Registrar, constitute the written record that identifies the ownership and transfer of the
7 beneficial interests in those bonds.

8 (19) "Capital Appreciation Bonds" means Bonds which by their terms
9 appreciate in value to a stated face amount at maturity.

10 (20) "Capital Fund" means the special and separate account designated as the
11 "City and County of Denver, Airport System Capital Improvement and Replacement Fund,"
12 created in Section 502(G) hereof.

13 (21) "Capitalized Interest Account" means the special and separate subaccount
14 within the Project Fund designated as the "City and County of Denver, Airport System Revenue
15 Bonds, Capitalized Interest Account," created in Section 504(A) hereof.

16 (22) "Charter" means the home-rule charter of the City, as amended from time
17 to time, and the term includes any successor charter or like document adopted as the organic
18 law of the City.

19 (23) "City" means the municipal corporation and body corporate and politic
20 known as the City and County of Denver, Colorado, and the term includes any municipal
21 corporation which may succeed to ownership of the Airport System. As the context requires,
22 the term also means the City, for and on behalf of the Department.

23 (24) "City Council" or "Council" means the city council of the City, also
24 designated in the Charter as the "board of councilmen," and includes any successor governing
25 body of the City.

26 (25) "Clerk" means the Clerk and Recorder, ex-officio Clerk of the City, or a
27 deputy clerk of the City whenever the Clerk is unable to act in such capacity, or their
28 designees, and their successors in functions, if any.

29 (26) The term "commercial bank" means a state or national bank or trust
30 company which is a member of the Federal Deposit Insurance Corporation and of the Federal

1 Reserve System, which has a shareholders' equity (e.g., capital stock, surplus, and undivided
2 profits), however denominated, of \$25,000,000.00 or more, and which is located within the
3 United States, and such term includes, without limitation, any trust bank.

4 (27) "Completion Bonds" means Bonds issued for the purpose of defraying
5 additional Cost of an Improvement Project and thereby implementing its completion.

6 (28) "Contract Obligations" means capital leases, installment purchase
7 agreements, guaranty agreements, or other similar contracts, which are payable from all or any
8 designated portion of the Net Revenues of the Airport System and secured under this
9 Instrument. The term does not include (a) Bonds, Credit Facility Obligations, or Hedge Facility
10 Obligations; or (b) obligations that may be treated as Operation and Maintenance Expenses
11 under generally accepted accounting principles and obligations incurred and payable in full
12 within a single Fiscal Year (whether or not such obligations may be so treated as Operation
13 and Maintenance Expenses).

14 (29) "Cost" means the City's costs properly attributable to any Improvement
15 Project, Refunding Project, or combination thereof (as the context requires), including without
16 limitation:

17 (a) The costs of labor and materials, of machinery, furnishings, and
18 equipment, and of the restoration of property damaged or destroyed in
19 connection with construction work;

20 (b) The costs of insurance premiums, indemnity and fidelity bonds,
21 financing charges, bank fees, taxes, or other municipal or governmental charges
22 lawfully levied or assessed;

23 (c) Administrative and general overhead costs;

24 (d) The costs of reimbursing funds advanced by the City, including any
25 intrafund or interfund loan, or advanced with the approval of the City by the State,
26 any city, the Federal Government, or by any other person, or any combination
27 thereof;

28 (e) The costs of surveys, appraisals, plans, designs, specifications, or
29 estimates;

1 (f) The costs, fees and expenses of printers, engineers, architects,
2 financial consultants, legal advisors, or other agents or employees;

3 (g) The costs of publishing, reproducing, posting, mailing, or recording;

4 (h) The costs of contingencies or reserves;

5 (i) Interest on Bonds for such period as may be determined by
6 Supplemental Ordinance, any discount on the sale or remarketing of Bonds, any
7 reserves for the payment of Bonds, or any other costs of issuing, carrying or
8 repaying Bonds or of purchasing, carrying, and selling or redeeming Investment
9 Securities, including without limitation any fees or charges of agents, trustees or
10 other fiduciaries, and any fees, premiums or other costs incurred in connection
11 with any Credit Facility;

12 (j) The costs of amending any resolution, ordinance or other
13 instrument relating to Bonds;

14 (k) The costs of repaying any short-term financing, construction loans,
15 and other temporary loans, and of the incidental expenses incurred in connection
16 with such loans;

17 (l) The costs of acquiring any property, rights, easements, licenses,
18 privileges, agreements, or franchises;

19 (m) The costs of demolition, removal, and relocation;

20 (n) All other lawful costs as may be determined by the Manager of the
21 Department.

22 (30) "Credit Enhanced Bonds" means Bonds, the payment of which, or other
23 rights in respect of which, is secured in whole or in part by a Credit Facility or by a pledge of
24 revenues other than Gross Revenues.

25 (31) "Credit Facility" means any letter of credit, policy of bond insurance, surety
26 bond, guaranty or similar instrument issued by a financial, insurance or other institution and
27 which provides security or liquidity in respect of Bonds.

28 (32) "Credit Facility Obligations" means repayment or other obligations incurred
29 by the City, for and on behalf of the Department, pursuant to a credit agreement or similar

1 instrument in respect of draws or other payments or disbursements made under a Credit
2 Facility; but only if such obligations have a lien on the Net Revenues of the Airport System on
3 the same priority as the lien thereon of Bonds.

4 (33) "Debt Service Requirements" for any period means the sum of:

5 (i) The amount required to pay the interest on any Bonds during such
6 period;

7 (ii) The amount required to pay the principal, Redemption Price or
8 Purchase Price of any Bonds during such period, whether at stated
9 or theretofore extended maturity, upon mandatory redemption,
10 upon the exercise of any option to redeem or require tender of
11 such Bonds if the City has irrevocably committed itself to exercise
12 such option, or by reason of any other circumstance which will, with
13 certainty, occur during such period; and

14 (iii) The amount of any Credit Facility Obligations required to be paid
15 and any Regularly Scheduled Hedge Payments to be made by the
16 City with respect to any Hedge Facility secured hereunder during
17 such period,

18 in each case computed as follows:

19 (a) No payments required for any Option Bonds, other Bonds, or
20 Obligations which may be tendered or otherwise presented for payment at the
21 option or demand of the owners thereof, or which may otherwise become due by
22 reason of any other circumstance which will not, with certainty, occur during such
23 period, shall be included in any computation of Debt Service Requirements prior
24 to the stated or theretofore extended maturity or otherwise certain due dates
25 thereof, and all such payments shall be deemed to be required on such stated or
26 theretofore extended maturity dates or otherwise certain due dates.

27 (b) Except for any historical period for which the actual rate or rates are
28 determinable and except as otherwise provided herein, Variable Rate Bonds, and
29 Obligations which bear interest at a variable rate, shall be deemed to bear
30 interest at a fixed annual rate equal to the prevailing rate of such Variable Rate

1 Bonds or Obligations on the date of computation; provided that in any
2 computation (i) of Minimum Bond Reserve; (ii) relating to the issuance of
3 additional Bonds required by Section 704(B) hereof; or (iii) required by the rate
4 maintenance covenant of Section 901 hereof, Variable Rate Bonds shall be
5 deemed to bear interest at a fixed annual rate equal to (y) the average of the daily
6 rates of such Bonds during the 365 consecutive days (or any lesser period such
7 Bonds have been Outstanding) next preceding the date of computation; or (z)
8 with respect to any Variable Rate Bonds which are being issued on the date of
9 computation, the initial rate of such Bonds upon issuance.

10 (c) Further, in any computation relating to the issuance of additional
11 Bonds required by Section 704 hereof and any computation required by the rate
12 maintenance covenant in Section 901 hereof, there shall be excluded from the
13 computation of Debt Service Requirements amounts which are irrevocably
14 committed to make the payments described in clauses (i), (ii) and (iii) above
15 during such period, including without limitation any amounts in an Escrow
16 Account and any proceeds of Bonds deposited to the credit of the Capitalized
17 Interest Account.

18 (d) Any Variable Rate Bonds with respect to which there exists a
19 Hedge Facility that obligates the City to pay a fixed interest rate shall be deemed
20 to bear interest at the effective fixed annual rate thereon as a result of such
21 Hedge Facility for the full term of such Hedge Facility. In the case of any Bonds
22 that bear interest at a fixed rate and with respect to which there exists a Hedge
23 Facility that obligates the City to pay a floating interest rate Debt Service
24 Requirements shall be deemed for the full term of the Hedge Facility to include
25 the interest payable on such Bonds, less the fixed amounts received by the City
26 under the Hedge Facility, plus the amount of the floating payments (using the
27 conventions described in paragraph (b) above) to be made by the City under the
28 Hedge Facility.

29 (e) The Debt Service Requirements of any series of Bonds (other than
30 Bonds that mature within one year of the date of issuance thereof) or other
31 Obligations all or a portion of which constitutes a Balloon Maturity shall, unless
32 otherwise provided in the Supplemental Ordinance pursuant to which such Bonds

1 are authorized, be calculated by assuming that principal and interest on such
2 Balloon Maturity is to be amortized over a 30-year period, beginning on the date
3 of issuance or incurrence, assuming level debt service payable in each year at a
4 rate of interest equal to the actual rate of interest of such Balloon Maturity on the
5 date of calculation, provided that if the date of calculation is within 12 months of
6 the final due date of such Balloon Maturity, the full amount of principal to become
7 due shall be included in the calculation unless provision (g) of this definition than
8 applies to such maturity.

9 (f) If all or any portion of an outstanding series of Bonds constitutes
10 Short-Term/Demand Obligations, then, for purposes of determining Debt Service
11 Requirements, each maturity that constitutes Short-Term/Demand Obligations
12 shall, unless otherwise provided in the Supplemental Ordinance pursuant to
13 which such Bonds are authorized, be treated as if it were to be amortized over a
14 term of not more than 30 years and with substantially level annual debt service
15 funding payments commencing not later than the year following the year in which
16 such Short-Term/Demand Obligations were issued, and extending not later than
17 30 years from the date such Short-Term/Demand Obligations were originally
18 issued; the interest rate used for such computation shall be that rate quoted in
19 The Bond Buyer 25 Revenue Bond Index for the last week of the month
20 preceding the date calculation as published by The Bond Buyer, or if that index is
21 no longer published, another similar index designated by the Manager, taking into
22 consideration whether such Bonds bear interest which is or is not excluded from
23 gross income for federal income tax purposes; with respect to any series of
24 Bonds only a portion of which constitutes Short-Term/Demand Obligations, the
25 remaining portion shall be assumed to be paid in accordance with any
26 amortization schedule established by the Supplemental Ordinance setting forth
27 the terms of such Bonds or shall be treated as described in such other provision
28 of this definition as shall be applicable.

29 (g) Any maturity of Bonds that constitutes a Balloon Maturity as
30 described in provision (e) of this definition and for which the stated maturity date
31 occurs within 12 months from the date such calculation of Debt Service
32 Requirements is made, shall be assumed to become due and payable on the

1 stated maturity date, and provision (e) above shall not apply thereto, unless the
2 Treasurer shall file a certificate with the Clerk stating (i) that the City intends to
3 refinance such maturity, (ii) the probable terms of such refinancing and (iii) that
4 City has the financial ability to successfully complete such refinancing; upon the
5 receipt of such certificate, such Balloon Maturity shall be assumed to be
6 refinanced in accordance with the probable terms set out in such certificate and
7 such terms shall be used for purposes of calculating Debt Service Requirements;
8 provided that such assumption shall not result in an interest rate lower than that
9 which would be assumed under provision (e) above and shall be amortized over
10 a term of not more than 30 years from the expected date of refinancing.

11 (34) "Department" means the Department of Aviation of the City and its
12 successor in functions, if any, which has been designated by the City as an "enterprise" within
13 the meaning of Section 20, Article X, State Constitution.

14 (35) "EMMA" means the Municipal Securities Rulemaking Board's Electronic
15 Municipal Market Access system or any successor thereto.

16 (36) "Enterprise Ordinance" means Ordinance No. 755, Series of 1993.

17 (37) The term "equip" means to furnish machinery, vehicles, furniture,
18 apparatus, or other equipment, or any combination thereof.

19 (38) "Escrow Account" means any special and separate account established
20 with an Escrow Bank in whole or in part with the proceeds of any Refunding Bonds or other
21 moneys to provide for the timely payment of any Bond Requirements.

22 (39) "Escrow Bank" means a trust bank, designated by Supplemental
23 Ordinance to administer an Escrow Account.

24 (40) "Event(s) of Default" means the events stated in Section 1203 hereof.

25 (41) "Facilities" and "Airport Facilities" means any real, personal, or real and
26 personal property, or any interest therein (other than Special Facilities, except to the extent
27 otherwise provided herein) comprising a part of the Airport System, including without limitation
28 land for environmental or noise abatement purposes.

29 (42) "Federal Government" means the United States, or any agency,
30 instrumentality, or corporation thereof.

1 (43) "Federal Securities" means bills, certificates, notes, bonds or similar
2 securities which are direct obligations of, or the principal of and interest on which are
3 unconditionally guaranteed by, the United States.

4 (44) "Financial Consultant" means any financial consultant which is appointed
5 by the City with respect to any series of Bonds.

6 (45) "Fiscal Year" means the twelve months commencing on January 1 of any
7 calendar year and ending on December 31 of the same calendar year, or any other 12-month
8 period which the appropriate authority designates as the fiscal year for the operation of the
9 Airport System.

10 (46) "Fitch" means Fitch, Inc. and its successors.

11 (47) "General Junior Lien Bond Ordinance" means Ordinance No. 17-0972,
12 Series of 2017, cited as "Airport System General Junior Lien Bond Ordinance," as amended
13 and supplemented from time to time.

14 (48) "General Subordinate Bond Ordinance" means the 1997 Subordinate Bond
15 Ordinance as amended and restated in its entirety pursuant to the provisions of Ordinance No.
16 302, Series of 2013, as amended and supplemented from time to time.

17 (49) "Gross Revenues" means any income and revenue lawfully derived
18 directly or indirectly by the City from the operation and use of, or otherwise relating to, the
19 Airport System, whether resulting from an Improvement Project or otherwise. The term
20 includes, without limitation, all rentals, rates, fees, and other charges for the use of the Airport
21 System, or for any service rendered by the City in the operation thereof; on and after
22 January 1, 1994, the revenues from the City's sales and use taxes raised at the rate of two
23 cents for each gallon of fuel purchased for use in the generation of power for propulsion or
24 drawing of aircraft; any passenger taxes, passenger facility charges, or other passenger
25 charges imposed for the use of the Airport System, but only to the extent included as Gross
26 Revenues by the terms of any Supplemental Ordinance; and, except as otherwise provided
27 herein, interest and other realized gain from any investment of moneys accounted for in the
28 various accounts of the Airport System Fund. The term does not include:

29 (a) Any Bond proceeds and other money (including interest) required to
30 be credited to the Project Fund or the Bond Reserve Fund;

1 (b) Any rentals or other revenue, grants, appropriations, or gifts derived
2 directly or indirectly from the United States;

3 (c) Any grants, appropriations, or gifts from the State, or any other
4 sources, which are required by their terms to be used only for purposes other
5 than the payment of Debt Service Requirements;

6 (d) Except as otherwise provided herein, any revenue derived from any
7 Special Facilities other than ground rentals relating to such Special Facilities and
8 any moneys paid to the City in lieu of such ground rentals;

9 (e) The proceeds of any insurance policy, except any such proceeds
10 derived in respect of loss of use or business interruption;

11 (f) Any money (including interest) in any Escrow Account or similar
12 account pledged to the payment of any obligations therein specified;

13 (g) Any money received in respect of any Credit Facility, unless
14 otherwise provided by Supplemental Ordinance;

15 (h) Any Hedge Termination Payments received by the City; and

16 (i) Any Released Revenues in respect of which there have been filed
17 with the Clerk a Manager's certificate, an Airport Consultant's certificate, and an
18 opinion of Bond Counsel and the other documents contemplated in the definition
19 of "Released Revenues."

20 (50) "Hedge Facility" means any rate swap transaction, basis swap transaction,
21 cap transaction, floor transaction, collar transaction, or similar transaction entered into by the
22 City, for and on behalf of the Department, and a Hedge Provider, which is intended to be
23 integrated with and to convert or limit the interest rate on any Bonds.

24 (51) "Hedge Facility Obligations" means payment obligations of the City, for
25 and on behalf of the Department, in respect of Hedge Facilities, which are payable from all or
26 any designated portion of the Net Revenues of the Airport System and secured under this
27 Instrument; but only if such obligations have a lien on the Net Revenues of the Airport System
28 on the same priority as the lien thereon of Bonds; provided that Hedge Termination Payments
29 to be made by the City shall not be secured under this Instrument on a parity with the Bonds.

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

13 (53) "Hedge Termination Payment" means any amount payable to the City, for
14 and on behalf of the Department, or a Hedge Provider, in accordance with a Hedge Facility, if
15 the Hedge Facility is terminated prior to its scheduled termination date.

16 (54) The term "improve" means to extend, enlarge, add to, widen, lengthen,
17 better, alter, reconstruct, or otherwise improve; but the term does not mean to generally
18 maintain or otherwise repair in minor and periodic respect.

19 (55) "Improvement Project" means any project to acquire, improve or equip (or
20 any combination thereof) Facilities, as authorized and described by Supplemental Ordinance.

21 (56) "Independent Accountant" means any certified public accountant, or any
22 firm of certified public accountants, duly licensed to practice and practicing as such under the
23 laws of the State, as from time to time appointed and compensated by the City:

- 24 (a) Who is, in fact, independent and not under the control of the City;
- 25 (b) Who does not have any substantial interest, direct or indirect, with
26 the City; and
- 27 (c) Who is not connected with the City as an officer or employee
28 thereof, but who may be regularly retained to make annual or similar audits of any
29 books or records of the City.

1 (57) "Instrument" means this 2018 Amended and Restated Airport System
2 General Bond Ordinance, as amended and supplemented from time to time by any
3 Supplemental Ordinance; and the term "instrument of the City," "amendatory instrument,"
4 "supplemental instrument," or any phrase of similar import, means any ordinance adopted by
5 the Council.

6 (58) "Interest Account" means the special and separate subaccount within the
7 Bond Fund designated as the "City and County of Denver, Airport System Revenue Bonds,
8 Interest Account," created in Section 504(B) hereof.

9 (59) "Investment Securities" means, to the extent the following are permitted
10 investments under the City's investment policy, as such investment policy may be amended
11 from time to time:

12 (a) Federal Securities; and

13 (b) If the laws applicable to the City permit any of the following
14 investments to be made at the time such investment is made, any of the
15 following:

16 (i) Certificates or any other evidences of an ownership interest
17 in Federal Securities or the interest thereon;

18 (ii) Interest bearing bank time deposits evidenced by certificates
19 of deposit issued by banks incorporated under the laws of any state
20 (including the State) or the Federal Government, or any national banking
21 association that is a member of the Federal Deposit Insurance
22 Corporation, and interest bearing savings and loan association time
23 deposits evidenced by certificates of deposit issued by savings and loan
24 associations which are members of the Federal Savings and Loan
25 Insurance Corporation, if (1) such deposits are fully insured by the Federal
26 Deposit Insurance Corporation or the Federal Savings and Loan
27 Insurance Corporation, or (2) the shareholders' equity (e.g., capital stock,
28 surplus, and undivided profits), however denominated, of such bank or
29 savings and loan association is at least equal to \$10,000,000.00, or (3)
30 such deposits are secured by Federal Securities, by obligations described
31 in subparagraphs (b)(i) or (b)(iii) of this definition, or by tax-exempt,

1 unlimited general obligation bonds of a state or municipal government
2 rated "A" (or its equivalent) or better by one or more nationally recognized
3 rating agencies, having at all times a market value in the aggregate
4 (exclusive of accrued interest) at least equal to the amount of such
5 deposits so secured, including accrued interest (or by any combination
6 thereof);

7 (iii) Bonds, debentures, notes, or other evidences of
8 indebtedness issued or guaranteed by any of the following agencies:
9 Federal Farm Credit Banks; the Export-Import Bank of the United States;
10 Federal Land Banks; the Federal National Mortgage Association; the
11 Tennessee Valley Authority; the Government National Mortgage
12 Association; the Federal Financing Bank; the Farmers Home
13 Administration; the Federal Home Loan Bank; or any agency or
14 instrumentality of the Federal Government which shall be established for
15 the purposes of acquiring the obligations of any of the foregoing or
16 otherwise providing financing therefor;

17 (iv) Repurchase agreements with banks described in
18 subparagraph (b)(ii) of this definition and government bond dealers
19 reporting to and trading with the Federal Reserve Bank of New York,
20 which agreements are secured by depositing Federal Securities or
21 obligations described in subparagraphs (b)(i) or (b)(iii) of this definition
22 with an escrow agent satisfactory to the City, including, without limitation,
23 any Federal Reserve Bank or any branch thereof;

24 (v) Banker's acceptances that are rated at the time of purchase
25 in the highest short-term rating category of, or are otherwise approved by,
26 the Rating Agencies and that mature not more than 180 days after the
27 date of purchase;

28 (vi) New housing authority bonds issued by public agencies or
29 municipalities and fully secured as to the payment of both principal and
30 interest by a pledge of annual contributions under a contract with the
31 Federal Government; or project notes issued by public agencies or

1 municipalities and fully secured as to the payment of both principal and
2 interest by a requisition or payment agreement with the Federal
3 Government;

4 (vii) Obligations issued by the City which are rated "A" (or its
5 equivalent) or better by one or more nationally recognized rating agencies,
6 but excluding any Bonds or Subordinate Bonds;

7 (viii) Commercial paper that is rated at the time of purchase in the
8 highest short-term rating category of, or is otherwise approved by, the
9 Rating Agencies and that matures not more than 270 days after the date
10 of purchase;

11 (ix) Investments in (1) money market funds which are rated, at
12 the time of purchase, in the highest short-term rating category of, or are
13 otherwise approved by, the Rating Agencies and (2) public sector
14 investment pools operated pursuant to Rule 2a-7 promulgated by the
15 Securities and Exchange Commission in which the issuer's deposit must
16 not exceed 5% of the aggregate pool balance at any time, if the pool is
17 rated, at the time of purchase, in one of the two highest short-term rating
18 categories by, or is otherwise approved by, the Rating Agencies;

19 (x) Any bonds or other obligations of any state of the United
20 States of America or any agency, instrumentality or local government unit
21 of such state that are not callable at the option of the obligor prior to
22 maturity or as to which irrevocable instructions have been given by the
23 obligor to call on the date specified in the notice, and either:

24 (A) That are rated, on the date of purchase, based on the
25 irrevocable escrow account or fund (the "escrow"), in the highest
26 long-term rating category by, or are otherwise approved by, the
27 Rating Agencies; or

28 (B) As to which the following apply:

29 (1) such bonds or other obligations are fully
30 secured as to principal, interest and any redemption

1 premium by an escrow consisting only of cash or direct
2 obligations of the United States of America, which escrow
3 may be applied only to the payment of the principal, interest
4 and any redemption premium on those bonds or other
5 obligations on their maturity date or dates or the specified
6 redemption date or dates in accordance with those
7 irrevocable instructions, as appropriate; and

8 (2) the escrow is sufficient, as verified by an
9 independent certified public accountant, to pay principal,
10 interest and any redemption premium on the bonds or other
11 obligations described in this paragraph (x) on the maturity
12 date or dates or the specified redemption date or dates
13 specified in the irrevocable instructions referred to above, as
14 appropriate;

15 (xi) Obligations issued by any state of the United States of
16 America or any agency, instrumentality or local government unit of such
17 state, and which obligations have on the date of purchase a rating in one
18 of the two highest rating categories of, or are otherwise approved by, the
19 Rating Agencies, without regard to any numerical or positive or negative
20 designation.

21 (xii) Investment Agreements with:

22 (A) A Broker/Dealer (or its parent) either (1) having
23 uninsured, unsecured and unguaranteed debt rated, at the time of
24 investment, investment grade by, or is otherwise approved by, the
25 Rating Agencies (in which case the agreement must provide that, if
26 the provider is downgraded below investment grade by at least two
27 of the Rating Agencies, the City may terminate the agreement) or
28 (2) providing an investment agreement which is fully secured by
29 Federal Securities which are (a) valued not less frequently than
30 monthly and have a fair market value, exclusive of accrued interest,
31 at all times at least equal to 103% of the principal amount of the

1 investment, together with the interest accrued and unpaid thereon,
2 (b) held by any Federal Reserve Bank or a depository acceptable to
3 the City, (c) subject to a perfected first lien on behalf of owners of
4 the Bonds, and (d) free and clear from all third-party liens;

5 (B) A bank having long-term uninsured, unsecured and
6 unguaranteed debt rated, at the time of investment, in one of the
7 two highest rating categories by, or is otherwise approved by, the
8 Rating Agencies. The agreement must provide that, if the bank is
9 downgraded below "A-" (or its equivalent) by at least two Rating
10 Agencies, the City may terminate the agreement;

11 (C) An insurance company having an uninsured,
12 unsecured, and unguaranteed claims paying ability rated, at the
13 time of investment, in the highest rating category by, or otherwise
14 approved by, the Rating Agencies. The agreement must provide
15 that, if the insurance company is downgraded below the highest
16 rating category by at least two Rating Agencies, the City may
17 terminate the agreement; and

18 (D) A corporation whose principal business is to enter into
19 investment agreements, if that corporation has been assigned, at
20 the time of investment, a counterparty rating in the highest rating
21 category by, or is otherwise approved by, the Rating Agencies, or
22 the Rating Agencies have, at the time of the investment, rated the
23 investment agreements of such corporation in the highest rating
24 category or have otherwise approved such investment. The
25 agreement must provide that, if either the corporation's
26 counterparty rating or that corporation's investment agreements
27 rating is downgraded by at least two of the Rating Agencies, the
28 City may terminate the agreement; and

29 (xiii) Such other investments as the Treasurer may be authorized
30 to make with the general funds of the City.

1 (60) "Manager" or "Manager of the Department" means the Manager of the
2 City's Department of Aviation, or his or her designee and successor in functions, if any (being
3 the successor in title to the Manager of the Department of Aviation as of March 1, 2015).

4 (61) "Mayor" means the mayor of the City, or his or her designee, and his or her
5 successor in functions, if any.

6 (62) "Minimum Bond Reserve" means (i) so long as any Bonds issued prior to
7 August 1, 2000 are Outstanding, the maximum amount of Bond Requirements in any Fiscal
8 Year, or portion thereof, during the period commencing on the date of such computation and
9 ending on the last date on which any Bonds to which such Bond Requirements relate will be
10 Outstanding, and (ii) if no Bonds issued prior to August 1, 2000 are Outstanding, an amount
11 equal to the lesser of (A) the maximum amount of Bond Requirements in any Fiscal Year, or
12 portion thereof, during the period commencing on the date of such computation and ending on
13 the last date on which any Bonds to which such Bond Requirements relate will be Outstanding
14 or (B) 125% of the average annual aggregate Bond Requirements on the Bonds then
15 Outstanding; provided that if no Bonds issued prior to August 1, 2000 remain Outstanding, the
16 Minimum Bond Reserve may be reduced to the maximum amount which is permitted to be
17 capitalized for such purpose from the proceeds of such Bonds under then current law in order
18 to maintain the exclusion from gross income for federal income tax purposes of interest on
19 such Bonds; and provided further that no Minimum Bond Reserve shall be required for any
20 Short-Term/Demand Obligations. With respect to any series of Bonds, 50% or more of the
21 aggregate principal amount (or stated face amount) of which is payable as a Bond
22 Requirement in any Fiscal Year, if such principal (or stated face amount) is not required to be
23 redeemed or prepaid prior to such date of payment, it shall be assumed for purposes of
24 determining the Minimum Bond Reserve that (x) such series of Bonds matures over a thirty-
25 year term from its date of issuance, (y) bears interest at a rate determined by the Treasurer to
26 be the rate on bonds of comparable term and credit under then existing market conditions,
27 provided that the rate so determined shall not be less than the actual rate or rates borne by
28 such series of Bonds, and (z) is payable on a substantially level annual debt service basis
29 assuming the rate so determined.

30 (63) "Minimum Operation and Maintenance Reserve" means an amount equal
31 to not less than one-sixth and not more than one-third of the actual Operation and Maintenance

1 Expenses of the Airport System during the next preceding Fiscal Year, as determined by the
2 Manager of the Department not more often than once in each Fiscal Year.

3 (64) "Moody's" means Moody's Investors Service, Inc. and its successors.

4 (65) "Net Revenues" means the Gross Revenues remaining after the deduction
5 of Operation and Maintenance Expenses.

6 (66) "Net Rent Lease" means a lease or license of facilities relating to the
7 Airport System or Special Facilities entered into by the City, for and on behalf of the
8 Department, pursuant to which the lessee or licensee agrees to pay to the City, for and on
9 behalf of the Department, rentals or other payments during the term thereof for the use of
10 certain facilities, and to pay in addition all operation and maintenance expenses relating to
11 such facilities, including, without limitation, maintenance costs, insurance, and all property
12 taxes and assessments now or hereafter lawfully levied.

13 (67) The term "newspaper" means a newspaper printed in the English
14 language, published at least once each calendar week.

15 (68) "Obligations" means Credit Facility Obligations, Contract Obligations and
16 Hedge Facility Obligations.

17 (69) "Operation and Maintenance Expenses" means all reasonable and
18 necessary current expenses of the City, for and on behalf of the Department, paid or accrued,
19 of operating, maintaining, and repairing the Airport System. The term includes without
20 limitation:

21 (a) Engineering, auditing, reporting, legal, and other overhead
22 expenses of the various departments of the City (including without limitation the
23 expenses of the Treasurer) directly related and reasonably allocable to the
24 administration, operation, and maintenance of the Airport System;

25 (b) Fidelity bond and property and liability insurance premiums relating
26 to the Airport System, or a reasonably allocable share of a premium of any
27 blanket bond or policy relating to the Airport System;

28 (c) Payments to pension, retirement, health, and hospitalization funds,
29 and other insurance, and to any self-insurance fund as insurance premiums not in
30 excess of such premiums which would otherwise be required for such insurance;

1 (d) Any general (ad valorem) taxes, assessments, excise taxes, or
2 other charges which may be lawfully imposed on the City, the Airport System, the
3 revenue, or income derived therefrom, or any privilege in connection therewith;

4 (e) The reasonable charges of the Paying Agent and any other
5 depository bank relating to Bonds;

6 (f) Costs of contractual services, professional services, salaries, other
7 administrative expenses, and costs of materials, supplies, repairs, and labor,
8 relating to the Airport System or to Bonds, including without limitation the
9 reasonable expenses and compensation of trustees, receivers, or other agents or
10 fiduciaries;

11 (g) Costs incurred in collecting or refunding all or any part of the Gross
12 Revenues including the amount of any such refunds;

13 (h) Costs of any utility services furnished to the Airport System by the
14 City or otherwise;

15 (i) Periodic fees, premiums or other costs incurred in connection with
16 any Credit Facility Obligations; and

17 (j) All other generally accepted current expenses of operating,
18 maintaining and repairing an airport system similar to the Airport System.

19 The term does not include any allowance for depreciation; the Cost of any Improvement Project
20 (except to the extent not paid as a part of such Cost and otherwise properly characterized as
21 an Operation and Maintenance Expense); any reserves for major capital replacements or
22 Operation and Maintenance Expenses (except as required herein); payments in respect of
23 Debt Service Requirements; any expenses incurred by lessees or licensees under Net Rent
24 Leases; any Operation and Maintenance Expenses relating to Special Facilities (except as
25 otherwise provided herein); and any liabilities imposed on the City, including without limitation
26 negligence in the operation of the Airport System.

27 (70) “Operation and Maintenance Fund” means the special and separate
28 account designated as the “City and County of Denver, Airport System Operation and
29 Maintenance Fund,” created in Section 502(C) hereof.

1 (71) "Operation and Maintenance Reserve Account" means the special and
2 separate subaccount in the Operation and Maintenance Fund designated as the "City and
3 County of Denver, Airport System Operation and Maintenance Reserve Account," created in
4 Section 504(F) hereof.

5 (72) "Option Bonds" means Bonds which by their terms may be tendered for
6 payment by and at the option of the owners thereof prior to the stated maturity thereof, or the
7 maturities of which may be extended by and at the option of the owners thereof.

8 (73) "Other Available Funds" means for any Fiscal Year the amount determined
9 appropriate by the Manager of the Department to be transferred from the Capital Fund to the
10 Revenue Fund; but in no event shall such amount exceed 25% of the aggregate Debt Service
11 Requirements for such Fiscal Year.

12 (74) "Other Defeasance Securities" means any type of security or obligation, in
13 addition to Federal Securities, that the Rating Agencies then maintaining ratings on any Bonds
14 to be defeased have determined are permitted defeasance securities and qualify the Bonds to
15 be defeased thereby for a rating in the highest category of, or are otherwise approved by, such
16 Rating Agencies; provided that such security or obligation must be a permitted investment
17 under the City's investment policy as then in effect.

18 (75) "Outstanding" when used with reference to any Bonds and as of any
19 particular date means all such Bonds in any manner theretofore or thereupon issued, except:

20 (a) any Bonds cancelled or paid by or on behalf of the City on or before
21 such date;

22 (b) any Bonds which are deemed to be paid pursuant to Section 1101
23 hereof or for which sufficient moneys are held in trust pursuant to Section 309
24 and Section 517 hereof;

25 (c) any Bonds in lieu of or in substitution for which other Bonds shall
26 have been executed and delivered; and

27 (d) except any Bonds held as Bank Bonds (as defined in any related
28 Supplemental Ordinance), any Option Bonds deemed tendered or purchased as
29 provided by Supplemental Ordinance.

1 In determining whether the owners of the requisite principal amount of Outstanding
2 Bonds have given any request, demand, authorization, direction, notice, consent or waiver,
3 Bonds owned by the City shall be disregarded and deemed not to be Outstanding.

4 (76) The term “owner” or any similar term, when used in connection with any
5 Bonds means the registered owner of any Bond or the owner of record as to any Bond issued
6 in book-entry form; provided that with respect to any series of Bonds which is insured by a
7 bond insurance policy, the term “owner” for purposes of all consents, directions, and notices
8 provided for in this Instrument and any applicable Supplemental Ordinance, shall mean the
9 issuer of such bond insurance policy so long as such policy issuer has not defaulted under its
10 policy.

11 (77) “Paying Agent” means the Treasurer, or one or more commercial banks or
12 trust banks, designated by Supplemental Ordinance as agent of the City for the payment of
13 Bonds, including any successors thereof. As the context requires, the term also includes the
14 Treasurer, or one or more commercial banks or trust banks, so designated as co-paying or
15 alternate paying agent of the City for the payment of Bonds, including any successors thereof.

16 (78) The term “person” means a corporation, firm, other body corporate
17 (including without limitation the Federal Government, the State, or any other body corporate
18 and politic other than the City), partnership, association, or individual, and also includes an
19 executor, administrator, trustee, receiver, or other representative appointed according to law.

20 (79) “Pledged Revenues” means all or a portion of the Gross Revenues. The
21 designated term indicates a source of revenues and does not necessarily indicate all or any
22 portion or other part of such revenues in the absence of further qualification.

23 (80) “Principal Account” means the special and separate subaccount in the
24 Bond Fund designated as the “City and County of Denver, Airport System Revenue Bonds,
25 Principal Account,” created in Section 504(C) hereof.

26 (81) “Prior Amendments” means amendments to the 1984 General Bond
27 Ordinance consented to in writing by the requisite percentage of owners of the Prior Bonds
28 and previously approved and duly adopted by the City Council.

1 (82) "Prior Bonds" means the following series of Bonds heretofore issued by
2 the City for and on behalf of the Department pursuant to the 1984 General Bond Ordinance
3 and which are currently Outstanding:

4 i. the "City and County of Denver, Colorado, Airport System Revenue Bonds,
5 Series 1992C," as authorized by the 1984 General Bond Ordinance and
6 Ordinance No. 640, Series of 1992;

7 ii. the "City and County of Denver, Colorado, Airport System Revenue Bonds,
8 Series 1992F," as authorized by the 1984 General Bond Ordinance and
9 Ordinance No. 643, Series of 1992;

10 iii. the "City and County of Denver, Colorado, Airport System Revenue Bonds,
11 Series 1992G," as authorized by the 1984 General Bond Ordinance and
12 Ordinance No. 644, Series of 1992;

13 iv. the "City and County of Denver, Colorado, for and on behalf of its
14 Department of Aviation, Airport System Revenue Refunding Bonds, Series
15 2002C," as authorized by the 1984 General Bond Ordinance and Ordinance No.
16 800, Series of 2002;

17 v. the "City and County of Denver, Colorado, for and on behalf of its
18 Department of Aviation, Airport System Revenue Bonds, Series 2007F," as
19 authorized by the 1984 General Bond Ordinance and Ordinance No. 625, Series
20 of 2007;

21 vi. the "City and County of Denver, Colorado, for and on behalf of its
22 Department of Aviation, Airport System Revenue Bonds, Series 2007G," as
23 authorized by the 1984 General Bond Ordinance and Ordinance No. 626, Series
24 of 2007, as amended and restated by Ordinance No. 722, Series of 2007;

25 vii. the "City and County of Denver, Colorado, for and on behalf of its
26 Department of Aviation, Airport System Revenue Bonds, Series 2008B," as
27 authorized by the 1984 General Bond Ordinance and Ordinance No. 322, Series
28 of 2008;

29 viii. the "City and County of Denver, Colorado, for and on behalf of its
30 Department of Aviation, Airport System Revenue Bonds, Series 2008C1-C3," as

1 authorized by the 1984 General Bond Ordinance and Ordinance No. 483, Series
2 of 2008;

3 ix. the "City and County of Denver, Colorado, for and on behalf of its
4 Department of Aviation, Airport System Revenue Bonds, Series 2009A-B," as
5 authorized by the 1984 General Bond Ordinance and Ordinance No. 578, Series
6 of 2009;

7 x. the "City and County of Denver, Colorado, for and on behalf of its
8 Department of Aviation, Airport System Revenue Bonds, Series 2009C," as
9 authorized by the 1984 General Bond Ordinance and Ordinance No. 577, Series
10 of 2009;

11 xi. the "City and County of Denver, Colorado, for and on behalf of its
12 Department of Aviation, Airport System Revenue Bonds, Series 2010A," as
13 authorized by the 1984 General Bond Ordinance and Ordinance No. 107, Series
14 of 2010;

15 xii. the "City and County of Denver, Colorado, for and on behalf of its
16 Department of Aviation, Airport System Revenue Bonds, Series 2011A," as
17 authorized by the 1984 General Bond Ordinance and Ordinance No. 181, Series
18 of 2011;

19 xiii. the "City and County of Denver, Colorado, for and on behalf of its
20 Department of Aviation, Airport System Revenue Bonds, Series 2011B," as
21 authorized by the 1984 General Bond Ordinance and Ordinance No. 489, Series
22 of 2011;

23 xiv. the "City and County of Denver, Colorado, for and on behalf of its
24 Department of Aviation, Airport System Revenue Bonds, Series 2012A," as
25 authorized by the 1984 General Bond Ordinance and Ordinance No. 490, Series
26 of 2012;

27 xv. the "City and County of Denver, Colorado, for and on behalf of its
28 Department of Aviation, Airport System Revenue Bonds, Series 2012B," as
29 authorized by the 1984 General Bond Ordinance and Ordinance No. 490, Series
30 of 2012;

1 xvi. the “City and County of Denver, Colorado, for and on behalf of its
2 Department of Aviation, Airport System Revenue Bonds, Series 2012C,” as
3 authorized by the 1984 General Bond Ordinance and Ordinance No. 491, Series
4 of 2012; and

5 xvii. the “City and County of Denver, Colorado, for and on behalf of its
6 Department of Aviation, Airport System Revenue Bonds, Series 2016A,” as
7 authorized by the 1984 General Bond Ordinance and Ordinance No. 16-0979,
8 Series of 2016;

9 xviii. the “City and County of Denver, Colorado, for and on behalf of its
10 Department of Aviation, Airport System Revenue Bonds, Series 2016B,” as
11 authorized by the 1984 General Bond Ordinance and Ordinance No. 16-0980,
12 Series of 2016;

13 xix. the “City and County of Denver, Colorado, for and on behalf of its
14 Department of Aviation, Airport System Revenue Bonds, Series 2017A,” as
15 authorized by the 1984 General Bond Ordinance and Ordinance No. 17-1223,
16 Series of 2017; and

17 xx. the “City and County of Denver, Colorado, for and on behalf of its
18 Department of Aviation, Airport System Revenue Bonds, Series 2017B,” as
19 authorized by the 1984 General Bond Ordinance and Ordinance No. 17-1223,
20 Series of 2017.

21 (83) “Project Fund” means the special and separate account designated as the
22 “City and County of Denver, Airport System Revenue Bonds, Project Fund,” created in Section
23 502(A) hereof.

24 (84) “Purchase Price” means that amount due an owner of any Bond
25 purchased or deemed purchased pursuant to and as provided in the Supplemental Ordinance
26 authorizing such Bond.

27 (85) “Purchaser” means, in connection with any Bonds, the person purchasing
28 the Bonds or the manager or senior manager of any account purchasing the Bonds, or any
29 successor thereof.

1 (86) "Rating Agencies" means any of Moody's, S&P, or Fitch, or any other
2 nationally recognized rating agency of municipal obligations, then maintaining ratings on any of
3 the Bonds at the request of the City.

4 (87) "Redemption Account" means the special and separate subaccount in the
5 Bond Fund, designated as the "City and County of Denver, Airport System Revenue Bonds,
6 Redemption Account," created in Section 504(E) hereof.

7 (88) "Redemption Date" means the date fixed by the City for the mandatory or
8 optional redemption or required tender of any Bonds prior to their respective fixed maturity
9 dates.

10 (89) "Redemption Price" means, when used with respect to a current interest
11 Bond, the principal amount thereof plus the applicable premium, if any, payable on a
12 Redemption Date, or when used with respect to a Capital Appreciation Bond, the Accreted
13 Value, plus the applicable premium, if any, payable on a Redemption Date.

14 (90) "Refunding Bonds" means any Bonds issued to refund, pay, and discharge
15 any Bonds, Credit Facility Obligations, Subordinate Bonds, or other securities or obligations.

16 (91) "Refunding Project" means any undertaking to refund, pay, and discharge
17 any Bonds, Credit Facility Obligations, Subordinate Bonds, or other securities or obligations.

18 (92) "Registrar" means either the Treasurer, or one or more commercial banks
19 or trust banks, designated in a Supplemental Ordinance, to keep books or records for the
20 registration, discharge from registration, transfer, and conversion of Bonds, including any
21 successors thereof. As the context requires the term also includes the Treasurer, or one or
22 more commercial banks or trust banks, so designated, as co-registrar for such purposes,
23 including any successor thereof.

24 (93) "Regular Record Date" means, with respect to a particular series of Bonds,
25 the record date for determining Bond ownership for the purpose of paying interest as it
26 becomes due, as such date is provided by Supplemental Ordinance.

27 (94) "Regularly Scheduled Hedge Payments" means the regularly scheduled
28 payments under the terms of a Hedge Facility which are due absent any termination, default or
29 dispute in connection with such Hedge Facility.

1 (95) "Released Revenues" means revenues of the Airport System in respect of
2 which the following have been filed with the Clerk:

3 (a) a certificate of the Manager describing such revenues and requesting that
4 such revenues be excluded from the term Gross Revenues;

5 (b) either (i) an Independent Accountant's certificate to the effect that Net
6 Revenues in the two most recent completed Fiscal Years, after the revenues covered by the
7 Manager's request are excluded, were at least equal to the larger of (A) the amounts needed
8 for making the required deposits to the credit of the several subaccounts in the Bond Fund, the
9 Bond Reserve Fund, and the Operation and Maintenance Reserve Account, or (B) an amount
10 not less than 135% of the average Debt Service Requirements for each Fiscal Year during the
11 remaining term of all Bonds that will remain Outstanding after the exclusion of such revenues;
12 or (ii) an Airport Consultant's certificate containing the estimates required by Section 704B, to
13 the effect that, based upon reasonable assumptions, projected Net Revenues for each of the
14 three full Fiscal Years following the Fiscal Year in which such certificate is delivered, after the
15 revenues covered by the Manager's certificate are excluded, will not be less than the larger of
16 (A) the amounts needed for making the required deposits to the credit of the several
17 subaccounts in the Bond Fund, the Bond Reserve Fund, and the Operation and Maintenance
18 Reserve Account, of (B) an amount not less than 150% of the average Debt Service
19 Requirements for each Fiscal Year during the remaining term of all Bonds that will remain
20 Outstanding after the exclusion of such revenues;

21 (c) an opinion of Bond Counsel to the effect that the exclusion of such revenues
22 from the definition of Gross Revenues and from the pledge and lien of this Instrument will not,
23 in and of itself, cause the interest on any outstanding Bonds to be included in gross income for
24 purposes of federal income tax; and

25 (d) written confirmation from each of the Rating Agencies to the effect that the
26 exclusion of such revenues from the pledge and lien of this Instrument will not cause a
27 withdrawal or reduction in any unenhanced rating then assigned to the Bonds.

28 Upon filing of such documents, the revenues described in the Manager's certificate shall
29 no longer be included in Gross Revenues and shall be excluded from the pledge and lien of
30 this Instrument.

1 (96) "Revenue Fund" means the special and separate account designated as
2 the "City and County of Denver, Airport System Gross Revenue Fund," created in Section 502B
3 hereof.

4 (97) "S&P" means Standard & Poor's Global Ratings and its successors.

5 (98) "Securities Depository" means The Depository Trust Company or any
6 additional or other securities depository designated in a Supplemental Ordinance, or (i) if the
7 then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the
8 City Council discontinues use of the Securities Depository, then any other securities depository
9 which agrees to follow the procedures required to be followed by a securities depository in
10 connection with the Bonds and which is selected by the City Council.

11 (99) "Serial Bonds" means any Bonds other than Term Bonds.

12 (100) The term "series" means, regardless whether such Bonds are designated
13 as a "series," "subseries," or otherwise, all Bonds issued at one time for any Improvement
14 Project, Refunding Project, or combination thereof.

15 (101) "Short-Term/Demand Obligations" means each series of Bonds issued
16 pursuant to this Instrument, (a) the payment of principal of which is either (i) payable on
17 demand by or at the option of the owner at a time sooner than a date on which such principal is
18 deemed to be payable for purposes of computing Debt Service Requirements, or (ii) scheduled
19 to be payable within one year from the date of issuance and is contemplated to be refinanced
20 for a specified period or term either (A) through the issuance of additional Short-Term/Demand
21 Obligations pursuant to a commercial paper or other similar program, or (B) through the
22 issuance of long-term Bonds pursuant to a bond anticipation note or similar program, and (b)
23 the purchase price, payment or refinancing of which is additionally secured by a Credit Facility.
24 The City hereby declares that none of the Prior Bonds shall constitute a Short-Term/Demand
25 Obligation and this shall be considered an amendment to each Supplemental Ordinance
26 authorizing such Prior Bonds.

27 (102) "Sinking Fund Account" means the special and separate subaccount in the
28 Bond Fund designated as the "City and County of Denver, Airport System Revenue Bonds,
29 Sinking Fund Account," created in Section 504(D) hereof.

1 (103) "Sinking Fund Requirements" means for any period amounts required
2 herein or by Supplemental Ordinance to be credited to the Sinking Fund Account.

3 (104) "Special Facilities" means facilities relating to or used in connection with
4 the Airport System, the cost of which is financed with the proceeds of Special Facilities Bonds
5 issued pursuant to Article VIII hereof. The Cost of any Special Facilities may include the types
6 of costs included herein under the definition of "Cost," and may also include indirect costs for
7 improvements to other parts of the Airport System or public utilities and other infrastructure not
8 owned by the City that the Manager deems necessary and desirable in connection with such
9 Special Facilities.

10 (105) "Special Facilities Bonds" means bonds or other securities to finance the
11 cost of any Special Facilities and which are payable solely from all or a portion of the rentals
12 received pursuant to a Net Rent Lease of such Special Facilities.

13 (106) "Special Record Date" means, with respect to a series of Bonds, the
14 record date for determining Bond ownership for purposes of paying defaulted interest, as such
15 date may be determined pursuant to Supplemental Ordinance.

16 (107) "State" means the State of Colorado.

17 (108) "Subordinate Bonds" means bonds or other securities or obligations
18 relating to the Airport System, payable from Net Revenues, and having a lien thereon
19 subordinate and junior to the lien thereon of Bonds.

20 (109) "Subordinate Bond Fund" means the special and separate account
21 designated as the "City and County of Denver, Airport System Subordinate Revenue Bonds,
22 Interest and Principal Retirement Fund," created in Section 502(F) hereof.

23 (110) "Supplemental Act" means the Supplemental Public Securities Act,
24 constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended.

25 (111) "Supplemental Ordinance" means any ordinance of the City amending or
26 supplementing this 2018 Amended and Restated Airport System General Bond Ordinance,
27 including without limitation any such ordinance authorizing the issuance of Bonds hereunder,
28 and any ordinance amendatory thereof or supplemental thereto.

29 (112) "Tax Code" means the Internal Revenue Code of 1986, as from time to
30 time amended. The term includes any regulations of the U.S. Department of the Treasury

1 proposed or promulgated thereunder. Any reference to a specific section of the “Tax Code”
2 shall be deemed to be a reference to the latest correlative section thereof, except where the
3 context by clear implication otherwise requires.

4 (113) “Term Bonds” means Bonds of a series with a fixed maturity date or dates
5 which do not constitute consecutive periodic installments and which Bonds are designated as
6 Term Bonds by the Supplemental Ordinance authorizing their issuance.

7 (114) “Treasurer” means the manager of the City’s Department of Finance, *ex-*
8 *officio* Treasurer, or his or her designee, and his or her successor in functions, if any.

9 (115) The term “trust bank” means a commercial bank which is authorized to
10 exercise and is exercising trust powers, and also means any branch of the Federal Reserve
11 Bank.

12 (116) “Variable Rate Bonds” means Bonds issued with a variable, adjustable,
13 convertible or other similar rate which is not fixed in percentage for the entire term thereof at
14 the date of issue, but which is subject to a maximum limitation.

15 B. Construction. This Instrument, except where the context by clear
16 implication requires otherwise, shall be construed as follows:

17 (i) Words in the singular include the plural, and words in the
18 plural include the singular.

19 (ii) Words in the masculine gender include the feminine and the
20 neuter, and when the sense so indicates words of the neuter gender refer
21 to any gender.

22 (iii) Articles, sections, subsections, paragraphs, and
23 subparagraphs mentioned by number, letter, or otherwise, correspond to
24 the respective articles, sections, subsections, paragraphs, and
25 subparagraphs of this Instrument so numbered or otherwise so
26 designated.

27 (iv) The titles and headlines applied to articles, sections, and
28 subsections of this Instrument are inserted only as a matter of
29 convenience and ease in reference and in no way define, limit, or describe
30 the scope or intent of any provisions of this Instrument.

1 Section 103. Successors. All of the covenants, stipulations, obligations, and
2 agreements by or on behalf of, and other provisions for the benefit of, the City, the Department
3 or the Council contained herein shall bind and insure to the benefit of any successor municipal
4 corporation or governing body thereof and shall bind and inure to the benefit of any officer,
5 board, district, commission, authority, agent, or instrumentality to whom or to which there shall
6 be transferred by or in accordance with law any right, power, or duty of the City, the
7 Department or the Council or of their respective successors, if any, the possession of which is
8 necessary or appropriate in order to comply with any such covenants, stipulations, obligations,
9 agreements, or other provisions.

10 Section 104. Parties Interested Herein. Except as otherwise expressly provided
11 herein or by Supplemental Ordinance, nothing in this Instrument is intended or shall be
12 construed to confer upon or to give to any person, other than the City, the Department, the
13 Paying Agent, the Registrar, any other fiduciary or agent thereof, and the owners from time to
14 time of the Bonds, any right, remedy, or claim under or by reason hereof or any covenant,
15 condition, or stipulation hereof. Subject to such exception, all the covenants, stipulations,
16 promises, and agreements herein contained by and on behalf of the City or the Department
17 shall be for the sole and exclusive benefit of the City, the Department, such fiduciaries and
18 agents, and any owner of any Bonds.

19 Section 105. Ratification. All action heretofore taken (not inconsistent with the
20 provisions of this Instrument) by the Council, the officers of the City, and otherwise by the City
21 directed:

22 A. Project. Toward any Improvement Project, Refunding Project or
23 combination thereof; and

24 B. Bonds. Toward the sale and delivery of Bonds for such purposes,
25 be, and the same hereby is, ratified, approved, and confirmed.

26 Section 106. Instrument Irrepealable. In consideration of the purchase and
27 acceptance of any Bonds by those who shall own the same from time to time, this Instrument
28 shall constitute an irrevocable contract between the City and the owner or owners of any
29 Bonds issued hereunder; and this Instrument shall remain irrepealable until such Bonds shall
30 be fully paid, canceled, and discharged, except as herein otherwise provided.

1 Section 107. Repealer. All bylaws, orders, resolutions and other ordinances, or
2 parts thereof, inconsistent herewith are hereby repealed to the extent only of such
3 inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution, or
4 other ordinance, or part thereof, heretofore repealed.

5 Section 108. Severability. If any section, subsection, paragraph, subparagraph,
6 clause, or other provision of this Instrument shall for any reason be held to be invalid or
7 unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining
8 provisions of this Instrument.

9 Section 109. Effective Date. This Instrument shall take effect immediately upon its
10 final passage and publication.

11 Section 110. Recordation and Authentication. This Instrument after its passage
12 shall be recorded in a Book of Ordinances of the City, kept for that purpose, and authenticated
13 by the signature of the Mayor and attested and countersigned by the Clerk.

14 **ARTICLE II**
15 **AUTHORITY FOR THIS INSTRUMENT AND AUTHORIZATION OF**
16 **PROJECTS, PLEDGE SECURING BONDS, OBLIGATIONS OF CITY,**
17 **AND LIMITATIONS THEREON**

18 Section 201. Authority for this Instrument. This Instrument is adopted pursuant to
19 the City's powers as a home-rule city under the Charter and Article XX of the Constitution of
20 the State, the Enterprise Ordinance and the Supplemental Act.

21 Section 202. Authorization of Projects. The City or the City for and on behalf of the
22 Department may authorize by Supplemental Ordinance any Improvement Project, Refunding
23 Project, or combination thereof, and the issuance of Bonds for such purpose or purposes.

24 Section 203. Pledge Securing Bonds. Subject only to the right of the City to pay
25 Operation and Maintenance Expenses of the Airport System, the Gross Revenues and all
26 moneys and securities paid or to be paid to, or held or to be held in, any fund or account under
27 this Instrument (except moneys and securities held in any Escrow Account and except as
28 otherwise provided herein) are hereby irrevocably pledged to secure the payment of the Bond
29 Requirements of the Bonds, Credit Facility Obligations and Hedge Facility Obligations. This
30 pledge shall be valid and binding from and after the date of first issuance of any Bonds and, in
31 the case of Credit Facility Obligations and Hedge Facility Obligations, the effective date of
32 such Obligations; and the moneys and securities, as received by the City and hereby pledged,

1 shall immediately be subject to the lien of this pledge without any physical delivery, filing, or
2 further act. The lien of this pledge and the contractual obligations hereby made shall have
3 priority over any or all other liabilities and obligations of the City; and the lien of this pledge
4 shall be valid and binding against all persons having claims of any kind in tort, contract, or
5 otherwise against the City (except as herein otherwise provided) whether or not such persons
6 have notice thereof.

7 Section 204. Bonds Equally Secured. The covenants and agreements herein set
8 forth to be performed on behalf of the City shall be for the equal benefit, protection, and
9 security of the owners of any and all Outstanding Bonds, all of which, regardless of the time or
10 times of their issue or maturity, shall be of equal rank without preference, priority, or distinction,
11 except as otherwise expressly provided in or pursuant to this Instrument. No such preference,
12 priority, or distinction shall be deemed to exist by reason of the issuance of any Capital
13 Appreciation Bonds, Credit Enhanced Bonds, Option Bonds, or Variable Rate Bonds.

14 Section 205. Special Obligations. All Bond Requirements of any Bonds shall be
15 payable and collectible solely out of the Net Revenues of the Airport System and such other
16 funds and accounts as herein or by Supplemental Ordinance provided; the owners thereof may
17 look to any general or other fund for the payment of the Bond Requirements of the Bonds,
18 except the designated security pledged therefor; the Bond Requirements of the Bonds shall
19 not constitute an indebtedness or a debt within the meaning of any constitutional or statutory
20 provision or limitation; and the Bond Requirements of the Bonds shall not be considered or
21 held to be general obligations of the City but shall constitute its special obligations. The City
22 does not pledge its full faith and credit and taxing power for the payment of the Bond
23 Requirements of the Bonds.

24 Section 206. Character of Agreement. None of the covenants, agreements,
25 representations, and warranties contained herein or in any Bonds issued hereunder shall ever
26 impose or shall be construed as imposing any liability, obligation, or charge against the City
27 (except with respect to the Net Revenues and special funds pledged therefor) or its general
28 credit, payable out of its general fund or out of any funds derived from taxation.

29 Section 207. No Pledge of Property. The payment of the Bond Requirements of any
30 Bonds issued hereunder is not secured by an encumbrance, mortgage, or other pledge of
31 property of the City, except the Net Revenues and other funds pledged for their payment. No

1 property of the City, subject to such exception, shall be liable to be forfeited or taken in
2 payment of the Bond Requirements of the Bonds.

3 Section 208. No Recourse Against Officers and Agents. No recourse shall be had
4 for the payment of the Bond Requirements of any Bonds or for any claim based thereon, or
5 otherwise, upon any instruments of the Council authorizing their issuance or otherwise relating
6 thereto, against any individual member of the Council, or any officer, employee, or other agent
7 of the City, or Department, past, present, or future, either directly or indirectly through the
8 Council, or otherwise, whether by virtue of the Charter or any constitution, statute, or rule of
9 law, or by the enforcement of any penalty, or otherwise, all such liability, if any, being by the
10 acceptance of the Bonds and as a part of the consideration of their issuance specially waived
11 and released.

12 Section 209. No Election or Other Preliminaries. Any Bonds issued hereunder may
13 be issued without being authorized at an election and without any other preliminaries pursuant
14 to the Enterprise Ordinance, except as may be required by the State Constitution, the Charter,
15 the Tax Code or as otherwise provided herein or by Supplemental Ordinance.

16 **ARTICLE III**
17 **AUTHORIZATION, ISSUANCE, REDEMPTION, TERMS, EXECUTION,**
18 **AND FORM OF BONDS**

19 Section 301. Authorization of Bonds Generally. For the purpose of protecting the
20 public health, conserving its property, and advancing the general welfare of its citizens, the
21 City or the City, for and on behalf of the Department, may issue one or more series of Bonds
22 for any Improvement Project, Refunding Project, or combination thereof, relating to the Airport
23 System, in accordance with the provisions of this Instrument.

24 Section 302. General Provisions of Airport Bonds and Obligations. Each series of
25 Bonds and Obligations in respect of each facility or contract shall be authorized by a separate
26 Supplemental Ordinance and shall bear such designation as the City deems appropriate.
27 Multiple series of Bonds may be authorized to be issued by a single Supplemental Ordinance
28 and Obligations relating to a series of Bonds may be authorized in the Supplemental
29 Ordinance authorizing the related Bonds. Bonds and Obligations shall be subject to such
30 terms and conditions as are provided herein and by, or pursuant to, Supplemental Ordinance.

1 Section 303. Conditions to Issuance. Prior to or simultaneously with the delivery of
2 the Bonds of any series, in addition to the requirements of Article VII hereof, there shall be filed
3 with the Clerk, the following:

4 A. Ordinances. A copy, certified by the Clerk, of this Instrument and of
5 all Supplemental Ordinances relating to the Bonds of such series:

6 (1) Description of Project. Generally describing the
7 Improvement Project, the Refunding Project, or combination thereof;

8 (2) Bond Details. Providing for the issuance of the Bonds and
9 determining (or providing the basis for determining) the amount and
10 details thereof, including without limitation, and as may be necessary or
11 desirable, an appropriate series designation, the date or dates of the
12 Bonds, the year or years and amounts in which the Bonds shall mature,
13 any of the Bonds which are Term Bonds, any Sinking Fund Requirements,
14 the time or times and Redemption Prices at which the Bonds or
15 designated portions thereof are to be redeemable, any modifications
16 pursuant to Section 313 hereof, the rate or rates of interest which such
17 Bonds shall bear (or the method of determining such interest rate or rates
18 in the case of Variable Rate Bonds), any conversion or other options, any
19 Credit Facility provided or to be provided therefor, and all other necessary
20 or desirable terms and conditions; and

21 (3) Additional Details. Awarding the Bonds, designating any
22 Paying Agent, designating any Registrar, designating such other
23 fiduciaries and agents as may be appropriate, and directing the delivery of
24 the Bonds to or upon the order of the Purchasers thereof upon payment of
25 the purchase price therein set forth; and

26 B. Attorney's Opinion. An Attorney's Opinion stating that the issuance
27 of the Bonds has been duly authorized and that all conditions precedent to the delivery
28 of the Bonds have been fulfilled.

29 C. Manager's Resolution. A resolution, order, or other instrument of
30 the Manager approving, authorizing and requesting the issuance of the Bonds and
31 pledging to their payment the Net Revenues of the Airport System and such other funds

1 and accounts of the Airport System as herein or in any Supplemental Ordinance
2 provided.

3 Section 304. Optional Redemption of Bonds. All or any portion of the Bonds of any
4 series may be subject to prior redemption at the City's option, as the City may determine by
5 Supplemental Ordinance.

6 Section 305. Mandatory Redemption of Bonds. All or any portion of the Bonds of
7 any series may be subject to mandatory redemption, as the City may determine by
8 Supplemental Ordinance.

9 Section 306. Funds for Redemption of Bonds. If a Supplemental Ordinance
10 provides for the mandatory redemption of any Term Bonds, money sufficient to pay the
11 Redemption Price of such Term Bonds shall be accumulated as Sinking Fund Requirements.
12 Money sufficient to provide for the Redemption Price due in connection with any optional
13 redemption of Bonds shall be credited to the Redemption Account or to an Escrow Account for
14 such purpose at least one business day prior to the redemption date for such Bonds. The
15 interest on any such Bonds, or designated portions thereof, shall continue to be paid from the
16 Interest Account within the Bond Fund as provided in Section 508(A) hereof (except for any
17 interest to be paid from an Escrow Account). All such moneys shall be transferred to the
18 appropriate Paying Agent on or before the applicable Redemption Date.

19 Section 307. Notice of Prior Redemption. Notice of prior redemption of any Bonds
20 (other than Prior Bonds) shall be given, and the contents of the notice shall be in the form, as
21 provided by Supplemental Ordinance.

22 Notice of the prior redemption of any Prior Bonds issued before the date of this
23 Instrument shall be given by or at the direction of the Treasurer in the name of the City except
24 as otherwise provided in a Supplemental Ordinance authorizing such Bonds:

25 A. Publication. By publication of such notice at least once, not more
26 than 45 days nor less than 30 days prior to the Redemption Date in each:

27 (1) a newspaper of general circulation in the City and County of
28 Denver, and

29 (2) a financial newspaper published in New York, New York, as the
30 Treasurer may determine; and

1 B. Mail. By sending a copy of such notice by first-class mail or by
2 telegram, telex, telecopy, overnight delivery or other telecommunication device capable
3 of creating a written notice, not more than 45 days nor less than 30 days prior to the
4 Redemption Date to each of the following:

5 (1) The Purchaser of the Bonds to which the notice relates, or any
6 successor thereof known to the Treasurer,

7 (2) Any Financial Consultant for the Bonds to which the notice relates,
8 or any successor thereof known to the Treasurer,

9 (3) The Paying Agent and any other agents or fiduciaries required to
10 receive such notice by Supplemental Ordinance, or any successors thereof known to
11 the Treasurer, and

12 (4) To any registered owner of any such Bond or Bonds at the address
13 appearing on the registry books or records in the custody of the Registrar. The actual
14 receipt by any owner of notice of such redemption shall not be a condition precedent to
15 such redemption, if the notice has in fact been duly given, and failure to receive such
16 notice shall not affect the validity of the proceedings for such redemption or the
17 cessation of interest on the Redemption Date.

18 Such notice, for any prior Bonds, shall: (i) specify the number or numbers of the Bonds,
19 or designated portions thereof, so to be redeemed (if less than all are to be redeemed) and the
20 Redemption Date; (ii) state that on the Redemption Date there will become due and payable
21 upon each such Bond, or designated portion thereof, the applicable Redemption Price and
22 accrued interest to the Redemption Date, that from and after such date interest will cease to
23 accrue; and (iii) provide payment details as set forth in the related Supplemental Ordinance.

24 Section 308. Certification of Notice Given. A certificate by the Treasurer that notice
25 has been given as required by § 307 hereof shall be conclusive against all parties; and no
26 owner may object thereto or may object to the cessation of interest on the Redemption Date on
27 the ground that such owner failed to actually receive such notice.

28 Section 309. Payment of Redeemed Bonds. Notice of redemption having been
29 duly given, and action having been duly taken to provide for the payment of the Bonds, or
30 designated portions thereof, so called for prior redemption, the Bonds, or designated portions

1 thereof, so called for redemption shall become due and payable on the Redemption Date
2 stated in such notice at the applicable Redemption Price, plus interest accrued to the
3 Redemption Date; and such Bonds, or designated portions thereof, shall be paid and
4 cancelled; provided that if at the time of notice of any optional redemption of the Bonds there
5 have not been deposited moneys in the Redemption Account or to an Escrow Account
6 available for payment pursuant to this Instrument and sufficient to redeem all of the Bonds
7 called for redemption, the notice may state that it is conditional in that it is subject to the
8 deposit of sufficient moneys by not later than one business day prior to the redemption date,
9 and if the deposit is not timely made the notice shall be of no effect.

10 If on the Redemption Date moneys for the redemption of all the Bonds, or designated
11 portions thereof, to be redeemed, at the applicable Redemption Price, together with interest
12 accrued to the Redemption Date, shall be held by or on behalf of the Paying Agent so as to be
13 available therefor on such date, and if notice of redemption shall have been given, then from
14 and after the Redemption Date such Bonds, or designated portions thereof, shall cease to bear
15 interest and shall no longer be considered Outstanding hereunder. All moneys held by or on
16 behalf of the Paying Agent for the redemption of any Bonds, or designated portions thereof,
17 shall be held in trust for the account of the owners thereof.

18 Section 310. Form and Negotiability of Bonds. The Bonds may be issued as Bonds
19 registered as to principal and interest or under the Book-Entry System, or in any other form as
20 may be provided by Supplemental Ordinance. The Bonds shall be fully negotiable in form and
21 shall have all the qualities of negotiable paper; and the owners thereof shall possess all rights
22 enjoyed by the owners of negotiable instruments under the provisions of the Uniform
23 Commercial Code — Investment Securities.

24 Section 311. Payment of Principal and Interest on Bonds. The principal of, and any
25 premium due in connection with, the Bonds and interest thereon shall be payable by the
26 Paying Agent as provided by Supplemental Ordinance. The Paying Agent may make
27 payments of interest on any Bond by such alternative means as may be mutually agreed to by
28 the Paying Agent and the owner. All such payments shall be made in lawful money of the
29 United States of America.

30 Section 312. Registration, Transfer and Exchange of Bonds; Persons Treated as
31 Owners. Any Registrar for any Bonds shall be specified in the related Supplemental

1 Ordinance. The Registrar shall maintain and keep, at its principal office, books or records for
2 the registration and transfer of the Bonds. Upon surrender for transfer of any Bond at the
3 principal office of the Registrar, duly endorsed for transfer or accompanied by an assignment
4 duly executed by the owner or his or her attorney duly authorized in writing, the City shall
5 execute and the Registrar shall authenticate and deliver in the name of the transferee or
6 transferees a new fully registered Bond or Bonds for a like aggregate principal amount of the
7 same maturity.

8 Bonds may be exchanged at the principal office of the Registrar for a like aggregate
9 principal amount of fully registered Bonds of the same maturity in other authorized
10 denominations. The City shall execute and the Registrar shall authenticate and deliver Bonds
11 which the owner making the exchange is entitled to receive, bearing numbers not
12 contemporaneously outstanding.

13 The Registrar shall require the payment by any owner requesting exchange or transfer
14 of any tax or other governmental charge required to be paid with respect to such exchange or
15 transfer, but except as otherwise provided by Supplemental Ordinance, no charge shall be
16 made to the owner of any Bond for the privilege of registration or transfer. Any Bonds
17 surrendered in any such exchange or transfer shall be canceled.

18 The City and the Paying Agent may treat and consider the person in whose name any
19 Bond shall be registered upon the books or records of the Registrar as the absolute owner
20 thereof, whether the Bond shall be overdue or not, for all purposes whatsoever; and payment
21 of, or on account of, the Bond Requirements of any Bond shall be made only to, or upon the
22 order of, such owner or his or her legal representative. All payments made as in this section
23 provided shall be valid and effectual to satisfy and to discharge the liability upon the Bonds to
24 the extent of the sum or sums so paid.

25 Section 313. Modification of Portions of Article III. Any Supplemental Ordinance
26 may modify or supplement the provisions of Section 306 through Section 312 hereof with
27 respect to any series of Bonds.

28 Section 314. Execution of Bonds. The execution of the Bonds of any series shall be
29 as provided by Supplemental Ordinance.

30 Section 315. Use of Predecessor's Signature. The Bonds of any series bearing the
31 manual or facsimile signatures of the officers in office at the time of the execution thereof shall

1 be the valid and binding obligations of the City, notwithstanding that before the delivery thereof
2 and the payment therefor any or all of the individuals whose manual or facsimile signatures
3 appear thereon shall have ceased to fill their respective offices. Each officer, at the time of the
4 execution of the Bonds and of a signature certificate relating thereto by such officers, may
5 adopt as and for his or her own facsimile signature any facsimile signature of his or her
6 predecessor in office if such facsimile signature appears upon any of the Bonds.

7 Section 316. Authentication of the Bonds. Except as otherwise provided by
8 Supplemental Ordinance, no Bond of any series shall be secured hereby or entitled to the
9 benefit hereof, nor shall any such Bond be valid or obligatory for any purpose, unless a
10 certificate of authentication, substantially in such form as is provided by Supplemental
11 Ordinance, has been duly executed by the Registrar; and such certificate of the Registrar upon
12 any such Bond shall be conclusive evidence and the only competent evidence that such Bond
13 has been authenticated and delivered hereunder. The Registrar's certificate of authentication
14 shall be deemed to have been duly executed by it if manually signed by an authorized officer
15 or employee of the Registrar, but it shall not be necessary that the same officer or employee
16 sign the certificate of authentication on all of such Bonds of any series.

17 Section 317. Incontestable Recital in Bonds. Each Bond shall recite that it is issued
18 pursuant to the home-rule powers granted to the City in accordance with its Charter under
19 Article XX of the State Constitution, and such recital shall be conclusive evidence of the validity
20 of the Bonds and the regularity of their issuance.

21 Section 318. Bond Delivery. After the execution and authentication of the Bonds of
22 any series pursuant to the terms of a Supplemental Ordinance, the Treasurer shall cause the
23 Bonds to be duly delivered, upon due payment being made therefor.

24 Section 319. Causes for Reissuance. If any outstanding Bond shall be lost,
25 mutilated, apparently destroyed, or wrongfully taken, it may be reissued at the expense of the
26 owner in the form and tenor of the lost, destroyed, or wrongfully taken Bond as provided in
27 Section 4-8-405, Uniform Commercial Code — Investment Securities, as from time to time
28 amended.

29 Section 320. Other Reissuance. The provisions of Section 319 hereof do not
30 prohibit the City from reissuing, pursuant to the provisions hereof or of any Supplemental

1 Ordinance, any Outstanding Bond which shall not have become lost, mutilated, apparently
2 destroyed, or wrongfully taken.

3 Section 321. Bond Form. The form of any Bond shall be as set forth by
4 Supplemental Ordinance.

5 **ARTICLE IV**
6 **USE OF BOND PROCEEDS, IMPROVEMENT AND REFUNDING**
7 **PROJECTS, PROJECTS DETAILS, DISPOSITION OF FUNDS, AND**
8 **TERMINATION OF ACCOUNTS**

9 Section 401. Disposition of Bond Proceeds. Except as otherwise provided by
10 Supplemental Ordinance, the proceeds of any series of Bonds shall be applied in the following
11 manner:

12 A. Escrow Account. First, in the case of any series of Bonds which are
13 wholly or in part Refunding Bonds, there shall be credited to and deposited in any
14 Escrow Account created thereby, such portion of the proceeds of the Refunding Bonds
15 as is so required by Supplemental Ordinance.

16 B. Capitalized Interest Account. Second, there shall be credited to the
17 Capitalized Interest Account an amount, if any, as may be required by Supplemental
18 Ordinance for the payment of interest due and payable on such series of Bonds. Any
19 such moneys in the Capitalized Interest Account shall be expended at the times and in
20 the amounts provided in a payment schedule furnished by the Treasurer.

21 C. Accrued Interest and Premium. Third, there shall be credited to the
22 Interest Account any accrued interest and premium from the sale of such series of
23 Bonds.

24 D. Bond Reserve Fund. Fourth, there shall be credited to and
25 deposited in the Bond Reserve Fund such amount, if any, as may be required by
26 Supplemental Ordinance.

27 E. Project Fund. Fifth, the balance of the proceeds of such series of
28 Bonds shall be deposited as provided by Supplemental Ordinance to the credit of a
29 subaccount in the Project Fund, created by such Supplemental Ordinance, and held in
30 trust for the sole and exclusive purpose of paying the Cost of the Improvement Project
31 or Refunding Project, or combination thereof, as the case may be.

1 Section 402. Application of Project Fund. Moneys, except as herein otherwise
2 expressly provided, shall be withdrawn from the appropriate subaccount in the Project Fund to
3 defray any Cost of an Improvement Project or Refunding Project, or combination thereof, and
4 are pledged therefor. Before any payment shall be made from such subaccount in the Project
5 Fund, the Manager of the Department shall file with the Auditor:

6 A. Voucher Content. A voucher which may contain any number of
7 items signed by the Manager of the Department, stating in respect of each item to be
8 paid:

- 9 (1) The item number of the payment,
- 10 (2) The name of the person to whom payment is due,
- 11 (3) The amount or amounts to be paid, and
- 12 (4) The purpose for which the obligation to be paid was incurred
13 in such detail as shall be satisfactory to the Auditor;

14 B. Attached Certificate. A certificate signed by the Manager of the
15 Department and attached to the voucher, certifying:

16 (1) The obligation in the stated amounts has been incurred by
17 the City, and each item thereof is a proper charge against such
18 subaccount in the Project Fund and has not been paid,

19 (2) There has not been filed with or served on the City any
20 notice of lien, right of lien, or attachment upon, or claim affecting the right
21 of any persons named in such vouchers to receive payment of any
22 moneys which has not been released or will not be released
23 simultaneously with the payment of such obligation,

24 (3) Such voucher contains no payment on account of any
25 retained percentage which the City at the date of such certificate is entitled
26 to retain,

27 (4) Such obligation shall be paid by warrant drawn on the
28 Treasurer, signed by the Auditor, and having the same identifying number
29 as the one stated in the voucher for such obligation, and

1 (5) Such other facts and estimates with respect to the
2 expenditure of such subaccount as may be required by Supplemental
3 Ordinance to maintain the exemption from federal income taxation of
4 interest on such Bonds, under the Tax Code; and

5 C. Engineer's Certificate. A certificate appropriately signed by the
6 Consulting Engineer or the Airport Engineer certifying:

7 (1) The obligations in stated amounts have been incurred by the
8 City and each item thereof is a proper charge in a reasonable amount
9 against the appropriate subaccount in the Project Fund and has not been
10 paid, and

11 (2) Insofar as any such obligation was incurred for work,
12 materials, equipment, or supplies, such work was actually performed in
13 the furtherance of the Improvement Project, or such materials, equipment,
14 or supplies were delivered for that purpose, at such place or places
15 approved by the Airport Engineer and are under the control of the City;

16 but vouchers for withdrawals for the payment of fees and expenses incurred in
17 connection with the issuance of Bonds, for the acquisition of furniture, fixtures, and
18 equipment, or for labor and materials for acquisition work performed under the
19 supervision of the engineering staff of the City, or for the acquisition of land or any
20 interest therein, need not be accompanied by the certificate otherwise required hereby.

21 Section 403. Facility Sites. No payment shall be made from any subaccount in the
22 Project Fund:

23 A. Facilities. For the acquisition of Facilities (other than land), unless
24 in an Attorney's Opinion they are located on land good and marketable title to which is
25 owned or can be acquired by the City in fee simple or in a sufficient lesser estate as
26 provided in Section 404 hereof; or

27 B. Land. For the acquisition of land, unless accompanied by an
28 Attorney's Opinion that good and marketable title to such land will be owned or can be
29 acquired by the City in fee simple or in a sufficient lesser estate as provided in Section
30 404 hereof.

1 Section 404. Title to Sites. Any Improvement Project shall be acquired on land (or
2 shall itself be land) good and marketable title to which is owned or can be acquired by the City
3 in fee simple or in such lesser estate as in an Attorney's Opinion is sufficient for the intended
4 purpose. (Perpetual easements, free and clear of all liens and encumbrances of whatsoever
5 nature, or other easements in a public street or highway, or upon other lands of a body public
6 and corporate, may constitute such sufficient lesser estate). Promptly, from time to time, the
7 City shall take such action as may be necessary or proper to remedy or cure any defect in or
8 cloud upon such title to such lands or other such lesser estates, whether now existing or
9 hereafter developing, and shall prosecute all such suits, actions, and other proceedings as
10 may be appropriate for such purpose.

11 Section 405. Performance Bonds. In order to insure the completion of any
12 Improvement Project, the City shall require each person with whom it may contract for labor or
13 for labor and materials to furnish a performance bond in the full amount of any contract with a
14 surety company approved by the Manager of the Department and the Mayor. Any such
15 contract shall provide that payment thereunder shall not be made by the City in excess of 95%
16 of the current estimates of the work then completed until final completion under such contract,
17 the final acceptance thereof by the City acting by and through the Manager of the Department,
18 and final payment to the Contractor. All such retained funds shall remain with and be held by
19 the City until final payment to the Contractor. Any sum or sums derived from such performance
20 bond or performance bonds shall be used without unreasonable delay and in any event within
21 two years after such receipt to complete such contract and, if not so used, shall be credited to
22 the Capital Fund.

23 Section 406. Progress Reports. The City shall, in connection with any Improvement
24 Project, require from the Airport Engineer, not less often than once every year a written report
25 in reasonable detail as to the progress and the Cost of such Improvement Project, showing
26 comparisons of such progress and cost with the estimates thereof made by the Airport
27 Engineer, and describing any modifications made in the plans and specifications for any
28 Improvement Project, as the case may be, or any part thereof. The City shall cause copies of
29 every such report to be mailed to every owner of any Bonds who, prior to the date of such
30 report, shall be filed with the Manager of the Department a written statement of his or her
31 name and address and the owner's request for a copy of each such report, and to be mailed
32 without request to the Airport Consultant.

1 Section 407. Audit of Project Fund. For each Fiscal Year after the delivery of any
2 Bonds hereunder, until the termination of each Improvement Project, the City shall cause an
3 audit to be made by an Independent Accountant of all receipts and moneys then on deposit in
4 the Project Fund, and all disbursements made pursuant to the foregoing provisions of this
5 article. Such audit reports shall be filed with the Auditor, the Treasurer, the Manager of the
6 Department, the Airport Consultant, and the Airport Engineer. Such audit reports shall be
7 available at all reasonable times for inspection by any other interested persons.

8 Section 408. Prevention of Bond Default. Subject to the prior application of the
9 provisions of Section 515 hereof, the Treasurer shall use the proceeds of any Bonds credited
10 to any subaccount in the Project Fund, without further order or warrant, to pay the Bond
11 Requirements of any Bonds as the same become due whenever and to the extent moneys in
12 the Bond Fund and the Bond Reserve Fund are insufficient for that purpose, unless such Bond
13 proceeds shall be needed to defray Costs accrued and to accrue under any contracts then
14 existing and relating to an Improvement Project. The Treasurer shall promptly notify the Mayor
15 and the Manager of the Department of any such use of moneys in the Project Fund. Any
16 moneys so used shall be restored to the appropriate subaccount, from the first Pledged
17 Revenues thereafter received and not needed to meet the payment requirements in Section
18 507 through Section 509 hereof.

19 Section 409. Completion of Improvement Project. When each Improvement Project
20 shall have been substantially completed in accordance with the relevant plans and
21 specifications, and when all Costs due therefor shall have been paid, or for which reasonable
22 provision shall have been made, the Treasurer, upon the receipt from the Airport Engineer of a
23 certificate so stating, and upon the receipt of a written instrument of the Manager of the
24 Department so ordering, shall cause to be transferred all surplus moneys, if any, remaining in
25 the appropriate subaccount established in the Project Fund, except for any moneys designated
26 in the instrument to be retained to pay any unpaid accrued or contingent Costs, to the Bond
27 Reserve Fund, if at the time or times of any such transfer, the Minimum Bond Reserve is not
28 fully accumulated, but if it is fully accumulated, to the Interest Account, to the Principal
29 Account, or to the Sinking Fund Account or to any combination of such subaccounts. Upon
30 such transfers, such subaccount in the Project Fund shall be terminated. Nothing herein:

31 A. Periodic Transfers. Prevents the Treasurer from causing to be so
32 transferred from a subaccount in the Project Fund at any time prior to its termination any

1 moneys which the Airport Engineer and the Manager of the Department determine will
2 not be necessary for an Improvement Project, or

3 B. Limitations Upon Transfers. Requires the transfer of any such
4 surplus moneys in a subaccount in the Project Fund received as grants, appropriations,
5 or gifts the use of which moneys is limited by the grantor or donor to the construction of
6 specifically-designated capital facilities or otherwise so that such surplus moneys may
7 not be properly transferred under the terms of such grants, appropriations, or gifts.

8 Notwithstanding the foregoing provisions of this section, or any other provisions of this
9 Instrument, any surplus moneys in the Project Fund shall be applied so as to permit or
10 facilitate compliance with the applicable requirements of the Tax Code, including without
11 limitation the transfer of any such surplus moneys to an escrow or other special account for the
12 payment or redemption of any Bonds.

13 Section 410. Purchaser Not Responsible for Improvement Project. The validity of
14 any Bonds shall be neither dependent on nor affected by the validity or regularity of any
15 proceedings relating to the acquisition of any Improvement Project or Refunding Project, or
16 combination thereof. The Purchaser of such Bonds and any subsequent owner of any such
17 Bond shall in no manner be responsible for the application or disposal by the City or by any of
18 its officers, agents, and employees of the moneys derived from the sale of Bonds.

19 Section 411. Lien on Bond Proceeds. Until proceeds of any Bonds credited to the
20 Project Fund are applied as hereinabove provided, such proceeds shall be subject to a lien
21 thereon and pledge thereof for the benefit of the owners of such Bonds.

22 Section 412. Modifications of Improvement Project. The City, acting through the
23 Manager of the Department or otherwise, reserves the right to make alterations of, additions
24 to, and deletions from any Improvement Project prior to the withdrawal of all moneys
25 accounted for in the applicable subaccount in the Project Fund in accordance with this article;
26 but any such alterations, additions, and deletions shall not, in the opinion of the Airport
27 Consultant, render the City incapable of performing its obligations under Section 901 hereof
28 and shall not increase the estimated Cost of such Improvement Project, if fixed by
29 Supplemental Ordinance, by more than 25% (excluding from such determination of Cost any
30 capitalized interest, funded reserves, purchase discounts, or costs of issuance).

1 **ARTICLE V**
2 **ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES**

3 Section 501. Airport System Fund. There is hereby created a separate fund
4 designated as the “City and County of Denver, Airport System Fund,” which fund consists of a
5 self-balancing group of accounts, including, without limitation, the respective special and
6 separate accounts and subaccounts herein created, and constitutes an independent fiscal and
7 accounting entity. Separate accounts and subaccounts (in addition to those herein created)
8 may be created by Supplemental Ordinance in connection with the payment of Credit Facility
9 Obligations, or otherwise; provided, however, that the accumulation and application of Net
10 Revenues for such purposes shall be on a parity with or subordinate to the accumulation and
11 application of Net Revenues required by Section 508 hereof.

12 Section 502. Creation of Accounts. The City hereby establishes and creates the
13 following special and separate accounts in the Airport System Fund, which shall be under the
14 control of the City:

15 A. Project Fund. The “City and County of Denver, Airport System
16 Revenue Bonds, Project Fund,” which shall consist of separate subaccounts for each
17 Improvement Project and Refunding Project, or combination thereof, as shall be
18 provided by Supplemental Ordinance;

19 B. Revenue Fund. The “City and County of Denver, Airport System
20 Gross Revenue Fund”;

21 C. Operation and Maintenance Fund. The “City and County of Denver,
22 Airport System Operation and Maintenance Fund”;

23 D. Bond Fund. The “City and County of Denver, Airport System
24 Revenue Bonds, Interest and Principal Retirement Fund”;

25 E. Bond Reserve Fund. The “City and County of Denver, Airport
26 System Revenue Bonds, Bond Reserve Fund”;

27 F. Subordinate Bond Fund. The “City and County of Denver, Airport
28 System Subordinate Revenue Bonds, Interest and Principal Retirement Fund”; and

29 G. Capital Fund. The “City and County of Denver, Airport System
30 Capital Improvement and Replacement Fund.”

1 Section 503. Escrow Account. In connection with any Refunding Bonds, the City
2 may by Supplemental Ordinance establish with a designated Escrow Bank an Escrow Account
3 as further provided in Section 401(A) hereof.

4 Section 504. Creation of Subaccounts. The City hereby establishes and creates the
5 following special and separate subaccounts, which subaccounts shall be under the control of
6 the City:

7 A. Capitalized Interest Account. The “City and County of Denver,
8 Airport System Revenue Bonds, Capitalized Interest Account,” a subaccount within the
9 Project Fund;

10 B. Interest Account. The “City and County of Denver, Airport System
11 Revenue Bonds, Interest Account,” a subaccount within the Bond Fund;

12 C. Principal Account. The “City and County of Denver, Airport System
13 Revenue Bonds, Principal Account,” a subaccount within the Bond Fund;

14 D. Sinking Fund Account. The “City and County of Denver, Airport
15 System Revenue Bonds, Sinking Fund Account,” a subaccount within the Bond Fund;

16 E. Redemption Account. The “City and County of Denver, Airport
17 System Revenue Bonds, Redemption Account,” a subaccount within the Bond Fund;
18 and

19 F. Operation and Maintenance Reserve Account. The “City and
20 County of Denver, Airport System Operation and Maintenance Reserve Account,” a
21 subaccount within the Operation and Maintenance Fund.

22 Section 505. Revenue Fund Deposits. So long as any Bonds are Outstanding, the
23 entire Gross Revenues of the Airport System, upon their receipt from time to time by the City,
24 shall be set aside and immediately deposited to the credit of the Revenue Fund. Any moneys
25 received for Operation and Maintenance Expenses by the City from any source other than
26 Gross Revenues may also be deposited to the credit of the Revenue Fund and subsequently
27 transferred to the Operation and Maintenance Fund as hereinafter provided.

28 Section 506. Administration of Revenue Fund. So long as any Bonds are
29 Outstanding, the Revenue Fund shall be administered, and the moneys on deposit therein
30 shall be applied in the order of priority, as provided in Section 507 through 516 hereof.

1 Section 507. Operation and Maintenance Fund. First, as a first charge on the
2 Revenue Fund, there shall be set aside in and credited to the Operation and Maintenance
3 Fund, each month, moneys sufficient to pay Operation and Maintenance Expenses for the next
4 succeeding month, as such expenses become due and payable, and thereupon they shall be
5 promptly paid. Any unencumbered surplus remaining at the end of the Fiscal Year and not
6 needed for Operation and Maintenance Expenses (other than money accounted for therein to
7 pay Operation and Maintenance Expenses becoming due in the month next succeeding the
8 end of the Fiscal Year) shall be transferred as Gross Revenues to the Revenue Fund and shall
9 be used for the purposes thereof, as herein provided.

10 Section 508. Bond Fund. Second, from any moneys remaining in the Revenue
11 Fund, i.e., from the Net Revenues, there shall be credited to the Bond Fund, in the following
12 order of priority:

13 A. Interest Account. Except as otherwise provided by Supplemental
14 Ordinance, monthly, to the Interest Account, commencing on the first day of the month
15 immediately succeeding the issuance of any Bonds, an amount which if made in
16 substantially equal installments thereafter would be sufficient, together with any other
17 moneys from time to time available therefor from whatever source, including without
18 limitation moneys in the Capitalized Interest Account set aside for the payment of such
19 interest, to pay the next maturing installment of interest on such series of Bonds. In
20 computing any required credit with respect to any Variable Rate Bonds the interest rate
21 used shall be as provided by Supplemental Ordinance. Moneys accounted for in the
22 Interest Account shall be used to pay interest on Outstanding Bonds, as it becomes
23 due.

24 B. Principal Account. Except as otherwise provided by Supplemental
25 Ordinance, monthly, to the Principal Account, commencing on the first day of the month
26 immediately succeeding the issuance of any Serial Bonds, or commencing one year
27 prior to the first fixed maturity date of such Serial Bonds, whichever date is later, an
28 amount which if made in substantially equal installments thereafter would be sufficient,
29 together with any other moneys from time to time available therefor from whatever
30 source, to pay the next maturing installment of principal of such Serial Bonds. Moneys
31 accounted for in the Principal Account shall be used to pay the principal of Outstanding
32 Serial Bonds, as they mature.

1 C. Sinking Fund Account. Except as otherwise provided by
2 Supplemental Ordinance, monthly, to the Sinking Fund Account, commencing on the
3 first day of the twelfth calendar month prior to the date on which the City is required to
4 pay any Term Bonds, one-twelfth of the amount necessary to pay the Redemption Price
5 or principal of such Term Bonds so to become due, except to the extent any other
6 moneys, including without limitation moneys in any Escrow Account, will be available
7 therefor. Moneys shall be so credited to the Sinking Fund Account on the same priority
8 as moneys credited to the Principal Account, and moneys accounted for in the Sinking
9 Fund Account shall be applied to pay the Term Bonds so scheduled to be retired in any
10 year by mandatory redemption, at fixed maturity, or otherwise.

11 D. Redemption Account. Except as otherwise provided by
12 Supplemental Ordinance, to the Redemption Account, on or prior to any date on which
13 the City exercises its option to call for prior redemption any Bonds, an amount
14 necessary to pay the Redemption Price of such Bonds on such Redemption Date,
15 except to the extent any other moneys, including without limitation moneys in any
16 Escrow Account, are available therefor.

17 If any credit required to be made to any subaccount within the Bond Fund (other than
18 the Redemption Account) is deficient, the City shall include in the next required credit on a
19 cumulative basis, the sum of any such deficiency or deficiencies. The moneys credited to the
20 Interest Account, the Principal Account, the Sinking Fund Account, and the Redemption
21 Account within the Bond Fund, and the Capitalized Interest Account within the Project Fund,
22 shall be used to pay the Bond Requirements of the Bonds as the same become due. Any
23 money accounted for in the Interest Account, the Principal Account, the Sinking Fund Account,
24 or the Redemption Account which is in excess of the amount required for Bond Requirements
25 next payable therefrom shall be transferred as Gross Revenues to the Revenue Fund
26 forthwith, and shall be used for the purposes thereof, as herein provided.

27 Section 509. Bond Reserve Fund. Third, in addition to any moneys required to be
28 deposited therein by Section 401 D hereof, from any moneys remaining in the Revenue Fund
29 there shall be credited to the Bond Reserve Fund not less frequently than monthly,
30 commencing no later than the first day of the month next succeeding each date on which any
31 series of Bonds is issued or on which the amounts credited thereto are less than the Minimum
32 Bond Reserve, an amount in cash or Investment Securities, or both, which, if made in

1 substantially equal installments thereafter, would be sufficient to accumulate the Minimum
2 Bond Reserve on or before the first day of the sixtieth month following the date of
3 commencement (taking into account, in all such cases, the known minimum gain from
4 Investment Securities to be received by the City over such period). No payment need be made
5 into the Bond Reserve Fund so long as the moneys therein shall equal not less than the
6 Minimum Bond Reserve, and any moneys therein exceeding the Minimum Bond Reserve shall
7 be transferred as Gross Revenues to the Revenue Fund and be used for the purposes thereof,
8 as herein provided.

9 In the event any Supplemental Ordinance so provides, the City may at any time or from
10 time to time deposit a Credit Facility in the Bond Reserve Fund in full or partial satisfaction of
11 the Minimum Bond Reserve; provided that any such Credit Facility shall be payable on any
12 date on which moneys will be required to be withdrawn from the Bond Reserve Fund as
13 provided herein.

14 The moneys in the Bond Reserve Fund (including, as a part thereof, the amounts
15 payable under a Credit Facility) shall be maintained as a continuing reserve to be used, except
16 as provided in Section 510 and Section 511 hereof, only to prevent deficiencies in the payment
17 of the Bond Requirements of the Bonds resulting from the failure to deposit into the Bond Fund
18 sufficient funds to pay such Bond Requirements as the same accrue.

19 Section 510. Termination of Deposits. No payment need be made into the Interest
20 Account, the Principal Account, the Sinking Fund Account, the Redemption Account, or the
21 Bond Reserve Fund, if the amounts therein and available therefor (including amounts payable
22 under a Credit Facility) total a sum at least equal to all Bond Requirements thereafter
23 becoming due with respect to Outstanding Bonds, in which case, moneys therein in an amount
24 at least equal to such Bond Requirements (taking into account the known minimum gain from
25 any investment of such moneys in Investment Securities from the time of any such investment
26 to the time or respective times the proceeds of any such investment or deposit shall be needed
27 for such payment), shall be used (together with any such gain from such investments) solely to
28 pay such Bond Requirements as the same become due; and any moneys in excess thereof
29 and any other moneys derived from the Pledged Revenues may be used for any lawful
30 purpose relating to the Airport System.

1 Section 511. Defraying Delinquencies. If on any required payment date of any Bond
2 Requirements the City shall have failed for any reason to pay into the Interest Account, the
3 Principal Account, and the Sinking Fund Account the full amount stated above, there shall be
4 paid on such date into such subaccounts from the Bond Reserve Fund (including any Credit
5 Facility therein) an amount equal to the respective difference between that paid from the Net
6 Revenues and the full amount so stipulated by Section 508 hereof. The moneys so used shall
7 be reaccumulated (or any such Credit Facility shall be reinstated) in the Bond Reserve Fund
8 from the first Net Revenues thereafter received (not required to be otherwise applied by
9 Section 508 hereof) in not more than sixty substantially equal monthly installments (taking into
10 account the known minimum gain from Investment Securities to be received). If in any month
11 the City shall for any reason fail to pay into the Bond Reserve Fund the full amount above
12 stipulated from the Net Revenues, the difference between the amount paid and the amount so
13 stipulated shall in a like manner be paid therein from the first Net Revenues thereafter received
14 (not required to be applied otherwise by Section 508 hereof).

15 Section 512. Subordinate Bond Fund. Fourth, from any moneys remaining in the
16 Revenue Fund, there shall be credited by the City to the Subordinate Bond Fund, such
17 amounts as may be required to pay Subordinate Bonds, including reasonable reserves
18 therefor, as provided by any Supplemental Ordinance or other instrument.

19 Section 513. Operation and Maintenance Reserve Account. Fifth, from any moneys
20 remaining in the Revenue Fund there shall be set aside and credited to the Operation and
21 Maintenance Reserve Account not less frequently than monthly an amount in cash or
22 Investment Securities, or both, at least equal to the amount which, if made in substantially
23 equal installments thereafter, would be sufficient to accumulate the Minimum Operation and
24 Maintenance Reserve on or before the first day of the thirty-sixth month thereafter (taking into
25 account, in all such cases, the known minimum gain from Investment Securities to be received
26 by the City over such period). The moneys in the Operation and Maintenance Reserve
27 Account shall be accumulated and maintained as a continuing reserve to be used only to
28 prevent deficiencies in the payment of Operation and Maintenance Expenses of the Airport
29 System resulting from the failure to deposit into the Operation and Maintenance Fund sufficient
30 funds to pay such expenses as the same accrue and become due. Any moneys in the
31 Operation and Maintenance Reserve shall be transferred as Gross Revenues to the Revenue
32 Fund and shall be used for the purpose thereof, as herein provided.

1 Section 514. Capital Fund. Sixth, on the last day of each Fiscal Year, there shall be
2 set aside and credited to the Capital Fund all moneys remaining in the Revenue Fund after all
3 payments required to be made in such Fiscal Year by the provisions of Section 507 through
4 Section 513 hereof have been made.

5 Section 515. Use of Capital Fund. Moneys accounted for in the Capital Fund,
6 subject to any limitation herein or in any other contract relating to such account, may be
7 withdrawn in any priority for any one, all, or any combination of the following, as the Manager
8 of the Department may from time to time determine:

9 A. Capital Costs. To pay the Costs of acquiring, improving or
10 equipping any Airport Facilities, to the extent such Costs are not Operation and
11 Maintenance Expenses;

12 B. Extraordinary Costs. To pay the costs of extraordinary and major
13 repairs, renewals, replacements, or maintenance items relating to any Airport Facilities,
14 of a type not properly defrayed as Operation and Maintenance Expenses; and

15 C. Bond Requirements. To pay the Bond Requirements of any Bonds
16 (or payments due for Subordinate Bonds) if such payment is necessary to prevent any
17 default in such payment.

18 Section 516. Use of Remaining Revenues. After the payments required
19 hereinabove in this article are made, any remaining Net Revenues in the Capital Fund may be
20 used at the end of any Fiscal Year or whenever in any Fiscal Year there shall have been
21 credited to the respective accounts and subaccounts designated above in Section 507 through
22 Section 513 hereof, all amounts required to be deposited in those special and separate
23 accounts for all of that Fiscal Year, both accrued and thereafter becoming due in the balance
24 of the Fiscal Year, and in satisfaction of any deficiencies in any prior Fiscal Year not previously
25 corrected, as hereinabove provided, for any one or any combination of lawful purposes relating
26 to the Airport System, as the Manager of the Department may from time to time determine,
27 including, without limitation, the purchase of Bonds in the open market if, in the opinion of the
28 Treasurer, such purchase is in the best financial interests of the City.

29 Section 517. Funds Held for Bonds. The amounts held or applied for the payment
30 of the Bonds Requirements due on any date with respect to a particular series of Bonds shall
31 be set aside and held in trust for the owners of such Bonds by any agent holding moneys for

1 such payments; and for the purposes of this Instrument, such Bond Requirements, after the
2 due date thereof, shall no longer be considered to be Outstanding.

3 Section 518. Cancellation of Bonds. Except as otherwise provided by Supplemental
4 Ordinance, all Bonds paid or redeemed, either at or before maturity shall be delivered to the
5 City when such payment or redemption is made, and such Bonds shall thereupon be promptly
6 canceled. Bonds so canceled may, to the extent permitted by law, at any time be destroyed by
7 the City.

8 **ARTICLE VI**
9 **GENERAL ADMINISTRATION**

10 Section 601. Administration of Accounts. The accounts and subaccounts created in
11 Articles IV and V hereof (other than any Escrow Account) shall be administered as provided in
12 this article.

13 Section 602. Places and Times of Deposit. Each of such accounts and subaccounts
14 shall be maintained as a book account and kept separate from all other accounts as a trust
15 account solely for the purposes herein designated. The moneys accounted for in such book
16 accounts shall be deposited in one or more bank accounts except as herein otherwise
17 provided, but nothing herein prevents the commingling of moneys accounted for in any book
18 accounts in any bank account or any Investment Securities. Any such bank account shall be
19 secured by the official bond or bonds of the Treasurer, shall be continuously secured to the
20 fullest extent required or permitted by the laws of the State for the securing of public funds, and
21 shall be irrevocable and not withdrawable by anyone for any purpose other than the purpose or
22 purposes designated therefor. Each periodic payment shall be credited to the proper book
23 account not later than the date therefor herein designated. Notwithstanding any other provision
24 herein to the contrary, moneys shall be deposited with the Paying Agent, on or before the day
25 of each interest payment date or any other due date herein designated sufficient to pay the
26 Bond Requirements then becoming due on the Outstanding Bonds.

27 Section 603. Deposit and Investment of Moneys. Any moneys in any account or
28 subaccount created in arts. IV and V hereof, and not required for immediate disbursement and
29 withdrawal, shall be deposited or invested by the Treasurer, with the approval of the Manager
30 of the Department, except as otherwise provided herein:

1 A. Bank Deposits. In demand or time deposit accounts in one or more
2 commercial banks located in the United States, and

3 B. Investment Securities. To the fullest extent practicable, in
4 Investment Securities, which:

5 (1) Optional Redemption. Either shall be subject to redemption
6 at any time at a fixed value by the owner thereof at the option of such
7 owner, or

8 (2) Scheduled Maturities. Shall mature not later than the date or
9 respective dates on which the proceeds are estimated by the Treasurer to
10 be needed.

11 Moneys held in the Bond Fund, Capitalized Interest Account and the Bond Reserve Fund shall
12 not be invested and reinvested in any obligations of the City included within the definition of
13 Investment Securities. Investments of money in the Bond Reserve Fund shall mature not later
14 than the final fixed maturity date of Bonds the payment of which is secured thereby. For
15 purposes of any such investment or reinvestment, Investment Securities shall be deemed to
16 mature at the earliest date on which the obligor or a third party is, on demand, obligated to pay
17 a fixed sum in discharge of the whole of such obligations. In scheduling each such investment
18 or reinvestment, the Treasurer may rely upon estimates of appropriate officers or employees of
19 the City.

20 Section 604. Scheduling Disbursements. Notwithstanding the provisions of Section
21 603 hereof, before the Treasurer invests or reinvests any moneys accounted for in the Project
22 Fund, the Airport Engineer shall furnish to the Manager of the Department and Treasurer a
23 certificate setting forth a schedule of the amounts and times when moneys are estimated by
24 the Airport Engineer to be needed to pay Costs. The Manager of the Department and
25 Treasurer may conclusively rely upon the estimates in such certificate or any addendum
26 thereto, and shall have no liability or responsibility for any loss on any investment or
27 reinvestment if scheduled to produce the necessary amounts not later than 90 days after the
28 times so certified.

29 Section 605. Accounting for Investments. Any Investment Securities so purchased
30 as an investment or reinvestment of moneys in any such account or subaccount shall be
31 deemed at all times to be a part of the account or subaccount and held in trust therefor. Except

1 as herein otherwise provided, any interest earned on, or any profit or loss realized from the
2 liquidation of, such Investment Securities, as well as any interest and other gain from the
3 deposit of moneys in a commercial bank, shall be credited or charged to the Revenue Fund as
4 such gain or loss is realized; but any such interest, profit, or loss on Investment Securities in
5 any subaccount in the Project Fund or in the Bond Reserve Fund shall be credited or charged
6 to such subaccount or account, and no interest or profit shall be transferred to the Revenue
7 Fund from any subaccount in the Project Fund until its termination pursuant to Section 409
8 hereof, or from the Bond Reserve Fund until the moneys accounted for therein, after any such
9 transfer, shall at least equal the Minimum Bond Reserve. No loss or profit on Investment
10 Securities shall be deemed to take place as a result of fluctuations in the market quotations
11 thereof prior to the sale or maturity thereof. In the computation of the amount in any account or
12 subaccount for any purpose hereunder, except as herein otherwise expressly provided,
13 Investment Securities purchased as an investment of moneys therein shall be valued at the
14 cost thereof (including any amount paid as accrued interest) or the principal amount thereof,
15 whichever is less; except that Investment Securities purchased at a premium may initially be
16 valued at the cost thereof, but in each year after such purchase shall be valued at a lesser
17 amount determined by ratably amortizing the premium over their remaining term. Any bank
18 deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any
19 other gain to the City until such gain is realized by the receipt of an interest-earned notice, or
20 otherwise. The valuation of Investment Securities and bank deposits accounted for in any
21 account or subaccount shall be made not less frequently than annually.

22 No voucher or certificate pursuant to Section 402 hereof shall be required as a condition
23 to the transfer pursuant to this Section 605 of amounts from any subaccount in the Project
24 Fund to the Revenue Fund, the Bond Fund or the Bond Reserve Fund.

25 Section 606. Redemption or Sale of Investment Securities. The Treasurer shall
26 present for redemption before or at maturity, or shall sell on the prevailing market at the best
27 price obtainable, any Investment Securities so purchased as an investment or reinvestment of
28 moneys in any account or subaccount whenever it is necessary so to do in order to provide
29 moneys to meet any required withdrawal, payment, or transfer from such account or
30 subaccount. Neither the Treasurer, nor any officer of the City, shall be liable or responsible for
31 any loss resulting from any such investment or reinvestment made in accordance with this

1 Instrument. The Treasurer shall semiannually notify the Manager of the Department of any
2 gain or loss in any account or subaccount held by the Treasurer.

3 Section 607. Character of Funds. The moneys in any account or subaccount shall
4 consist of lawful money of the United States or Investment Securities, or both. Moneys
5 deposited in a demand or time deposit account in a commercial bank pursuant to Section 602
6 hereof, appropriately secured according to the laws of the State, shall be deemed lawful
7 money of the United States.

8 Section 608. Payment of Bond Requirements. The moneys credited to any account
9 or subaccount designated in Article V hereof for the payment of the Bond Requirements due in
10 connection with any series of Bonds shall be used without requisition, voucher, warrant, further
11 order, or authority (other than is contained herein), or any other preliminaries, to pay promptly
12 the Bond Requirements payable from such account or subaccount as such Bond
13 Requirements are due, except to the extent any other moneys are available therefor.

14 **ARTICLE VII**
15 **BOND LIENS, ADDITIONAL BONDS AND OBLIGATIONS**

16 Section 701. First Lien Bonds. The Bonds issued hereunder, subject to the
17 payment of the Operation and Maintenance Expenses of the Airport System, constitute an
18 irrevocable and first lien (but not necessarily an exclusively first lien) upon the Gross Revenues
19 of the Airport System.

20 Section 702. Issuance of Completion Bonds. If the proceeds from the sale of a
21 series of Bonds available in whole or in part for payment of the Cost of an Improvement Project
22 are not sufficient to pay, together with other moneys available therefor, the entire Cost of such
23 Improvement Project, regardless whether the amount of such deficiency results from any
24 modification of the Improvement Project made pursuant to Section 412 hereof, or for any other
25 reasons, the City may issue Completion Bonds in such amount as is necessary to defray any
26 such additional Cost. Completion Bonds shall be issued in accordance with section 703 hereof,
27 and compliance with Section 704 hereof is not required.

28 Section 703. Authorization of Completion Bonds. Upon the issuance of one or more
29 series of Bonds in an aggregate principal amount not exceeding the estimated maximum
30 principal amount determined to be necessary by Supplemental Ordinance to defray, together
31 with other moneys available therefor, including, without limitation, any investment income, the

1 Cost of an Improvement Project, if the aggregate amount available therefor is not sufficient to
2 pay such Cost, regardless of the reason therefor, the City may adopt a Supplemental
3 Ordinance (i) determining the deficit in the amount available in the subaccount for such
4 Improvement Project, and (ii) authorizing the issuance of a series of Completion Bonds.

5 Prior to any delivery of Completion Bonds there shall be filed with the Clerk a certificate
6 of the Manager of the Department (i) stating that the Improvement Project has not materially
7 changed (except as permitted by Section 412 hereof) from its description in any Supplemental
8 Ordinance relating to a series of Bonds issued to finance such Improvement Project, (ii)
9 estimating the revised aggregate Cost of such Improvement Project, (iii) stating that the
10 revised aggregate Cost of such Improvement Project cannot be paid with the moneys available
11 on the date of the certificate in the appropriate subaccount in the Project Fund or in the Capital
12 Fund, and (iv) stating that, in the opinion of the Manager of the Department, the issuance of
13 the Completion Bonds is necessary to provide funds for the completion of the Improvement
14 Project.

15 Section 704. Additional Bonds for Improvement Projects. Additional Bonds (other
16 than Completion Bonds) may be authorized and delivered for the purpose of paying the Cost of
17 any Improvement Project. Prior to the delivery of such series of Bonds, there shall be filed with
18 the Clerk:

19 A. Accountant's Certificate or Opinion. A certificate or opinion of an
20 Independent Accountant setting forth, for the last audited Fiscal Year or for any period
21 of 12 consecutive calendar months out of the 18 calendar months next preceding the
22 delivery of such series of Bonds, as determined by the Independent Accountant, (i) the
23 Net Revenues, together with any Other Available Funds, for such period, and (ii) the
24 aggregate Debt Service Requirements for such period; and demonstrating that for such
25 period the Net Revenues, together with any Other Available Funds, at least equaled the
26 larger of either:

27 (1) The amount needed for making the required deposits to the
28 credit of the several subaccounts in the Bond Fund and to the credit of the
29 Bond Reserve Fund and the Operation and Maintenance Reserve
30 Account, or

1 (2) An amount not less than 125% of the aggregate Debt
2 Service Requirements for such period.

3 B. Airport Consultant's Report. A report of the Airport Consultant
4 estimating, for each of the three Fiscal Years commencing with the earlier of either the
5 Fiscal Year following the Fiscal Year in which the Manager of the Department estimates
6 such Improvement Project will be completed, or the first Fiscal Year in which there are
7 Debt Service Requirements with respect to the Bonds to be issued for such
8 Improvement Project, (i) the Gross Revenues and (ii) the Operation and Maintenance
9 Expenses and other amounts required to be deposited in each of the subaccounts
10 (other than the Redemption Account) in the Bond Fund, the Bond Reserve Fund, and
11 the Operation and Maintenance Reserve Account; and demonstrating that the Net
12 Revenues in each such Fiscal Year, together with any Other Available Funds, are
13 projected to be at least equal the larger of either:

14 (1) The amounts needed for making the required deposits to the
15 credit of the several subaccounts (other than the Redemption Account) in
16 the Bond Fund, the Bond Reserve Fund, and the Operation and
17 Maintenance Reserve Account, or

18 (2) An amount not less than 125% of the aggregate of any Debt
19 Service Requirements for each such Fiscal Year, for the series of Bonds
20 then to be issued, and for any future series of Bonds which the Manager
21 of the Department shall estimate will be required to complete payment of
22 the Cost of such Improvement Project (such Debt Service Requirements
23 of any future series of Bonds to be estimated by the Airport Consultant or
24 by the Financial Advisor, if any), in each case after giving effect, among
25 other factors, to the increase in Operation and Maintenance Expenses and
26 to the completion of the Improvement Project or any completed portion
27 thereof, and the increase in rates, fees, rentals, or other charges (or any
28 combination thereof) as a result of the completion of such Improvement
29 Project or any such completed portion thereof; and

1 C. Absence of Default. A certificate of the Manager of the Department
2 that at the time of the adoption of the Supplemental Ordinance authorizing such Bonds,
3 the City is not in default in making any payments required by Article V hereof.

4 In any computation required by this section, there shall be excluded from Gross
5 Revenues any capital gain resulting from any sale or revaluation of Investment
6 Securities or bank deposits, or both. If any one or more of the documents required by
7 subsections A through C of this section cannot be given with the required results stated
8 therein, the City may not issue the proposed Bonds. Nothing contained in this section
9 obligates the City to take any action in violation of any applicable requirements imposed
10 by law, as to any increase in any rentals, rates, fees, and other charges, or otherwise.

11 Section 705. Refunding Bonds. Refunding Bonds may be issued in such principal
12 amount as may be necessary to effect a Refunding Project if prior thereto or simultaneously
13 therewith there are filed with the Clerk:

14 A. Redemption Instructions. If any Bonds to be refunded are to be
15 called for prior redemption at the option of the City, a certificate of the Treasurer that
16 irrevocable instructions to give due and timely notice of such redemption have been
17 given; and

18 B. Moneys and Federal Securities for Redemption. A certificate of the
19 Treasurer that either (i) moneys in an amount sufficient to effect payment of the Bond
20 Requirements of the Bonds to be refunded, as the same become due, are held (or are
21 required to be deposited) in an Escrow Account or with the appropriate Paying Agent in
22 trust for such purpose, or (ii) Federal Securities (or such other Investment Securities as
23 are permitted by Section 1101 hereof) are held (or are required to be deposited) in an
24 Escrow Account or with the appropriate Paying Agent in such principal amounts, of such
25 maturities, bearing such interest, if any, and otherwise having such terms and
26 qualifications as are set forth in Section 1101 hereof, to provide, together with any
27 moneys so held (or required to be deposited), for the payment of the Bond
28 Requirements of the Bonds to be refunded, as the same become due, which Federal
29 Securities (or such other Investment Securities) and moneys are held (or are required to
30 be deposited) in trust in accordance with Section 1101 hereof.

31 For purposes of this section, Credit Facility Obligations shall be deemed to be Bonds.

1 Section 706. Refunding Subordinate Bonds. Refunding Bonds issued to refund
2 Subordinate Bonds may be issued in such principal amount as may be necessary to effect a
3 Refunding Project if, in addition to the requirements of Section 705 hereof, the City furnishes
4 and files with the Clerk the certificates, reports or opinions required by subsections A through
5 C, Section 704 hereof; provided that for purposes of such certificates, reports or opinions, the
6 Refunding Bonds to be so issued shall be treated, as nearly as practicable, as Improvement
7 Bonds.

8 Section 707. Subordinate Bonds Permitted. Nothing herein prevents the City from
9 issuing bonds or other securities or incurring other obligations having a lien on the Net
10 Revenues of the Airport System subordinate to the lien thereon of Bonds. Any such
11 Subordinate Bonds may be authorized by Supplemental Ordinance, or by any other instrument
12 of the City.

13 Section 708. Superior Bonds Prohibited. Nothing herein permits the City to issue
14 bonds or other securities or incur other obligations having a lien on the Net Revenues of the
15 Airport System superior to the lien thereon of the Bonds, and any such bonds or other
16 securities or other obligations are hereby prohibited.

17 Section 709. Contract Obligations. The City or the City for and on behalf of the
18 Department may incur Contract Obligations for any Improvement Project or Refunding Project.
19 Such Contract Obligations shall be incurred pursuant to a Supplemental Ordinance, which (i)
20 may pledge all or any designated portion of the Net Revenues to the payment of such Contract
21 Obligations; (ii) shall provide the terms and conditions of such Contract Obligations; (iii) shall
22 provide for the payment of such Contract Obligations; and (iv) may provide for such other
23 matters as the Manager and the City shall determine. Prior to the incurrence of any Contract
24 Obligations there shall be filed with the Clerk the certificates, opinions and reports described in
25 subsections B and C of Section 704 hereof; provided that for the purposes of such certificates,
26 opinions and reports Contract Obligations shall be treated, as nearly as practicable, as Bonds.

27 **ARTICLE VIII**
28 **SPECIAL FACILITIES AND SPECIAL FACILITIES BONDS**

29 Section 801. Privileges Reserved. The City or the City, for and on behalf of the
30 Department, may enter into contracts pursuant to which the City will agree to construct Special
31 Facilities to be financed by the issuance of Special Facilities Bonds; and the City may lease

1 such Special Facilities upon the conditions provided in Section 802 through Section 805
2 hereof. The City shall not use any amounts derived from the Gross Revenues to pay any costs
3 relating to Special Facilities except if the Manager of the Department, in his or her sole
4 discretion, determines that a compelling need exists for a particular expenditure and that such
5 expenditure is necessary for and in the best interests of the Airport.

6 Section 802. No Prejudicial Competition. Special Facilities shall not be acquired
7 and leased, if comparable facilities serving comparable ends may be adequately and efficiently
8 made available to the users of the Airport through the then existing Airport Facilities; and the
9 City shall not acquire and lease any such Special Facilities, the use and occupation of which
10 would, in the opinion of the Airport Consultant, result in a reduction of Net Revenues below the
11 minimum required to be maintained by Section 901 hereof.

12 Section 803. Facilities Lease. A Net Rent Lease of any Special Facilities shall be
13 entered into between the parties to such contract pursuant to which the lessee agrees to pay
14 to the City rentals in periodic installments in each year during the term thereof which shall be
15 sufficient to pay the principal of, interest on and any redemption premiums due in connection
16 with the Special Facilities Bonds to be issued by the City pursuant to this article to pay the cost
17 of acquiring, improving, or equipping such Special Facilities. The term of any Net Rent Lease
18 shall not exceed the term of the Special Facilities Bonds issued in connection with that Net
19 Rent Lease.

20 Section 804. Ground Lease. A second Net Rent Lease for the same term as that
21 provided in the lease entered into under the provisions of Section 803 shall be entered into
22 between the parties to such contract providing for additional rentals for the ground upon which
23 such facilities are located, which lease shall provide for rental payments to the City payable in
24 periodic installments. Such ground rentals shall be firm for the term of the lease entered into
25 under Section 803 hereof, but the lease may include provisions for increasing or decreasing
26 such ground rentals during the lease term. All such ground rental payments shall be payable
27 into the Revenue Fund.

28 Section 805. Use of Rentals from Such Facilities. The City may issue Special
29 Facilities Bonds for the purpose of acquiring, improving, and equipping Special Facilities at the
30 Airport System for lease pursuant to the provisions of this article and subject to the limitations,
31 if any, imposed by law. Such Special Facilities Bonds shall be payable solely from all or a part

1 of the rentals under one or more Net Rent Leases payable to the City pursuant to Section 803
2 hereof, and shall not be a charge or claim against the Revenue Fund or any other account
3 designated in Article V hereof. After such Special Facilities Bonds have been fully paid and
4 retired or are otherwise no longer Outstanding, all revenues derived from such Special
5 Facilities shall be a part of the Gross Revenues and shall be applied by the City in accordance
6 herewith, and all costs of operating and maintaining such Special Facilities paid by the City
7 shall be considered as Operation and Maintenance Expenses, and such Special Facilities shall
8 be a part of the Airport System.

9 Section 806. Loan Agreements for Special Facilities Bonds. In connection with
10 Special Facilities to be used by one or more person, in lieu of a Net Rent Lease the City may
11 also enter into a loan or financing Agreement under which the user or users of the Special
12 Facilities agree to pay all expenses of operation and maintenance and to make payments
13 sufficient to pay the principal of, interest on, and any redemption premium due in connection
14 with Special Facilities Bonds to be issued by the City to finance such Special Facilities. Except
15 for ground rentals or payments in lieu of ground rentals to be received by the City, all or part of
16 the payments to be made under such loan or financing agreement may be assigned by the
17 City to secure the payment of Special Facilities Bonds issued by the City to finance such
18 Special Facilities.

19 **ARTICLE IX**
20 **RENTALS, RATES, FEES, AND OTHER CHARGES**

21 Section 901. Rate Maintenance Covenant. The City covenants that it shall at all
22 times fix, revise, charge, and collect rentals, rates, fees, and other charges for the use of the
23 Airport System in order that in each Fiscal Year the Gross Revenues, together with any Other
24 Available Funds, will at all times be at least sufficient:

25 To provide for the payment of Operation and Maintenance Expenses for
26 the Fiscal Year, and

27 To provide for the larger of either:

28 (1) The amounts needed for making the required cash deposits in the
29 Fiscal Year to the credit of the several subaccounts in the Bond Fund (except the
30 Redemption Account) and to the credit of the Bond Reserve Fund, the

1 Subordinate Bond Fund, and the Operation and Maintenance Reserve Account;
2 or

3 (2) An amount not less than 125% of the aggregate Debt Service
4 Requirements for such Fiscal Year.

5 In any computation hereinabove required by this section, there shall be excluded from the
6 Gross Revenues any capital gain resulting from any sale or revaluation of Investment
7 Securities or bank deposits, or both. Nothing contained in this section obligates the City to take
8 any action in violation of any applicable requirements imposed by law. All such rentals, rates,
9 fees, and other charges for the use of the Airport System must be reasonable in relation to the
10 cost of providing, operating, and maintaining the particular Facility and the services furnished
11 by such Facility.

12 Section 902. Increasing Revenues. The City covenants that if the Gross Revenues
13 in any Fiscal Year, together with any Other Available Funds, are less than the amounts
14 specified above in Section 901, upon the receipt of the audit report for the Fiscal Year, the
15 Manager of the Department will require the Airport Consultant to make recommendations as to
16 the revision of the schedule of rentals, rates, fees, and charges; and upon receiving such
17 recommendations or giving reasonable opportunity for such recommendations to be made, the
18 Manager of the Department, on the basis of such recommendations and other information
19 available to the Manager of the Department, will revise the schedule of rentals, rates, fees, and
20 charges for the use of the Airport as may be necessary to produce Gross Revenues as
21 aforesaid.

22 Section 903. Compliance with Recommendations. If the Manager of the
23 Department shall comply with Section 902 hereof, there shall be no Event of Default under the
24 provisions of Section 1203D hereof, even though the Gross Revenues, together with any Other
25 Available Funds, are not actually sufficient to provide funds in the amounts required for such
26 Fiscal Year.

27 Section 904. Review of and Comment upon Schedules. All schedules of rentals,
28 rates, fees, and charges for the use of the Airport as established by the Manager of the
29 Department shall be submitted to and reviewed by the Airport Consultant as to their adequacy,
30 and a copy of the schedule and the Airport Consultant's comments shall thereupon be filed
31 with the Manager of the Department.

1 Section 905. Collection of Charges. The City shall cause all rentals, rates, fees, and
2 charges relating to the Airport System to be collected as soon as is reasonable and shall
3 prescribe and enforce rules and regulations or impose contractual obligations for the payment
4 thereof, including without limitation the imposition of penalties for any defaults, to the end that
5 the Pledged Revenues shall be adequate to meet the requirements of this Instrument. The
6 rentals, rates, fees, and charges due shall be collected in any lawful manner.

7 **ARTICLE X**
8 **MISCELLANEOUS PROTECTIVE COVENANTS**

9 Section 1001. General. The City hereby particularly covenants and agrees with the
10 owners of Bonds and makes provisions which shall be a part of its contract with such owners
11 to the effect and with the purpose set forth in the following provisions of this article.

12 Section 1002. Performance of Duties. The City shall faithfully and punctually perform
13 or cause to be performed all duties with respect to the Pledged Revenues, the Airport System,
14 and any Special Facilities required by the Constitution and laws of the State and the various
15 ordinances, resolutions, and other instruments of the City, including, without limitation, the
16 proper segregation of the proceeds of each series of Bonds relating to the Airport System and
17 the Pledged Revenues and their application from time to time to the respective accounts
18 provided therefor.

19 Section 1003. Contractual Obligations. The City shall perform all contractual
20 obligations undertaken by it under leases or other agreements with the Federal Government,
21 under the contract to purchase each series of Bonds with the Purchaser thereof, and any other
22 agreements with all other persons relating to the Bonds, the Obligations, the Pledged
23 Revenues, or the Airport System.

24 Section 1004. Further Assurances. At any and all times the City shall, so far as it
25 may be authorized by law, pass, make, do, execute, acknowledge, deliver, and file or record all
26 further instruments, acts, deeds, conveyances, assignments, transfers, other documents, and
27 assurances as may be necessary or desirable for the better assuring, conveying, granting,
28 assigning, and confirming all and singular the rights, the Gross Revenues of the Airport
29 System, and other moneys and accounts hereby pledged or assigned, or intended so to be, or
30 which the City may hereafter become bound to pledge or to assign, or as may be reasonable
31 and required to carry out the purposes of this Instrument and to comply with any applicable

1 law. The City shall defend, preserve, and protect the pledge of the Gross Revenues and other
2 moneys and accounts pledged hereunder and all the rights of every owner of any Bonds
3 payable from the Pledged Revenues against all claims and demands of all persons
4 whomsoever.

5 Section 1005. Conditions Precedent. Upon the date of issuance of any Bonds, all
6 conditions, acts, and things required by the Constitution or statutes of the United States, the
7 Constitution or statutes of the State, the Charter, this Instrument, or any Supplemental
8 Ordinance, to exist, to have happened, and to have been performed precedent to or in the
9 issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds,
10 together with all other obligations of the City, shall not contravene any debt or other limitation
11 prescribed by the Constitution or statutes of the United States, the Constitution or statutes of
12 the State, or the Charter.

13 Section 1006. Rules, Regulations and Other Details. The City shall establish and
14 enforce rules and regulations governing the operation, care, repair, maintenance,
15 management, control, occupancy, use, and services of the Airport System and any Special
16 Facilities. The City shall observe and perform all of the terms and conditions contained in this
17 Instrument and shall comply with all valid acts, rules, regulations, orders, and directives of any
18 legislative, executive, administrative, or judicial body applicable to the Airport System and any
19 such Special Facilities.

20 Section 1007. Governmental Approval. The City shall maintain and operate the
21 Airport System at standards required in order that the same may be approved by the proper
22 and competent Federal Government authority or authorities for the landing and departure of
23 aircraft operating in scheduled service, or otherwise, and as a terminal point of the City for the
24 receipt and dispatch of passengers, property, and mail by aircraft.

25 Section 1008. Competent Personnel and Operation. The City shall at all times
26 employ in connection with the operation of the Airport System in executive and managerial
27 capacities only individuals competent therefor by reason of training and experience. The City
28 shall administer the Airport System in accordance with sound business principles.

29 Section 1009. Operation and Maintenance of Airport System. The City, insofar as it
30 may legally do so, without any violation of other provisions of this Instrument, shall operate the
31 Airport System in a sound and economical manner and shall maintain and preserve the Airport

1 System, or cause the Airport System (and Special Facilities) to be maintained and preserved,
2 in good repair, working order, and sanitary condition, free from obstructions, in a manner
3 suitable for air transport operations, and in such manner as will qualify the Airport System to
4 receive maximum financial aid from the Federal Government, which aid it may in its discretion
5 seek and procure if available on fair and reasonable terms. The City also shall from time to
6 time make or cause to be made all necessary and proper repairs, replacements, and renewals
7 so that at all times the operation of the Airport System may be properly and advantageously
8 conducted in conformity with standards customarily followed by municipalities operating airport
9 facilities of like size and character.

10 Section 1010. Competing Airport Facilities. Unless, in an Attorney's Opinion,
11 compliance with this covenant in a particular situation would violate Federal or State anti-trust
12 laws, the City shall neither construct, affirmatively permit to be constructed, facilitate the
13 construction or operation of, or enter into any agreement permitting or otherwise facilitating the
14 construction or operation of, other facilities to be operated by any person and competing with
15 the operation of the Airport in a manner that would, in the opinion of the Manager of the
16 Department, materially and adversely affect the City's ability to comply with the requirements
17 of Section 901 hereof; but nothing herein prevents the City from participating in a joint action
18 agency, other regional entity, or as a party to any intergovernmental agreement for the
19 acquisition, operation and maintenance of airport facilities if adequate provision has been
20 made for the payment of all Bond Requirements of all Outstanding Bonds or if such
21 acquisition, operation and maintenance, in the written opinion of the Airport Consultant, will not
22 materially and adversely affect the City's ability to comply with the requirements of Section 901
23 hereof. Nothing herein contained, however, impairs the police power of the City.

24 Section 1011. Employment of Consultants. The City shall employ a consultant for the
25 purpose of performing and carrying out the duties imposed on the Airport Consultant by this
26 Instrument or any instrument or other proceedings relating to the Airport system.

27 Section 1012. Corporate Existence. The City shall maintain its corporate identity and
28 existence so long as any Bonds remain Outstanding, unless another body corporate and
29 politic, by operation of law or by contract, succeeds to the duties, privileges, powers, liabilities,
30 disabilities, immunities, and rights of the City with respect to the Airport System without, in an
31 Attorney's Opinion, adversely and materially affecting the privileges and rights of any owner of
32 any Outstanding Bond.

1 Section 1013. Disposal of Airport Prohibited. Except in the normal course of
2 business and except as otherwise provided by Section 1014 and Section 1015 hereof, neither
3 all nor a substantial part of the Airport System shall be sold, leased, mortgaged, pledged,
4 encumbered, alienated, or otherwise disposed of until all Bonds have been paid in full, as to all
5 Bond Requirements; provided, however, that the City may transfer all or a substantial part of
6 the Airport System to another body politic and corporate (including without limitation any
7 successor of the City) if such body politic and corporate succeeds to the duties, privileges,
8 powers, liabilities, disabilities, immunities and rights of the City with respect to the Airport
9 System, or such substantial part thereof, without, in an Attorney's Opinion, adversely and
10 materially affecting the privileges and rights of any owner of any Outstanding Bonds. In the
11 event of any such transfer and assumption, nothing herein prevents the retention by the City of
12 any Facility of the Airport if, in an Attorney's Opinion, such retention will not materially and
13 adversely affect the privileges and rights of any owner of any Outstanding Bonds. All
14 easements and licenses on, over, or across the Airport shall be revocable in nature, and any
15 instrument conveying such an interest shall require the grantee to relocate the facility covered
16 thereby without cost to the City if such relocation is determined by the Manager of the
17 Department to be necessary to the proper operation or development of the Airport.

18 Section 1014. Leases. The City may execute leases, licenses, easements, or other
19 agreements for the use of any part of the Airport System with the Federal Government or any
20 other persons, if such instrument shall not, in the opinion of the Manager of the Department,
21 materially and adversely affect the City's ability to comply with the requirements of Section 901
22 hereof; but any such lease or other agreement, excluding presently existing leases and other
23 existing agreements, and excluding any future Net Rent Lease relating to any Special Facilities
24 and made in accordance with the provisions of Article VIII hereof, but including any other future
25 Net Rent Leases or other future agreements negotiated on a net rent basis, shall contain
26 provisions for the reestablishment of the amount of rental or other payments (which, at the
27 discretion of the Manager of the Department, may be in a fixed amount or may be based upon
28 an index, formula or other predetermined method) at intervals of not more than five years
29 beginning with the effective date of any such lease or other agreement; provided that any such
30 provisions shall in any event permit an increase in rents, rates, fees, and other charges in
31 excess of those that would otherwise result, if necessary to comply with the provisions of
32 Article IX hereof.

1 Section 1015. Disposal of Unnecessary Property. The City may sell, lease,
2 mortgage, pledge, encumber, alienate, or otherwise dispose of, or exclude from the Airport
3 System, any Facilities constituting a part of the Airport System which have, in the opinion of
4 the Manager of the Department, ceased to be necessary for the efficient operation of the
5 Airport System, or which have been replaced by other Facilities of at least equal value, except
6 to the extent the City is prevented from so doing by any contractual limitation relating thereto.
7 The net proceeds of the sale of any Facilities under this section shall be used for the purpose
8 of replacing Facilities at the Airport System or shall be paid into the Capital Fund for the
9 purposes thereof.

10 Section 1016. Loss from Condemnation. If any part of the Airport System shall be
11 taken by the exercise of a power of eminent domain, the amount of any award received by the
12 City as a result of such taking shall be paid into the Capital Fund for the purposes thereof or
13 held as a reserve for deposit subsequently into the Capital Fund, as the Manager of the
14 Department may determine.

15 Section 1017. Payment of Governmental Charges and Liens. The City shall pay or
16 cause to be paid all taxes, assessments, and other municipal or governmental charges, if any,
17 lawfully levied or assessed upon or in respect of the Airport System, or upon any part thereof,
18 and any Special Facilities, or upon any portion of the Gross Revenues, or revenues otherwise
19 relating to the Airport System, when the same shall become due. The City shall duly observe
20 and comply with all valid requirements of any municipal or governmental authority relative to
21 the Airport System, or any part thereof, and to any Special Facilities, except for any period
22 during which the validity of the same is being contested in good faith by proper legal
23 proceedings. The City shall pay or cause to be discharged or shall make adequate provision to
24 satisfy and to discharge, within sixty days after the same shall become payable, all lawful
25 claims and demands for labor, materials, supplies, or other objects which, if unpaid, might by
26 law become a lien upon the Airport System, any part thereof, any Special Facilities, the Gross
27 Revenues, or any other revenues relating to the Airport System. Nothing herein contained
28 requires the City to pay or cause to be discharged or to make provision for any such tax,
29 assessment, lien, charge, or demand before the time when payment thereon shall be due, or
30 so long as the validity thereof shall be contested in good faith by appropriate legal
31 proceedings.

1 Section 1018. Protection of Security. The City, the officers, agents, and employees
2 of the City, and the Council shall not take any action in such manner or to such extent as might
3 prejudice the security for the payment of the Bond Requirements of any Bonds according to
4 the terms of such Bonds. The City shall maintain, preserve, and renew all the rights, powers,
5 privileges, and franchises now owned or hereafter acquired with respect to the Airport System.
6 No contract shall be entered into and no other action shall be taken by which the rights of any
7 owner of any Bond might be prejudicially and materially impaired or diminished.

8 Section 1019. Prompt Payment of Funds. The City shall promptly pay the Bond
9 Requirements of every Bond in the manner specified in the Bond according to its true intent
10 and meaning.

11 Section 1020. Use of Airport System Revenues. None of the Gross Revenues of the
12 Airport System shall be used for any purpose other than as provided herein or by
13 Supplemental Ordinance. The City shall apply the Net Revenues to the payment of the Bond
14 Requirements of Bonds, and the City is not obligated to make such payments from any other
15 source or moneys, except as otherwise provided herein or by Supplemental Ordinance.

16 Section 1021. Use of Bond and Reserve Funds. The Bond Fund and the Bond
17 Reserve Fund (and any Credit Facility credited thereto) shall be used solely and only, and the
18 moneys credited to such accounts are hereby pledged, for the purpose of paying the Bond
19 Requirements of Bonds, except as otherwise provided herein or by Supplemental Ordinance.

20 Section 1022. Other Liens. Other than as provided herein, there are no liens or
21 encumbrances of any nature whatsoever on or against the Airport Facilities, or any part
22 thereof, or on or against the Gross Revenues of the Airport System derived or to be derived.
23 The City shall not create or permit to be created any charge or lien on the Gross Revenues of
24 the Airport System, except as permitted by this Instrument or Supplemental Ordinance.

25 Section 1023. Claims. The City shall defend against every suit, action, or proceeding
26 at any time brought against any owner of any Bonds upon any claim arising out of the receipt,
27 application, or disbursement of any of the Gross Revenues, or involving such owner's rights
28 under this Instrument or other proceedings relating to the issuance of such Bonds; the City
29 shall also indemnify and save harmless any such owners against any and all liability, claim, or
30 assertion by any person whomsoever, arising out of such receipt, application, or disbursement;

1 but such owner at his or her election may appear in and defend any such suit, action, or
2 proceedings.

3 Section 1024. Accumulation of Interest Claims. In order to prevent any accumulation
4 of claims for interest after maturity, the City shall not directly or indirectly extend or assent to
5 the extension of the time for the payment of any claim for interest on any Bonds; and the City
6 shall not directly or indirectly be a party to or approve any arrangements for any such
7 extension or for the purpose of keeping alive any claims for interest. If the time for the payment
8 of any such installment of interest shall be extended in contravention of the foregoing
9 provisions, such installment or installments of interest after such extension or arrangement
10 shall not be entitled in case of default hereunder to the benefit or security of this Instrument,
11 except upon the prior payment in full of the principal of all Bonds then Outstanding and of all
12 matured interest on all such Bonds the payment of which has not been extended.

13 Section 1025. Fidelity Bonds. The Treasurer shall be bonded at all times in an
14 amount of not less than \$3,000,000, which fidelity bond shall be conditioned upon the proper
15 application of the Gross Revenues and of any other moneys relating to the Airport System,
16 including, without limitation, the proceeds of any Bonds and any other securities relating to the
17 Airport System or any Special Facilities. The costs of such fidelity bond or a reasonably
18 allocated share of the costs of any blanket fidelity bond relating to moneys relating to the
19 Airport System and other moneys of the City in the custody, wholly or in part, of the Treasurer
20 shall be considered as Operation and Maintenance Expenses of the Airport System.

21 Section 1026. Records and Accounts. Proper books of record and account shall be
22 kept by the City, separate and apart from all other records and accounts, showing complete
23 and correct entries of all transactions relating to the Airport System, to any Special Facilities
24 thereat, and to all moneys relating thereto, including, without limitation, the Gross Revenues.
25 Such books shall include (but not necessarily be limited to) monthly records, all in such
26 reasonable detail as may be determined by the Manager of the Department and in accordance
27 with general accounting principles, showing:

28 A. Receipts. The Gross Revenues and other moneys received and
29 relating to the Airport System or any Special Facilities;

1 B. Purposes and Accounts. The respective purposes for which such
2 moneys were paid and the respective accounts and subaccounts in which such moneys
3 were accounted for; and

4 C. Complete Accounting. Complete and correct entries of all
5 transactions relating to the receipt, disbursement, allocation, and application of all
6 moneys, including, without limitation, those moneys, if any, accounted for in the Project
7 Fund.

8 All requisitions, requests, certificates, opinions, and other documents received by any person
9 on behalf of the City in connection with the Airport System or any Special Facilities under the
10 provisions of this Instrument shall be retained in the City's official records.

11 Section 1027. Right of Inspection. Subject to security and safety regulations of the
12 United States, the State, or any county or municipal government (including without limitation
13 the City), a representative or agent of the owner or owners of 5% in aggregate principal
14 amount of Bonds then Outstanding shall have the right at all reasonable times (including times
15 during the continuance of an Event of Default) to inspect the Airport Facilities and to inspect
16 and to make copies of its financial statements, other records, books, accounts, and data.

17 Section 1028. Quarterly Reports. The City shall cause reports of such books and
18 other records to be prepared at least quarterly and shall cause copies of each such report to
19 be posted to EMMA, as soon as practicable.

20 Section 1029. Audits Required. The City shall cause an independent Accountant to
21 audit such books and records of the Airport System for each Fiscal Year and to prepare an
22 audit report; such audit and report to be made and prepared as soon as practicable following
23 the close of such Fiscal Year.

24 Section 1030. Contents of Audit Reports. Each such audit report shall be in such
25 reasonable detail as may be required, shall be in accordance with generally accepted
26 accounting principles, and shall include at least the following:

27 A. Statement. A statement in detail of the income and expenditures
28 relating to the Airport System for the audit period, including, without limitation, a
29 statement of:

- 30 (1) The amount of the Gross Revenues,

1 (2) The amount of the Operation and Maintenance Expenses,

2 (3) The amount of the Net Revenues, including a statement as
3 to the amount of Other Available Funds and as to whether or not such Net
4 Revenues together with such Other Available Funds have been at least
5 sufficient to meet the provisions of Section 901 here of, and

6 (4) The amount of any capital expenditure relating to the Airport
7 System and any Special Facilities for the audit period;

8 B. Balance Sheet. A balance sheet as of the end of such Fiscal Year,
9 including without limitation the amounts on hand, both cash and investments, in each of
10 the accounts and subaccounts created by this Instrument;

11 C. Accountant's Comment. The Independent Accountant's comment
12 regarding the City's methods of operation and accounting practice and the manner in
13 which the City has carried out the requirements of this Instrument, and any other
14 instrument and other proceedings relating to the Airport System and any Special
15 Facilities as is deemed appropriate;

16 D. Insurance List. A list of the insurance policies in force at the end of
17 the audit period, setting out as to each policy:

18 (1) The amount of the policy,

19 (2) The risks covered,

20 (3) The name of the insurer, and

21 (4) The expiration date of the policy; and

22 E. Recapitulation. A recapitulation of each account and subaccount
23 created by this Instrument and any other instrument or other proceeding relating to the
24 Airport System, any Special Facilities, the Gross Revenues, or the Outstanding Bonds,
25 or otherwise relating to the Airport System, into which account or subaccount are put
26 moneys derived from:

27 (1) The operation of the Airport System or any Special Facilities,

28 and

1 (2) Any sale of the Outstanding Bonds, such analysis to show
2 the balance in such account or subaccount at the beginning of the audit
3 period, the deposits and withdrawals during such period, and the balance
4 at the end of such period.

5 Section 1031. Distribution of Audit Reports. The City agrees to furnish by posting on
6 EMMA, within ninety days from the time each audit report is filed with the City.

7 Section 1032. Fire and Extended Coverage Insurance. From and after the time when
8 any contractors engaged in connection with the Airport System, or any part thereof, shall
9 cease to be responsible pursuant to the provisions of their respective contracts for loss or
10 damage thereto occurring from any cause, the City shall insure and at all times keep the
11 Airport System insured to the extent possible with a responsible insurance company,
12 companies, or carriers authorized and qualified under the laws of the State to assume the risk
13 thereof against direct physical damage or loss from fire and so-called extended coverage perils
14 in an amount not less than 80% of the replacement value of the Facilities so insured, less
15 depreciation; but such amount of insurance shall at all times be sufficient to comply with any
16 legal or contractual requirement which, if breached, would result in assumption by the City of a
17 portion of any loss or damage as co-insurer; and also if at any time the City shall be unable to
18 obtain such insurance to the extent above required at reasonable cost as determined by the
19 Manager of the Department, the City shall maintain such insurance to the extent reasonably
20 obtainable. Insurance against any other risks or type of loss as are or shall be customarily
21 covered may be obtained, under a standard "all risk policy" with extended coverage for public
22 property, or otherwise, including, without limitation, insurance against loss or damage to the
23 Airport System by flood or other waters, elements of weather, explosion of any nature,
24 earthquake, volcanic eruption, and war risk (or any combination thereof), when, if, and to the
25 extent any such insurance can be procured at reasonable rates in the sole opinion of the
26 Manager of the Department.

27 Section 1033. Use of Insurance Proceeds. Immediately after any loss or damage to
28 the Airport System which is covered by insurance, the City may cause plans and specifications
29 for repairing, reconstruction, or otherwise replacing the damaged or destroyed Facilities, and
30 an estimate of the cost thereof, to be prepared and filed with the Manager of the Department.
31 The proceeds of all insurance referred to in Section 1032 hereof shall be available for and to
32 the extent necessary be applied to the repair, reconstruction, and other replacement of the

1 damaged or destroyed Facilities. If such proceeds are more than sufficient for such purpose,
2 the balance remaining shall be paid into the following accounts in the following priorities:

3 A. Bond Reserve Fund. First, into the Bond Reserve Fund to the
4 extent necessary to bring the balance therein to the then Minimum Bond Reserve; and

5 B. Capital Fund. Second, into the Capital Fund.

6 If such proceeds shall be insufficient to repair, reconstruct, or otherwise replace the damaged
7 or destroyed Facilities, the deficiency may be supplied from moneys in the Capital Fund, or
8 any other accounts or subaccounts legally available for such purposes. If the cost of repairing,
9 reconstruction, or otherwise replacing the damaged or destroyed Facilities, as estimated by the
10 Manager of the Department, shall not exceed the proceeds of insurance and other moneys
11 legally available for such purpose, the Manager of the Department shall forthwith commence
12 and diligently prosecute the repair, reconstruction, or other replacement of the damaged or
13 destroyed Facilities.

14 Section 1034. Transfer to Capital Fund. The proceeds of any insurance designated
15 in Section 1032 hereof and not applied within eighteen months after receipt by the City to the
16 repair, reconstruction or replacement of the damaged or destroyed Facilities, unless the City is
17 prevented from so doing because of conditions beyond its control, shall be transferred to the
18 Capital Fund.

19 Section 1035. Miscellaneous Insurance. The City shall at all times carry with a
20 responsible insurance company or companies authorized and qualified under the laws of the
21 State to assume the risk thereof:

22 A. Loss of Use Insurance. To the extent not provided for in leases and
23 other agreements between the City and others relating to the Airport System, insurance
24 covering loss of revenues from Airport Facilities by reason of necessary interruption,
25 total or partial, in the use thereof, resulting from damage thereto or destruction thereof,
26 however caused, in such amount as is estimated to be sufficient to provide a full normal
27 income during the period of suspension; but

28 (1) Such insurance shall cover a period of suspension of the
29 period of reconstruction as estimated by the Airport Engineer, but not less
30 than twelve months;

1 (2) Such insurance may exclude losses sustained by the City
2 during the first seven days of any total or partial interruption of use; and

3 (3) If at any time the City shall be unable to obtain such
4 insurance to the extent above required, it shall carry such insurance to the
5 extent reasonably obtainable at reasonable rates in the sole opinion of the
6 Manager of the Department.

7 In any calculation of the full normal income for such insurance, consideration shall be given to
8 the expected, as well as current and prior, revenues, from such Airport Facilities, or from other
9 sources, and may also make allowances for any probable decrease in the Operation and
10 Maintenance Expenses or any other charges and expenses while use is interrupted. Any
11 proceeds of such insurance shall be deposited to the credit of the Revenue Fund and shall be
12 subject to the uses of and shall be applied as provided for moneys in the Revenue Fund.

13 B. Liability Insurance. Insurance in the form and amount
14 recommended by the Manager of the Department against liability to any individual
15 sustaining bodily injury or any person sustaining property damage or the death of any
16 individual by reason of any defect or want of repair in or about the Airport System, or by
17 reason of the negligence of any employee, and against such other liability for
18 individuals, including workmen's compensation insurance, to the extent attributed to
19 ownership and operation of the Airport System, and damage to property of persons as
20 the Manager of the Department may recommend; but in the case of the company or
21 companies insuring the Airport System under a general liability policy against loss from
22 bodily injury or property damage, or both, the total liability of such company or
23 companies for all damages because of all bodily injury and all property damage arising
24 out of continuous or repeated exposure to substantially the same general conditions to
25 which the policy applies as the result of any one occurrence, subject to such exclusions
26 generally made to such a policy, shall be not less than \$75,000,000.00 under a single
27 limit of liability endorsement or other like provision of the policy, regardless of the
28 number of:

29 (1) Insureds under the policy,

30 (2) Individuals who sustain bodily injury or persons who sustain
31 property damage,

1 (3) Claims made or suits brought on account of bodily injury or
2 property damage, or

3 (4) Occurrences.

4 Section 1036. Maintenance of Policies. All such insurance policies designated in
5 Section 1032 and Section 1035 hereof shall be filed with the Manager of the Department and
6 shall be subject to inspection at all reasonable times by any owner of any Outstanding Bond or
7 any authorized representative of any such owner. If the Manager of the Department
8 determines that certain insurance required in Section 1032 and Section 1035 hereof cannot be
9 obtained to the extent therein required at reasonable rates, the Manager of the Department
10 shall prepare a written memorandum to that effect, designating each such type of insurance in
11 question and stating in each such case that the insurance was not obtainable or that
12 designated insurance was required in substitution for the required insurance, the reason or
13 reasons for its substitution, and when and to the extent that substituted insurance was
14 procured at reasonable rates, as the case may be. Each such memorandum shall be filed with
15 the policies on file with the Manager of the Department and shall also be subject to such,
16 inspection.

17 Section 1037. Tax Covenants. The City hereby covenants for the benefit of each
18 owner of any Bond that it shall not (i) make any use of the proceeds of any Bonds, any fund
19 reasonably expected to be used to pay the principal of or interest on any Bonds, or any other
20 funds of the City; (ii) make any use of any Airport Facilities; or (iii) take (or omit to take) any
21 other action with respect to any Bonds, the proceeds thereof, or otherwise, if such use, action
22 or omission would, under the Tax Code, cause the interest on any Bonds to be included in
23 gross income for federal income tax purposes. Notwithstanding such covenant, the City may
24 issue Bonds the interest on which is intended to be included in gross income for federal
25 income tax purposes and, in such event, the provisions of the foregoing covenant and any
26 other requirement of this Ordinance intended to establish or maintain the exclusion from
27 federal income taxation of interest on such Bonds shall be inapplicable to such Bonds.

28 Section 1038. Preservation of Enterprise Status. The City hereby covenants that it
29 shall not take (or omit to take) any action with respect to the Department that would cause the
30 Department to lose its status as an "enterprise" within the meaning of Section 20, Article X,
31 State Constitution.

1 **ARTICLE XI**
2 **MISCELLANEOUS**

3 Section 1101. Defeasance. This Instrument and any Bonds may be defeased, as
4 follows:

5 A. Defeasance of Instrument. If, when the Bonds secured hereby
6 shall become due and payable in accordance with their terms or otherwise as provided
7 in this Instrument or any Supplemental Ordinance, and the whole amount of the
8 principal of, premium, if any, and interest due and payable upon all of the Bonds shall
9 be paid, or provision shall have been made for the payment of the same, together with
10 all other sums payable hereunder, then all covenants, agreements and other obligations
11 of the City to the owners of Bonds shall thereupon cease, terminate and become void
12 and be discharged and satisfied. In such event, upon the request of the City, any
13 fiduciary or agent shall assign and transfer to the City all property then held by it, shall
14 execute such documents as may be reasonably required by the City, and shall turn over
15 to the City any surplus held by it in any fund, account, or subaccount. Upon such
16 defeasance, all money held by or on behalf of the City hereunder may be used for any
17 lawful purpose relating to the Airport System.

18 B. Defeasance of Bonds.

19 (1) Any Bonds of any one or more series shall, prior to the
20 maturity or Redemption Date thereof, be deemed to have been paid within
21 the meaning and with the effect expressed in this section if: (1) in case
22 such Bonds are to be redeemed on any date prior to their maturity, the
23 City shall by Supplemental Ordinance have given irrevocable instructions
24 to effect due notice of redemption on such Redemption Date, if such
25 notice is required; (2) there shall have been deposited in an Escrow
26 Account, either moneys in an amount which shall be sufficient, or Federal
27 Securities which shall not contain provisions permitting the redemption
28 thereof at the option of the obligor, the principal of and interest on which
29 when due, and without any reinvestment thereof, shall provide moneys
30 which, together with the moneys, if any, deposited with or held in such
31 Escrow Account, at the same time and available therefor, shall be
32 sufficient to pay when due the principal of, premium if any, and interest

1 due and to become due on such Bonds on and prior to the Redemption
2 Date or maturity date thereof, as the case may be; and (3) in the event
3 such Bonds are not by their terms subject to redemption within the next 60
4 days, the City by Supplemental Ordinance shall have given irrevocable
5 instructions to effect, as soon as practicable and in the same manner as
6 the notice of redemption is given pursuant to Section 307 hereof or as
7 otherwise provided by Supplemental Ordinance, notice to the owners of
8 such Bonds that the deposit required by (2) above has been placed in
9 such Escrow Account and that such Bonds are deemed to have been paid
10 in accordance with this section and stating such maturity or Redemption
11 Date upon which moneys are to be available for the payment of the
12 principal of, premium, if any, and interest on such Bonds. Neither such
13 Federal Securities (or principal or interest payments received with respect
14 thereto) nor moneys placed in such Escrow Account shall be withdrawn or
15 used for any purpose other than the payment of the principal of, premium,
16 if any, and interest on said Bonds and such Federal Securities or moneys
17 shall be held in trust solely for the payment of such principal of, premium,
18 if any, and interest on such Bonds; provided, any cash received from the
19 principal or interest payments on such Federal Securities if not then
20 needed for such purpose, shall, to the extent such cash will not be
21 required at any time for such purpose, shall be paid over to the City for
22 any lawful purpose relating to the Airport System free and clear of any
23 trust, lien, security interest, or otherwise under this Instrument, and to the
24 extent such cash will be required for such purpose at a later date shall be
25 reinvested in Federal Securities maturing at times and in amounts
26 sufficient to pay when due the principal of, premium, if any, and interest to
27 become due on such Bonds on or prior to such Redemption Date or
28 maturity date thereof, as the case may be. Any such Bonds shall no longer
29 be secured by or entitled to the benefits of this Instrument, except for the
30 purpose of any payment from such moneys or Federal Securities placed in
31 such an Escrow Account.

1 (2) As to Variable Rate Bonds, the amount required for the
2 interest thereon shall be calculated at the maximum rate which such
3 Variable Rate Bonds may bear; provided, however, that if on any date, as
4 a result of such Variable Rate Bonds having borne interest at less than
5 such maximum rate for any period, the total amount of moneys and such
6 Federal Securities on deposit for the payment of interest on such Variable
7 Rate Bonds is in excess of the total amount which would have been
8 required to be deposited on such date in respect of such Variable Rate
9 Bonds in order to fully discharge and satisfy such Variable Rate Bonds
10 pursuant to the provisions of this section, the City may use for lawful
11 purposes relating to the Airport System the amount of such excess free
12 and clear of any trust, lien, security interest, pledge or assignment
13 securing such Variable Rate Bonds or otherwise existing under this
14 Instrument.

15 (3) Notwithstanding any provisions of this Instrument to the
16 contrary, Option Bonds may only be fully discharged and satisfied by
17 depositing moneys or Federal Securities which together with other
18 moneys lawfully available therefor shall be sufficient at the time of such
19 deposit to pay when due the maximum amount of principal of, premium, if
20 any, and interest on such Option Bonds which could become payable to
21 the owners of such Option Bonds upon the exercise of any options
22 provided to the owner of such Option Bonds or upon the mandatory tender
23 thereof; provided, however, that if, at the time such a deposit is made, the
24 options originally exercisable by the merger of an Option Bond are no
25 longer exercisable or such Option Bonds are no longer subject to
26 mandatory tender, such Option Bond shall not be considered an Option
27 Bond for purposes of this paragraph. if any portion of the moneys
28 deposited for the payment of the principal of, premium, if any, and interest
29 on Option Bonds is not required for such purpose, the City may use for
30 lawful purposes relating to the Airport System the amount of such excess
31 free and clear of any trust, lien, security interest, pledge or assignment
32 securing said Option Bonds or otherwise existing under this Instrument.

1 Upon compliance with the provisions of this section with respect to all
2 series of Bonds then Outstanding, this Instrument may be discharged in accordance
3 with the provisions of this section, but the liability of the City in respect of such Bonds
4 shall continue provided that the owners thereof shall thereafter be entitled to payment
5 only out of such Escrow Account.

6 For all purposes of this section, the term "Federal Securities" shall be
7 deemed to include those Investment Securities described in (but subject to the
8 limitations of) Section 102A(59) (b)(i) hereof and Other Defeasance Securities.

9 Section 1102. Delegated Powers. Pursuant to the Charter and the Supplemental Act,
10 the Mayor, Auditor, Clerk, Treasurer, Manager of the Department and other officers and
11 employees of the City be, and hereby are, authorized and directed to take all action necessary
12 or appropriate to effectuate the provisions of this Instrument.

13 Section 1103. Evidence of Owners. Any request, consent, or other instrument which
14 this Instrument may require or may permit to be signed and to be executed by the owner of
15 any Bonds may be in one or more instruments of similar tenor and shall be signed or shall be
16 executed by each such owner in person or by his or her attorney appointed in writing. Proof of
17 the execution of any such instrument or of an instrument appointing any such attorney, or the
18 ownership of any person of the Bonds shall be sufficient for any purpose of this Instrument
19 (except as otherwise herein expressly provided) if made in the following manner.

20 A. Proof of Execution. The fact and the date of the execution by any
21 owner of any Bonds or his or her attorney of such instrument may be provided by the
22 certificate, which need not be acknowledged or verified, of an officer of a bank or trust
23 company satisfactory to the Clerk or of any notary public or other officer authorized to
24 take acknowledgments of deeds to be recorded in the state in which he purports to act,
25 that the individual signing such request or other instrument acknowledged to him or her
26 the execution, or an affidavit of a witness of such execution, duly sworn to before such
27 notary public or other officer; the authority of the individual or individuals executing any
28 such instrument on behalf of a corporate owner of any Bonds may be established
29 without further proof if such instrument is signed by an individual purporting to be the
30 president or vice-president of such corporation with a corporate seal affixed and
31 attested by an individual purporting to be its secretary or an assistant secretary; and the

1 authority of any person or persons executing any such instrument in any fiduciary or
2 representative capacity may be established without further proof if such instrument is
3 signed by a person or persons purporting to act in such fiduciary or representative
4 capacity; and

5 B. Proof of Ownership. The ownership of any fully registered Bond,
6 the amount and numbers of such Bonds, and the date of owning the same shall be
7 proved by the registration records of the Registrar, but the Clerk may nevertheless in his
8 or her discretion require further or other proof in cases where they deem the same
9 advisable.

10 Any request or consent of the owner of any Bond shall bind all future owners of such
11 Bond in respect of anything done or suffered to be done by the City in accordance therewith.

12 Section 1104. Holidays. If the date for making any payment or deposit or the last
13 date for performance of any act or the exercise of any right, as provided herein or by
14 Supplemental Ordinance, shall be a Saturday, Sunday, legal holiday or other day on which
15 banking institutions in the City are authorized by law to remain closed, such payment or
16 deposit may be made or act performed or right exercised on the next succeeding day not a
17 Saturday, Sunday, legal holiday or other day on which such banking institutions are authorized
18 by law to remain closed, with the same force and effect as if done on the nominal date so
19 provided, and no interest shall accrue for the period after such nominal date.

20 Section 1105. Installment Purchase Obligations. Nothing herein shall prevent the
21 City from entering into installment purchase agreements payable from Net Revenues to
22 acquire, improve or equip Airport Facilities. In any such event, the City's obligations thereunder
23 shall be deemed to be obligations in respect of Bonds or Subordinate Bonds, as the case may
24 be, and the provisions of this Instrument, to the fullest extent practicable, shall be deemed to
25 apply.

26 Section 1106. Notice to Ratings Agencies. The Treasurer shall provide or cause to
27 be provided to each of the Rating Agencies a copy of each notice given to owners of the
28 Bonds, such notices to be sent to the address of each Rating Agency as filed with the
29 Treasurer.

1 **ARTICLE XII**
2 **DEFAULTS, RIGHTS AND REMEDIES OF BONDOWNERS**

3 Section 1201. Owner's Remedies. Each owner of any Bond shall be entitled to all of
4 the privileges, rights, and remedies provided herein, and as otherwise provided or permitted at
5 law or in equity or by other statutes, except as otherwise provided herein or in a Supplemental
6 Ordinance with respect to Credit Enhanced Bonds.

7 Section 1202. Right To Enforce Payment. Nothing in this article affects or impairs the
8 right of any owner of any Bond to enforce the payment of such Bond in accordance with its
9 terms.

10 Section 1203. Events of Default. Each of the following events is hereby declared an
11 "Event of Default":

12 A. Nonpayment of Principal and Premium. Payment of the principal of
13 the Bonds, or any prior redemption premium due in connection therewith, or both, is not
14 made when the same becomes due and payable, either at maturity, by mandatory or
15 optional prior redemption, or otherwise;

16 B. Nonpayment of Interest. Payment of any installment of interest on
17 any Bonds is not made when the same becomes due and payable;

18 C. Incapable To Perform. The City for any reason is rendered
19 incapable of fulfilling its obligations hereunder;

20 D. Nonperformance of Duties. The City fails to carry out and to
21 perform (or in good faith to begin the performance of) all acts and things lawfully
22 required to be carried out or to be performed by it under any contract relating to the
23 Pledged Revenues, to the Airport System, or otherwise, including, without limitation, this
24 Instrument, and such failure continues for sixty days after receipt of notice by the City
25 from the owners of 10% in principal amount of the Bonds then Outstanding; provided,
26 however, that it shall not be considered an Event of Default under this subsection if the
27 Manager of the Department determines that corrective action has been instituted within
28 such sixty day period and is being diligently pursued;

29 E. Failure to Reconstruct. The City discontinues or unreasonably
30 delays or fails to carry out with reasonable dispatch the repair, reconstruction, or other
31 replacement of any material part of the Airport (i.e., any part of the Airport which, if not

1 promptly repaired, reconstructed or otherwise replaced, would have a material, adverse
2 effect on the Pledged Revenues otherwise available for the payment of Bonds) which is
3 destroyed or damaged and is not promptly replaced (whether such failure to replace the
4 same is due to impracticability of such replacement, is due to a lack of moneys therefor,
5 or for any other reason);

6 F. Appointment of Receiver. An order or decree is entered by a court
7 of competent jurisdiction with the consent or acquiescence of the City appointing a
8 receiver or receivers for the Airport System or for any Pledged Revenues and any other
9 moneys subject to the lien to secure the payment of the Bonds, or both such Airport
10 System and such moneys, or an order or decree having been entered without the
11 consent or acquiescence of the City is not vacated or discharged or stayed on appeal
12 within sixty days after entry;

13 G. Default of Any Provision. The City makes any default in the due and
14 punctual performance of any other of the representations, covenants, conditions,
15 agreements, and other provisions contained in any such Bonds or in this Instrument on
16 its part to be performed, and such default continues for sixty days after written notice
17 specifying such default and requiring the same to be remedied is given to the City by
18 the owners of 10% in principal amount of the Bonds then Outstanding; provided,
19 however, that it shall not be considered an Event of Default under this subparagraph if
20 the Manager of the Department determines that corrective action has been instituted
21 within such sixty day period and is being diligently pursued;

22 H. Bankruptcy Petition. The City files a petition relating to its Airport
23 System and seeking a composition of indebtedness under the Federal Bankruptcy Law,
24 or under any other applicable law or statute of the United States or the State; and

25 I. Other. Such other Event of Default as is set forth in any
26 Supplemental Ordinance

27 Section 1204. Remedies for Defaults. Upon the happening and continuance of any of
28 the Events of Default, as provided in Section 1203 hereof, then (except as otherwise expressly
29 provided by Supplemental Ordinance with respect to Credit Enhanced Bonds), and in each
30 and every such case, so long as such Event of Default shall not have been remedied, unless
31 the principal of all the Bonds shall have already become due and payable, the owners of not

1 less than 10% in principal amount of the Bonds Outstanding (by notice in writing to the City,
2 Paying Agent, if any, and Registrar, if any), may declare the principal of all the Bonds then
3 Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon
4 any such declaration the same shall become and be immediately payable, anything in this
5 Instrument or in any of the Bonds contained to the contrary notwithstanding. The right of the
6 owners of not less than 10% in principal amount of the Bonds to make any such declaration as
7 aforesaid, however, is subject to the conditions that if, at any time after such declaration, but
8 before the Bonds shall be matured by their terms, all overdue installments of interest upon the
9 Bonds, together with interest on such overdue installments of interest to the extent permitted
10 by law and the reasonable and proper charges, expenses and liabilities of the owners, and all
11 other sums then payable by the City under this Instrument (except the principal of, and interest
12 accrued since the next preceding interest date on, the Bonds due and payable solely by virtue
13 of such declaration) shall either be paid by or for the account of the City or provision
14 satisfactory shall be made for such payment, and all defaults under the Bonds or under this
15 Instrument (other than the payment of principal and interest due and payable solely by reason
16 of such declaration) shall be made good, then and in every case the owners of a majority in
17 principal amount of the Bonds Outstanding, by written notice to the City may rescind such
18 declaration and annul such default in its entirety, then any such declaration shall ipso facto be
19 deemed to be rescinded and any such default and its consequences shall ipso facto be
20 deemed to be annulled, but no such rescission and annulment shall extend to or affect any
21 subsequent default or impair or exhaust any right or power consequent thereon.

22 In addition, upon the happening and continuance of any of the Events of Default,
23 as provided in Section 1203 hereof, then and in every case the owner or owners of not less
24 than 10% in principal amount of the then Outstanding Bonds may proceed, against the City
25 and its agents, officers, and employees to protect and to enforce the rights of any owner of the
26 Bonds under this Instrument by mandamus or by other suit, action, or special proceedings in
27 equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver
28 or for the specific performance of any covenant or agreement contained in this Instrument, or
29 by an award of execution of any power herein granted for the enforcement of any proper, legal,
30 or equitable remedy as such owner or owners may deem most effectual to protect and to
31 enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in
32 violation of any right of any owner of any Bond, or to require the City to act as if it were the

1 trustee of an expressed trust, or any combination of such remedies. All such proceedings at
2 law or in equity shall be instituted, had and maintained for the equal benefit of all owners of all
3 the Bonds then Outstanding.

4 Section 1205. Receiver's Rights and Privileges. Any receiver appointed in any
5 proceedings to protect the rights of such owners hereunder, the consent to any such
6 appointment being hereby expressly granted by the City, may enter and take possession of the
7 Airport System subject to the rights and privileges of any lessee or other user under any lease
8 or other contract, may operate and maintain the same, may prescribe rentals, rates, fees, and
9 other charges, and may collect, receive, and apply all Gross Revenues and any other
10 revenues relating to the Airport System arising after the appointment of such receiver in the
11 same manner as the City itself might do.

12 Section 1206. Rights and Privileges Cumulative. The failure of any owner of any
13 such Outstanding Bond to proceed in any manner herein provided shall not relieve the City, its
14 Council, or any of the City's officers, agents, or employees of any liability for failure to perform
15 or carry out any duty, obligation, or other commitment. No delay or omission of any owner of
16 any Outstanding Bond to exercise any right or power upon any default shall exhaust or impair
17 any such right or power or shall be construed to be a waiver of any such default or
18 acquiescence therein. Each right or privilege of any such owner is in addition and is cumulative
19 to any other right or privilege, and the exercise of any right or privilege by or on behalf of any
20 owner shall not be deemed a waiver of any other right or privilege thereof.

21 Section 1207. Duties Upon Defaults. Upon the happening of any of the Events of
22 Default as provided in Section 1203 hereof, the City, in addition, shall do and perform all
23 proper acts on behalf of and for the owners of any Bonds to protect and to preserve the
24 security created for the payment of such Bonds and to insure timely payment thereof.

25 During the continuance of an Event of Default, subject to any limitations with
26 respect to payment of Credit Enhanced Bonds, the City shall, after payment (but only out of
27 moneys received other than pursuant to a draw on a Credit Facility) of the amounts required
28 for reasonable and necessary Operation and Maintenance Expenses and for the reasonable
29 renewals, repairs and replacements of the Airport System necessary in the judgment of the
30 City to prevent a loss of Gross Revenues, apply all moneys, securities, funds under this

1 Instrument, including without limitation Gross Revenues, as an express trust for the owners of
2 the Bonds and apply the same as follows and in the following order:

3 A. Unless the principal of all of the Bonds shall have become due and
4 payable,

5 (1) First, to the payment to the persons entitled thereto of all
6 installments of interest then due in the order of the maturity of such
7 installments, together with accrued and unpaid interest on the Bonds
8 theretofore called for redemption, and, if the amount available shall not be
9 sufficient to pay in full any installment or installments maturing on the
10 same date, then to the payment thereof ratably, according to the amounts
11 due thereon, to the persons entitled thereto, without any discrimination or
12 preference; and

13 (2) Second, to the payment to the persons entitled thereto of the
14 unpaid principal or redemption price of any Bonds which shall have
15 become due, whether at maturity or by call for redemption, in the order of
16 their due dates, and, if the amount available shall not be sufficient to pay
17 in full all the Bonds due on any date, then to the payment thereof ratably,
18 according to the amounts of principal or Redemption Price due on such
19 date, to the persons entitled thereto, without any discrimination or
20 preference.

21 B. If the principal of all of the Bonds shall have become due and
22 payable, to the payment of the principal and interest then due and unpaid upon the
23 Bonds without preference or priority of principal over interest or of interest over
24 principal, or of any installment of interest over any other installment of interest, or of any
25 Bond over any other Bond, ratably, according to the amounts due respectively for
26 principal and interest, to the persons entitled thereto without any discrimination or
27 preference except as to any difference in the respective rates of interest specified in the
28 Bonds.

29 If and whenever all overdue installments of interest on all Bonds, together with the
30 reasonable and proper charges, expenses and liabilities of the owners, and all other sums
31 payable by the City under this Instrument, including the principal and redemption price of and

1 accrued unpaid interest on all Bonds which shall then be payable, shall either be paid by or for
2 the account of the City, or provision shall be made for such payment, and all defaults under
3 this Instrument or the Bonds shall be made good or secured, and thereupon its City shall be
4 restored to their former positions and rights under this Instrument.

5 To the extent such revenues, if any, exceed such requirements, both accrued and to
6 accrue to their respective fixed maturity dates or to any Redemption Date or Redemption
7 Dates relating thereto, whichever is earlier, such Gross Revenues shall be applied to payment
8 of Subordinate Bonds. If the City fails or refuses to proceed as in this section provided, the
9 owner or owners of not less than 10% in principal amount of the Bonds then Outstanding, after
10 demand in writing, may proceed to protect and to enforce the rights of the owners of the Bonds
11 as hereinabove provided; and to that end any such owners of Outstanding Bonds shall be
12 subrogated to all rights of the City under any agreement, lease, or other contract involving the
13 Pledged Revenues or the Airport System entered into prior to the effective date of this
14 Instrument or thereafter while any such Bonds are Outstanding.

15 Section 1208. Duties in Bankruptcy Proceedings. If any such lessee or other user of
16 the Airport System proceeds under any laws of the United States relating to bankruptcy,
17 including, without limitation, any action under law providing for corporate reorganization, it shall
18 be the duty of the City and its appropriate officers are hereby authorized and directed to take
19 all necessary steps for the benefit of the owners of the Bonds in such proceedings, including,
20 without limitation, the filing of any claims for unpaid rentals, fees, other charges, and other
21 payments due to the City or otherwise arising from the breach of any of the covenants, terms,
22 or conditions of the lease or any other contract relating to the Airport System, unless the
23 Manager of the Department determines that the costs of such action are likely to exceed the
24 amounts thereby recovered from such obligor.

25 Section 1209. Prejudicial Action Unnecessary. Nothing in this article requires the City
26 to proceed as provided therein if the Manager of the Department determines in good faith and
27 without any gross abuse of his or her discretion that if the City so proceeds it is more likely
28 than not to incur a net loss rather than a net gain or such action is otherwise likely to affect
29 materially and prejudicially the owners of the Outstanding Bonds.

30 Section 1210. Notice of Default. The City shall mail to the owners of Bonds and post
31 to EMMA, written notice of the occurrence of any Event of Default for any Bonds issued after

1 the date of execution of this Instrument; provided that, except in the case of an Event of
2 Default described in subparagraphs A and B of Section 1203, the City shall be protected if
3 withholding of such notice is in the best interests of the owners of Bonds.

4 **ARTICLE XIII**
5 **AMENDMENT OF INSTRUMENT**

6 Section 1301. Amendments Without Consent. The City may adopt Supplemental
7 Ordinances amending or supplementing this Instrument without the consent of or notice to the
8 owners of Bonds, as follows:

9 A. Additional Bonds and Matters Not Inconsistent. To authorize the
10 issuance of Bonds and, in connection therewith or otherwise, to specify and determine
11 any matters and things which are not contrary to or inconsistent with this Instrument,
12 including without limitation provisions for the issuance and payment of Bonds in other
13 than registered form, provisions with respect to Credit Facilities, provisions creating and
14 applying additional funds or accounts, and provisions for the marketing or remarketing
15 of Bonds;

16 B. Curing Defects. To cure any formal defect, omission or ambiguity in
17 this Instrument;

18 C. Additional Rights. To grant to or confer upon the owners of any
19 Bonds any additional rights, remedies, powers, authority or security which may lawfully
20 be granted or conferred, including without limitation the designation of a trustee for the
21 owners of Bonds, the transfer of custody and control of any fund or account to any such
22 trustee, and provisions for the rights and obligations of any such trustee;

23 D. Additional Covenants. To add to the covenants and agreements of
24 the City set forth in this Instrument;

25 E. Additional Limitations. To add to the limitations and restrictions on
26 the City set forth in this Instrument;

27 F. Confirming Pledges. To confirm, as further assurance, any pledge
28 under, and the subjection to any lien or pledge created or to be created by, this
29 Instrument, of the Pledged Revenues or of any other moneys, securities, of funds;

1 G. Trust Indenture Act. To cause this Instrument to comply with the
2 Trust Indenture Act of 1939, as from time to time amended; and

3 H. Other Changes. To effect, in connection with the issuance of any
4 Bonds or otherwise, any other changes in this Instrument which, in the opinion of an
5 attorney or firm of attorneys whose experience in matters relating to the issuance of
6 obligations by states and their political subdivisions is nationally recognized, do not
7 materially and prejudicially affect the right of the owners of any Bonds.

8 Section 1302. Other Amendments. In addition, this Instrument may be amended or
9 supplemented by a Supplemental Ordinance without receipt by the City of any additional
10 consideration, but with the written consent of the owners of Bonds which constitute more than
11 50% in aggregate principal amount of all Bonds Outstanding at the time of the adoption of such
12 Supplemental Ordinance and affected by such amendment or supplement.

13 Section 1303. Limitations upon Amendments. Notwithstanding the provisions of
14 Section 1301 and Section 1302 hereof, no such Supplemental Ordinance shall permit without
15 the consent of the owner of any Outstanding Bond so affected:

16 A. Changing Payment. A change (other than as expressly provided for
17 in the Supplemental Ordinance authorizing such Bond) in the maturity or in the terms of
18 redemption of the principal of any Outstanding Bonds or any installment of interest
19 thereon; or

20 B. Reducing Return. A reduction (other than as expressly provided for
21 in the Supplemental Ordinance authorizing such Bond) in the principal amount of any
22 Outstanding Bond, the rate of interest thereon, or any prior redemption premium
23 payable in connection therewith; or

24 C. Prior Lien. The creation of a lien upon or a pledge of revenues
25 ranking prior to the lien or to the pledge created by this Instrument; or

26 D. Modifying Limitations upon Amendment. A reduction of the principal
27 amount or percentages of Bonds the consent of the owners of which is required for any
28 such amendment or other modifications; or

1 E. Priorities Between Bonds. The establishment of priorities as
2 between Bonds issued and Outstanding under the provisions of this Instrument; other
3 than as may be expressly permitted herein; or

4 F. Prejudicial Modification. Other modifications materially and
5 prejudicially affecting the rights of the owners of some (but not all) Bonds then
6 Outstanding.

7 Section 1304. Notice of Amendment. Whenever the Council proposes to amend or
8 modify this Instrument under the provisions of Section 1302 hereof, it shall cause notice of the
9 proposed amendment to be mailed:

10 A. Owners. To the owners of all the Bonds then Outstanding; and

11 B. Purchasers. To the Purchaser of the Bonds then Outstanding, or to
12 any successor thereof known to the Clerk.

13 Such notice shall briefly set forth the nature of the proposed amendment and shall state that a
14 copy of the proposed amendatory instrument is on file in the office of the Clerk for public
15 inspection.

16 Section 1305. Time for Amendment. Whenever at any time within one year from the
17 date of such notice, there shall be filed in the office of the Clerk an instrument or instruments
18 executed by the required number of owners, which instrument or instruments shall refer to the
19 proposed Supplemental Ordinance or amendments described in such notice and shall
20 specifically consent to and approve the adoption of such instrument, the Council may adopt
21 such Supplemental Ordinance and such instrument shall become effective; provided that the
22 term of any consent may specify a period of time longer or shorter than one year for the giving
23 of such consent.

24 Section 1306. Binding Consent to Amendment. If the required number of owners, at
25 the time of the adoption of such Supplemental Ordinance, or the predecessors in title of such
26 owners, shall have consented to and approved the adoption thereof as herein provided, no
27 owner of any Bond whether or not such owner shall have consented to or shall have revoked
28 any consent as in this article provided, shall have any right or interest to object to the adoption
29 of such Supplemental Ordinance or to object to any of the terms or provisions therein

1 contained or to the operation thereof or to enjoin or restrain the City from taking any action
2 pursuant to the provisions thereof.

3 Section 1307. Time Consent Binding. Unless a longer period is specified by the
4 terms of a consent, any consent given by the owner of a Bond pursuant to the provisions of
5 this article shall be irrevocable for a period of six months from the date of the notice above
6 provided for in Section 1304 and shall be conclusive and binding upon all future owners of the
7 same Bond during such period. Such consent may be revoked at any time after six months
8 from the date of such notice, by the owner who gave such consent or by a successor in title by
9 filing notice of such revocation with the Clerk, but such revocation shall not be effective if the
10 required number of owners, prior to the attempted revocation, consented to and approved the
11 Supplemental Ordinance or amendments referred to in such revocation.

12 Section 1308. Unanimous Consent. Notwithstanding any of the foregoing provisions
13 of this article, the terms and the provisions of this Instrument and the rights and the obligations
14 of the City and of the owners of all Outstanding Bonds issued hereunder may be amended or
15 otherwise modified in any respect upon the adoption by the City and upon the filing with the
16 Clerk of a Supplemental Ordinance to that effect and with the consent of the owners of all the
17 then Outstanding Bonds, such consent to be given as provided in Section 1306 hereof; and no
18 notice to owners of Bonds shall be required, and the time of consent shall not be limited except
19 as may be provided in such consent.

20 Section 1309. Notation on Bonds. Bonds authenticated and delivered after the
21 effective date of any action taken as in this article provided may bear a notation by
22 endorsement or otherwise in form approved by the Council as to such action; and if any such
23 Bond so authenticated and delivered shall bear such notation, then upon demand of the owner
24 of any Bond Outstanding at such effective date and upon presentation of his or her Bond for
25 the purpose at the principal office of the Clerk or Registrar, suitable notation shall be made on
26 such Bond by the Clerk or Registrar as to any such action. If the Council so determines, new
27 Bonds so modified shall be prepared, authenticated, and delivered; and upon demand of the
28 owner of any Bond then Outstanding, shall be exchanged without cost to such owner for
29 Bonds then Outstanding upon surrender of such Bonds.

30 Section 1310. Proof of Instruments and Bonds. The fact and date of execution of any
31 instrument under the provisions of this article, the amount and number of the Bonds owned by

- 1 any person executing such instrument, and the date of his or her owning the same may be
- 2 proved as provided by Section 1103 hereof.

1 COMMITTEE APPROVAL DATE: July 18, 2018

2 MAYOR-COUNCIL DATE: July 24, 2018

3 PASSED BY THE COUNCIL _____

4 _____ - PRESIDENT

5 APPROVED: _____ - MAYOR _____

6 ATTEST: _____ - CLERK AND RECORDER,
7 EX-OFFICIO CLERK OF THE
8 CITY AND COUNTY OF DENVER

9 NOTICE PUBLISHED IN THE DAILY JOURNAL _____; _____

10 PREPARED BY: Hogan Lovells US LLP and Becker Stowe Partners LLC DATE: July 26, 2018

11 REVIEWED BY: Everett Martinez, Assistant City Attorney DATE: July 26, 2018

12 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office
13 of the City Attorney. We find no irregularity as to form, and have no legal objection to the
14 proposed ordinance. The proposed ordinance is submitted to the City Council for approval
15 pursuant to § 3.2.6 of the Charter.

16 Kristin M. Bronson, City Attorney

17 BY: _____, Assistant City Attorney DATE: _____

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