

1 **BY AUTHORITY**

2 **ORDINANCE NO. _____**

COUNCIL BILL NO. 17-0972

3 **SERIES OF 2017**

COMMITTEE OF REFERENCE:

4 **BUSINESS, ARTS, WORKFORCE & AERONAUTICAL SERVICES**

5 **A BILL**

6 **For an ordinance concerning the Airport System of the City and**
7 **County of Denver; establishing the "Airport System General Junior**
8 **Lien Bond Ordinance"; authorizing and establishing general**
9 **provisions relating to Junior Lien Bonds and Junior Lien**
10 **Obligations; providing the forms, terms, and conditions of such**
11 **Junior Lien Bonds and Junior Lien Obligations; ratifying action**
12 **previously taken; providing other matters relating thereto; and**
13 **providing the effective date hereof.**

14 (1) WHEREAS, the City and County of Denver, in the State of Colorado (the
15 "City" and the "State," respectively), is a municipal corporation duly organized and
16 existing as a home rule city under Article XX, State Constitution, and under the Charter
17 of the City (the "Charter"), and is a political subdivision of the State; and

18 (2) WHEREAS, subject to certain exceptions, all legislative powers
19 possessed by the City, conferred by Article XX, State Constitution, or contained in the
20 Charter, as either has from time to time been amended, or otherwise existing by
21 operation of law, are vested in the City Council (as defined herein); and

22 (3) WHEREAS, pursuant to Article XX, State Constitution, the Charter, and
23 the plenary grant of powers as a home-rule city, the City has acquired certain airport
24 facilities constituting its Airport System, the management, operation, and control of
25 which is vested by the Charter of the City in the Department of Aviation of the City (the
26 "Department"); and

1 (4) WHEREAS, by Ordinance No. 755, Series of 1993 (the "Enterprise
2 Ordinance") the City designated the Department as an "enterprise" within the meaning
3 of Section 20, Article X, State Constitution; and

4 (5) WHEREAS, the Enterprise Ordinance provides that, the City owns the
5 Department; the Manager of the Department of Aviation (the "Manager") is the
6 governing body of the Department; and the Department has the authority to issue its
7 own bonds or other financial obligations in the name of the City, payable solely from
8 revenues derived or to be derived from the functions, services, benefits or facilities of
9 the Department or from any other available funds, as authorized by ordinance after
10 approval and authorization by the Manager; and

11 (6) WHEREAS, the City has heretofore adopted Ordinance No. 626, Series of
12 1984 (as amended and supplemented from time to time, the "General Bond
13 Ordinance") and has issued pursuant to the General Bond Ordinance multiple series of
14 airport system revenue bonds and other obligations in respect to the Airport System
15 (the "Senior Bonds" and "Obligations," respectively); and

16 (7) WHEREAS, such Senior Bonds and Obligations are secured by an
17 irrevocable and first lien (but not necessarily an exclusively first lien) on the Net
18 Revenues of the Airport System on a parity with the lien thereon in favor of each other;
19 and

20 (8) WHEREAS, pursuant to the General Bond Ordinance, which authorizes
21 the issuance of bonds and other financial obligations payable from the Net Revenues of
22 the Airport System and having a lien thereon subordinate to the lien thereon in favor of

1 the Senior Bonds, Obligations and any additional bonds or obligations on a parity
2 therewith, the City has adopted the Amended and Restated Airport System General
3 Subordinate Bond Ordinance, Ordinance No. 302, Series of 2013 (as amended and
4 supplemented from time to time, the "General Subordinate Bond Ordinance"); and

5 (9) WHEREAS, Section 705 of the General Subordinate Bond Ordinance
6 provides, among other matters, for the issuance by the City, for and on behalf of the
7 Department, of Junior Lien Obligations (as defined in the General Subordinate Bond
8 Ordinance) having a lien on Net Revenues of the Airport System subordinate to the lien
9 thereon in favor of Subordinate Bonds and Subordinate Obligations (as defined in the
10 General Subordinate Bond Ordinance), which Junior Lien Obligations may be
11 authorized by any instrument of the City, and further provides that the instrument
12 authorizing such Junior Lien Obligations, subject to the provisions of the General Bond
13 Ordinance and the General Subordinate Bond Ordinance, (i) may pledge all or any
14 designated portion of the Net Revenues to the payment of such Junior Lien Obligations;
15 (ii) shall provide the terms and conditions of such Junior Lien Obligations; (iii) shall
16 provide for the payment of such Junior Lien Obligations, including the creation of
17 accounts and reserves for such purpose if deemed necessary; and (iv) may provide for
18 any other related matters; and

19 (10) WHEREAS, the City desires to authorize and establish by this ordinance
20 (the "General Junior Lien Bond Ordinance") general provisions relating to Junior Lien
21 Obligations, as described in the General Subordinate Bond Ordinance, consistent with
22 the terms thereof and of the General Bond Ordinance; and

1 (11) WHEREAS, prior to the adoption of this General Junior Lien Bond
2 Ordinance, a Junior Lien Obligation has been established under Ordinance No. 15-
3 0774, Series 2015 (the "Hotel Ordinance") relating to the operation, management and
4 maintenance of the hotel facility located at Denver International Airport (the "Airport
5 Hotel") by Westin DIA Operator, LLC, a Delaware limited liability company (the "Hotel
6 Manager"), under the Hotel Management Agreement dated as of April 11, 2011,
7 between the City, for and on behalf of the Department, and the Hotel Manager, as
8 amended and as it may be amended and supplemented from time to time (the "Hotel
9 Management Agreement"); and

10 (12) WHEREAS, the Hotel Ordinance established (i) a special and separate
11 account in the Airport System Fund designated the "City and County of Denver,
12 Colorado, Airport System Junior Lien Obligations Fund," which account is hereby
13 affirmed and referred to therein and herein as the Junior Lien Obligations Fund; and (ii)
14 various other accounts and subaccounts within the Junior Lien Obligations Fund to
15 account for and administer the obligations of the City under Section 3.10 of the Hotel
16 Management Agreement, which accounts and subaccounts are hereby affirmed and
17 shall continue to be administered in accordance with Section 304 of the Hotel
18 Ordinance and as otherwise provided herein; and

19 (13) WHEREAS, Junior Lien Obligations are defined under the General
20 Subordinate Bond Ordinance as "bonds, notes, certificates, commercial paper, or other
21 securities, contracts or obligations relating to the Airport System, payable from Net
22 Revenues, and having a lien thereon subordinate and junior to the lien thereon of
23 Subordinate Bonds and Subordinate Obligations"; and

1 (14) WHEREAS, such definition of Junior Lien Obligations contained in the
2 General Subordinate Bond Ordinance is bifurcated herein and encompassed by two
3 separate definitions – Junior Lien Obligations (as defined herein) and Junior Lien Bonds
4 (as defined herein); and

5 (15) WHEREAS, as contemplated by the Enterprise Ordinance, the Manager
6 has requested that this General Junior Lien Bond Ordinance be adopted; and

7 (16) WHEREAS, the Council has determined and does hereby declare that it is
8 necessary and appropriate that this General Junior Lien Bond Ordinance be adopted in
9 order to establish the general provisions relating to Junior Lien Obligations, as defined
10 in the General Subordinate Bond Ordinance, including Junior Lien Bonds and Junior
11 Lien Obligations (both as defined herein).

12 NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND
13 COUNTY OF DENVER:

14 **ARTICLE I**

15 **SHORT TITLE, DEFINITIONS, OTHER INTERPRETIVE AND**
16 **LEGISLATIVE MATTERS, AND EFFECTIVE DATE**

17 Section 101. Short Title. This ordinance may be cited as the "Airport System
18 General Junior Lien Bond Ordinance."

19 Section 102. Meanings and Construction.

20 A. Definitions. For all purposes of this Instrument and of any
21 instrument amendatory hereof or supplemental hereto, except where the context by
22 clear implication otherwise requires:

1 (1) "Accreted Value" when used with respect to a Junior Lien Capital
2 Appreciation Bond as of a given date means the principal amount thereof plus accrued
3 interest thereon to that date.

4 (2) "Acquire" means to open, lay out, establish, purchase, construct,
5 secure, install, reconstruct, lease, option, receive, or otherwise acquire, or any
6 combination thereof.

7 (3) "Airport" or "Airport System" has the meaning set forth in the
8 General Bond Ordinance.

9 (4) "Airport Consultant" means an independent airport management
10 consultant or airport management consulting firm, as from time to time appointed by the
11 Manager on behalf and in the name of the City:

12 (a) Who has a wide and favorable reputation for special skill
13 and knowledge in methods of the development, operating, and
14 management of airports and airport facilities; but

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

16 (5) "Airport Engineer" means the engineer for the Airport System, in
17 the regular control and employ of the Manager on behalf of the City, or designee, and
18 successor in functions, if any.

19 (6) "Airport Hotel" means the hotel constructed at Denver International
20 Airport constituting an Airport Facility for purposes of the General Bond Ordinance.

1 (7) "Attorney" means the attorney for the Airport System, in the regular
2 control and employ of the City, or designee, and successor in functions, if any.

3 (8) "Attorney's Opinion" means an opinion signed by an attorney or by
4 a firm of attorneys of recognized standing (who may be the Attorney), selected,
5 retained, and compensated by the City.

6 (9) "Auditor" means the auditor of the City, or designee, and successor
7 in functions, if any.

8 (10) "Capital Fund" means the special and separate account designated
9 as the "City and County of Denver, Airport System Capital Improvement and
10 Replacement Fund," created by the General Bond Ordinance.

11 (11) "Capitalized Interest Account" means the special and separate
12 subaccount within the Project Fund designated as the "City and County of Denver,
13 Airport System Revenue Bonds, Capitalized Interest Account," created by the General
14 Bond Ordinance.

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

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

1 (14) "City Council" or "Council" means the city council of the City, also
2 designated in the Charter as the "board of councilmen," and includes any successor
3 governing body of the City.

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

7 (16) "Commercial bank" means a state or national bank or trust
8 company which is a member of the Federal Deposit Insurance Corporation and of the
9 Federal Reserve System, which has a shareholders' equity (e.g., capital stock, surplus,
10 and undivided profits), however denominated, of \$25,000,000.00 or more, and which is
11 located within the United States, and such term includes, without limitation, any trust
12 bank.

13 (17) "Consulting Engineer" means any registered or licensed
14 professional engineer, any firm of such engineers, any licensed professional architect,
15 or any firm of such architects, as from time to time appointed and designated by the
16 Manager:

17 (a) Who has a wide and favorable reputation for skill and
18 experience in the field of designing, preparing plans and specifications for,
19 and supervising construction of, airports and airport facilities;

20 (b) Who is entitled to practice and is practicing as such under
21 the laws of the State; but

1 (c) Who is not in the regular control or employ of the City.

2 (18) "Cost" means the City's costs properly attributable to any Junior
3 Lien Improvement Project, Junior Lien Refunding Project, or combination thereof (as
4 the context requires), including without limitation:

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

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

11 (c) Administrative and general overhead costs;

12 (d) The costs of reimbursing funds advanced by the City,
13 including any intrafund or interfund loan, or advanced with the approval of
14 the City by the State, any city, the Federal Government, or by any other
15 person, or any combination thereof;

16 (e) The costs of surveys, appraisals, plans, designs,
17 specifications, or estimates;

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

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

3 (h) The costs of contingencies or reserves;

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

13 (j) The costs of amending any resolution, ordinance, other
14 instrument, or agreement relating to Junior Lien Bonds or Junior Lien
15 Obligations;

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

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

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

1 (n) All other lawful costs as may be determined by the Manager.

2 (19) "Credit Facility" means any letter of credit, policy of bond insurance,
3 surety bond, guaranty or similar instrument issued by a financial, insurance or other
4 institution and which provides security or liquidity in respect of Senior Bonds.

5 (20) "Credit Facility Obligations" means repayment or other obligations
6 incurred by the City pursuant to a credit agreement or similar instrument in respect of
7 draws or other payments or disbursements made under a Credit Facility; but only if
8 such obligations have a lien on the Net Revenues of the Airport System on the same
9 priority as the lien thereon of Senior Bonds.

10 (21) "Defeasance Securities" means (i) bills, certificates, notes, bonds
11 or similar securities which are direct obligations of, or obligations the principal of and
12 interest on which are unconditionally guaranteed by, the United States and (ii) such
13 other Investment Securities (except bonds issued by the City) as shall qualify Junior
14 Lien Bonds defeased thereby pursuant to Section 1101 of the Instrument for a rating in
15 the highest category of one or more nationally recognized rating agencies.

16 (22) "Department" means the Department of Aviation of the City and its
17 successor in function, if any.

18 (23) "Equip" means to furnish machinery, vehicles, furniture, apparatus,
19 or other equipment, or any combination thereof.

20 (24) "Events of default" means the events stated in Section 1203
21 hereof.

1 (25) "Facilities" and "Airport Facilities" means any real, personal, or real
2 and personal property, or any interest therein (other than Special Facilities, except to
3 the extent otherwise provided in the General Bond Ordinance) comprising a part of, or
4 functionally related to, the Airport System, including without limitation land for
5 environmental or noise abatement purposes.

6 (26) "Federal Government" means the United States, or any agency,
7 instrumentality, or corporation thereof.

8 (27) "Financial Consultant" means any financial consultant which is
9 appointed by the City with respect to any Junior Lien Obligation or any series of Junior
10 Lien Bonds.

11 (28) "Fiscal Year" has the meaning set forth in the General Bond
12 Ordinance.

13 (29) "General Bond Ordinance" means Ordinance No. 626, Series of
14 1984, cited as the "1984 Airport System General Bond Ordinance," as amended and
15 supplemented from time to time by any Supplemental Ordinance (as defined therein).

16 (30) "General Junior Lien Bond Ordinance" means this Ordinance, cited
17 as the "Airport System General Junior Lien Bond Ordinance," as amended and
18 supplemented from time to time by any Supplemental Junior Lien Bond Ordinance (as
19 defined herein).

20 (31) "General Subordinate Bond Ordinance" means Ordinance No. 302,
21 Series 2013, cited as the "Amended and Restated Airport System General Subordinate

1 Bond Ordinance," as amended and supplemented from time to time by any
2 Supplemental Subordinate Bond Ordinance (as defined therein).

3 (32) "Gross Revenues" has the meaning set forth in the General Bond
4 Ordinance; provided, for purposes of this Instrument, the term does not include (i) any
5 Subordinate Bond proceeds or any money received in respect of any Subordinate
6 Credit Facility, unless otherwise provided by Supplemental Subordinate Bond
7 Ordinance or (ii) any Junior Lien Bond proceeds or any money received in respect of
8 any Junior Lien Credit Facility, unless otherwise provided by Supplemental Subordinate
9 Bond Ordinance.

10 (33) "Hedge Facility Obligations" means payments obligations of the
11 City in respect of Hedge Facilities (as defined in the General Bond Ordinance), which
12 are payable from all or any designated portion of the Net Revenues of the Airport
13 System and secured under the General Bond Ordinance; but only if such obligations
14 have a lien on the Net Revenues of the Airport System on the same priority as the lien
15 thereon of Senior Bonds; provided that Hedge Termination Payments (as defined in the
16 General Bond Ordinance) to be made by the City shall not be secured under the
17 General Bond Ordinance on a parity with the Senior Bonds.

18 (34) "Hotel Junior Lien Obligation" means the Junior Lien Contract
19 Obligation created under the Hotel Ordinance.

20 (35) "Hotel Management Agreement" means the Hotel Management
21 Agreement dated as of April 11, 2011 between the City, for and on behalf of the
22 Department, and the Hotel Manager, in substantially the form filed with the City Clerk as

1 City Clerk File No. 11-186, as amended and as it may be amended and supplemented
2 from time to time.

3 (36) "Hotel Manager" means the Westin DIA Operator, LLC, a Delaware
4 limited liability company.

5 (37) "Hotel Ordinance" means Ordinance No. 15-0774, Series of 2015.

6 (38) "Hotel Revenues" has the meaning set forth in the Hotel
7 Ordinance.

8 (39) "Improve" means to extend, enlarge, add to, widen, lengthen,
9 better, alter, reconstruct, or otherwise improve; but the term does not mean to generally
10 maintain or otherwise repair in minor and periodic respect.

11 (40) "Independent Accountant" means any certified public accountant,
12 or any firm of certified public accountants, duly licensed to practice and practicing as
13 such under the laws of the State, as from time to time appointed and compensated by
14 the City:

15 (a) who is, in fact, independent and not under the control of the
16 City;

17 (b) who does not have any substantial interest, direct or indirect,
18 with the City; and

1 (c) who is not connected with the City as an officer or employee
2 thereof, but who may be regularly retained to make annual or similar
3 audits of any books or records of the City.

4 (41) "Instrument" means this Airport System Junior Lien Bond
5 Ordinance, as amended and supplemented from time to time by any Supplemental
6 Junior Lien Bond Ordinance; and the term "instrument of the City," "amendatory
7 instrument," "supplemental instrument," or any phrase of similar import, means any
8 ordinance adopted by the Council.

9 (42) "Investment Securities" has the meaning set forth in the General
10 Bond Ordinance; provided, for purposes of this Instrument, the term does not include
11 any Subordinate Bonds or Junior Lien Bonds.

12 (43) "Junior Lien Bond Escrow Account" means any special and
13 separate account established with a Junior Lien Bond Escrow Bank in whole or in part
14 with the proceeds of any Junior Lien Refunding Bonds or other moneys to provide for
15 the timely payment of any Junior Lien Bond Requirements.

16 (44) "Junior Lien Bond Escrow Bank" means a trust bank, designated
17 by Supplemental Junior Lien Bond Ordinance to administer a Junior Lien Bond Escrow
18 Account.

19 (45) "Junior Lien Bond Paying Agent" means the Treasurer, or one or
20 more commercial banks or trust banks, designated by Supplemental Junior Lien Bond
21 Ordinance as agent of the City for the payment of Junior Lien Bonds, including any

1 successors thereof. As the context requires, the term also includes the Treasurer, or
2 one or more commercial banks or trust banks, so designated as co-paying or alternate
3 paying agent of the City for the payment of Junior Lien Bonds, including any successors
4 thereof.

5 (46) "Junior Lien Bond Purchaser" means, in connection with any Junior
6 Lien Bonds, the person purchasing the Junior Lien Bonds or the manager or senior
7 manager of any account purchasing the Junior Lien Bonds, or any successor thereof.

8 (47) "Junior Lien Bond Registrar" means either the Treasurer, or one or
9 more commercial banks, designated in a Supplemental Junior Lien Bond Ordinance, to
10 keep books or records for the registration, discharge from registration, transfer, and
11 conversion of Junior Lien Bonds, including any successors thereof. As the context
12 requires the term also includes the Treasurer, or one or more commercial banks or trust
13 banks, so designated, as co-registrar for such purposes, including any successor
14 thereof.

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

19 (49) "Junior Lien Bond Reserve Account" means a special account
20 established within the Junior Lien Obligations Fund as provided in Section 503 hereof.

1 (50) "Junior Lien Bond Sinking Fund Requirements" means for any
2 period amounts required herein or by Supplemental Junior Lien Bond Ordinance to be
3 credited to the Junior Lien Obligations Fund to redeem Junior Lien Term Bonds.

4 (51) "Junior Lien Bonds" means bonds, notes, certificates, commercial
5 paper, or other securities issued pursuant to the provisions of this Instrument which are
6 payable from the Net Revenues of the Airport System and which payment is secured by
7 a pledge of and lien on such Net Revenues, subordinate only to the lien thereon of the
8 Senior Bonds and the lien thereon of the Subordinate Bonds, including without
9 limitation Junior Lien Refunding Bonds, Junior Lien Serial Bonds, Junior Lien Term
10 Bonds, Junior Lien Credit Enhanced Bonds, Junior Lien Option Bonds, Junior Lien
11 Capital Appreciation Bonds, and Junior Lien Variable Rate Bonds. The term does not
12 include any Junior Lien Obligations (except as represented by any bonds registered in
13 the name of any provider of any Junior Lien Credit Facility or its nominee as a result of
14 the purchase thereof with proceeds of such Junior Lien Credit Facility).

15 (52) "Junior Lien Capital Appreciation Bonds" means Junior Lien Bonds
16 which by their terms appreciate in value to a stated face amount at maturity.

17 (53) "Junior Lien Contract Obligations" means capital leases,
18 installment purchase agreements, guaranty agreements, loans or purchase agreements
19 with banks or other financial institutions, development agreements, concession
20 agreements, or other similar contracts (or any obligations incurred in connection
21 therewith) incurred pursuant to the provisions of this Instrument which are payable from
22 all or any designated portion of the Net Revenues of the Airport System and secured by

1 a pledge of and lien on such Net Revenues, subordinate only to the lien thereon of the
2 Senior Bonds and Obligations and the lien thereon of the Subordinate Bonds and
3 Subordinate Obligations. The term does not include (i) Junior Lien Bonds, Junior Lien
4 Credit Facility Obligations, or Junior Lien Hedge Facility Obligations; or (ii) obligations
5 that may be treated as Operation and Maintenance Expenses under generally accepted
6 accounting principles and obligations incurred and payable in full within a single Fiscal
7 Year (whether or not such obligations may be so treated as Operation and Maintenance
8 Expenses). The Hotel Junior Lien Obligation shall constitute a Junior Lien Contract
9 Obligation hereunder.

10 (54) "Junior Lien Credit Enhanced Bonds" means Junior Lien Bonds,
11 the payment of which, or other rights in respect of which, is secured in whole or in part
12 by a Junior Lien Credit Facility, or by a pledge of revenues other than Gross Revenues.

13 (55) "Junior Lien Credit Facility" means any letter of credit, policy of
14 bond insurance, surety bond, guarantee or similar instrument issued by a financial,
15 insurance or other institution and which provides security or liquidity in respect of Junior
16 Lien Bonds.

17 (56) "Junior Lien Credit Facility Obligations" means repayment or other
18 obligations incurred by the City pursuant to a credit agreement or similar instrument in
19 respect of draws or other payments or disbursements made under a Junior Lien Credit
20 Facility, and which obligations are payable from all or any designated portion of the Net
21 Revenues of the Airport System and secured by a pledge of and lien on such Net

1 Revenues subordinate only to the lien thereon of the Senior Bonds and any Obligations
2 and the lien thereon of the Subordinate Bonds and any Subordinate Obligations.

3 (57) "Junior Lien Current Interest Bonds" means Junior Lien Bonds on
4 which interest is payable on interest payment dates prior to maturity or redemption prior
5 to maturity.

6 (58) "Junior Lien Debt Service Requirements" for any period means the
7 sum of:

8 (i) The amount required to pay the interest on any Junior Lien Bonds
9 during such period;

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

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

20 in each case computed as follows:

1 (a) No payments required for any Junior Lien Bonds or
2 Junior Lien Obligations which may be tendered or otherwise presented for payment at
3 the option or demand of the owners thereof, or which may otherwise become due by
4 reason of any other circumstance which will not, with certainty, occur during such
5 period, shall be included in any computation of Junior Lien Debt Service Requirements
6 prior to the stated or theretofore extended maturity or otherwise certain due dates
7 thereof, and all such payments shall be deemed to be required on such stated or
8 theretofore extended maturity dates or otherwise certain due dates.

9 (b) Except for any historical period for which the actual
10 rate or rates are determinable and except as otherwise provided herein, Junior Lien
11 Bonds and Junior Lien Obligations which bear interest at a variable rate shall be
12 deemed to bear interest at a fixed annual rate equal to the prevailing rate of such Junior
13 Lien Bonds or Junior Lien Obligations on the date of computation or such higher annual
14 rate as determined to be reasonable by the Treasurer based on market conditions;
15 provided that in any computation (i) of any applicable minimum reserve requirement set
16 forth in a Supplemental Junior Lien Bond Ordinance (except as otherwise provided
17 therein); (ii) relating to issuing or incurring additional Junior Lien Bonds or Junior Lien
18 Obligations required by Article VII hereof; or (iii) required by the rate maintenance
19 covenant of § 901 hereof, such Junior Lien Bonds or Junior Lien Obligations shall be
20 deemed to bear interest at a fixed annual rate equal to (x) the average of the daily rates
21 of such Junior Lien Bonds or Junior Lien Obligations during the 365 consecutive days
22 (or any lesser period such Junior Lien Bonds or Junior Lien Obligations have been
23 Outstanding) next preceding the date of computation; (y) with respect to any such

1 Junior Lien Bonds or Junior Lien Obligations which are being issued or incurred on the
2 date of computation, the initial rate of such Junior Lien Bonds or Junior Lien
3 Obligations; or (z) such higher annual rate as determined to be reasonable by the
4 Treasurer based on market conditions.

5 (c) Further, in any computation relating to issuing or
6 incurring additional Junior Lien Bonds or Junior Lien Obligations required by Article VII
7 hereof and any computation required by the rate maintenance covenant in § 901
8 hereof, there shall be excluded from the computation of Junior Lien Debt Service
9 Requirements amounts which are irrevocably committed to make such payments during
10 such period, including without limitation any amounts in a Junior Lien Bond Escrow
11 Account and any proceeds of Junior Lien Bonds or Junior Lien Obligations so
12 committed for the payment of capitalized interest, but not including any amounts on
13 deposit in the Junior Lien Bond Reserve Account.

14 (d) Any Junior Lien Bonds or Junior Lien Obligations
15 which bear interest at a variable rate and with respect to which there exists a Junior
16 Lien Hedge Facility that obligates the City to pay a fixed interest rate shall be deemed
17 to bear interest at the effective fixed annual rate thereon as a result of such Junior Lien
18 Hedge Facility for the full term of such Junior Lien Hedge Facility. In the case of any
19 Junior Lien Bonds or Junior Lien Obligations that bear interest at a fixed rate and with
20 respect to which there exists a Junior Lien Hedge Facility that obligates the City to pay
21 a variable rate, Junior Lien Debt Service Requirements shall be deemed for the full
22 term of the Junior Lien Hedge Facility to include the interest payable on such Junior
23 Lien Bonds or Junior Lien Obligations, less the fixed amounts received by the City

1 under the Junior Lien Hedge Facility, plus the amount of the variable interest payments
2 (using the conventions described above) to be made by the City under the Junior Lien
3 Hedge Facility.

4 (e) The Junior Lien Debt Service Requirements of any
5 series of Junior Lien Bonds or Junior Lien Obligations (other than those maturing within
6 one year of the date they are issued or incurred) which includes a maturity of such
7 series or obligation which (i) satisfies the definition of Balloon Maturity set forth below in
8 provision (h) of this definition and (ii) which the City designates in the Supplemental
9 Junior Lien Bond Ordinance authorizing such series or obligation shall be treated as a
10 Balloon Maturity, unless otherwise provided in the applicable Supplemental Junior Lien
11 Bond Ordinance, shall be calculated by assuming that principal and interest on such
12 Balloon Maturity is to be amortized over a 30-year period, beginning on the date of
13 issuance or incurrence, assuming level debt service payable in each year at a rate of
14 interest equal to the actual rate of interest of such Balloon Maturity on the date of
15 calculation, provided that if the date of calculation is within 12 months of the final due
16 date of such Balloon Maturity, the full amount of principal to become due shall be
17 included in the calculation unless provision (g) of this definition then applies to such
18 maturity.

19 (f) If all or any portion of an outstanding series of Junior
20 Lien Bonds or Junior Lien Obligations constitutes Short-Term/Demand Obligations,
21 then, for purposes of determining Junior Lien Debt Service Requirements, each
22 maturity that constitutes Short-Term/Demand Obligations shall, unless otherwise
23 provided in the applicable Supplemental Junior Lien Bond Ordinance, be treated as if it

1 were to be amortized over a term of not more than 30 years and with substantially level
2 annual debt service funding payments commencing not later than the year following the
3 year in which such Short-Term/Demand Obligations were issued or incurred, and
4 extending not later than 30 years from the date such Short-Term/Demand Obligations
5 were issued or incurred; the interest rate used for such computation shall be that rate
6 quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month
7 preceding the date of calculation as published by *The Bond Buyer*, or if that index is no
8 longer published, another similar index designated by the Manager, taking into
9 consideration whether such Junior Lien Bonds or Junior Lien Obligations bear interest
10 which is or is not excluded from gross income for federal income tax purposes; with
11 respect to any series of Junior Lien Bonds or Junior Lien Obligations only a portion of
12 which constitutes Short-Term/Demand Obligations, the remaining portion shall be
13 assumed to be paid in accordance with any amortization schedule established by the
14 applicable Supplemental Junior Lien Bond Ordinance or shall be treated as described
15 in such other provision of this definition as shall be applicable.

16 (g) Any maturity of Junior Lien Bonds or Junior Lien
17 Obligations that is designated by the City as a Balloon Maturity as described in
18 provision (e) of this definition and for which the stated maturity date occurs within 12
19 months from the date such calculation of Junior Lien Debt Service Requirements is
20 made, shall be assumed to become due and payable on the stated maturity date, and
21 provision (e) above shall not apply thereto, unless the Treasurer shall file a certificate
22 with the Clerk stating (i) that the City intends to refinance such maturity, (ii) the probable
23 terms of such refinancing and (iii) that City has the financial ability to successfully

1 complete such refinancing; upon the receipt of such certificate, such Balloon Maturity
2 shall be assumed to be refinanced in accordance with the probable terms set out in
3 such certificate and such terms shall be used for purposes of calculating Junior Lien
4 Debt Service Requirements; provided that such assumption shall not result in an
5 interest rate lower than that which would be assumed under provision (e) above and
6 shall be amortized over a term of not more than 30 years from the expected date of
7 refinancing.

8 (h) For purpose of this Section 102A(79):

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

21 "Regularly Scheduled Hedge Payments" means the
22 regularly scheduled payments under the terms of a Junior Lien

1 Hedge Facility which are due absent any termination, default or
2 dispute in connection with such Junior Lien Hedge Facility; and

3 "Short-Term/Demand Obligations" means each
4 series of Junior Lien Bonds or Junior Lien Obligations issued or
5 incurred pursuant to this Instrument, (a) the payment of principal
6 of which is either (i) payable on demand by or at the option of the
7 owner at a time sooner than a date on which such principal is
8 deemed to be payable for purposes of computing Junior Lien Debt
9 Service Requirements, or (ii) scheduled to be payable within one
10 year from the date of issuance or incurrence and is contemplated
11 to be refinanced for a specified period or term either (A) through
12 the issuance of additional Short-Term/Demand Obligations
13 pursuant to a commercial paper or other similar program, or (B)
14 through the issuance of long-term Junior Lien Bonds pursuant to a
15 bond anticipation note or similar program, and (b) the purchase
16 price, payment or refinancing of which is additionally secured by a
17 Junior Lien Credit Facility.

18 (i) In any circumstance where the amounts required to
19 pay Junior Lien Bonds or Junior Lien Obligations are uncertain and the conventions set
20 forth above are not applicable, the Treasurer may determine such amounts based on
21 the Treasurer's reasonable estimate of the amount of Net Revenues that will effectively
22 be required to pay such Junior Lien Bonds or Junior Lien Obligations, or any
23 combination thereof; and such determination shall be conclusive. Any such

1 determination may take into account, without limitation, the effect of provisions requiring
2 or permitting the netting of payment obligations and the effect on payment obligations of
3 circumstances that are within the control of the City and are reasonably expected to
4 occur.

5 (59) "Junior Lien Hedge Facility" means any rate swap transaction,
6 basis swap transaction, cap transaction, floor transaction, collar transaction, or similar
7 transaction, which is intended to convert or limit the interest rate on any Senior Bonds,
8 Subordinate Bonds or Junior Lien Bonds.

9 (60) "Junior Lien Hedge Facility Obligations" means payment
10 obligations of the City in respect of Junior Lien Hedge Facilities, which are payable from
11 all or any designated portion of the Net Revenues of the Airport System and secured by
12 a pledge of and lien on such Net Revenues subordinate only to the lien of the Senior
13 Bonds and any Obligations and the lien of the Subordinate Bonds and any Subordinate
14 Obligations.

15 (61) "Junior Lien Improvement Project" means any project (i) to acquire,
16 improve or equip (or any combination thereof) Facilities, or (ii) to effect any other lawful
17 undertaking determined by the Manager to be of benefit to the Airport System, as
18 authorized and described by Supplemental Junior Lien Bond Ordinance.

19 (62) "Junior Lien Obligations" means Junior Lien Credit Facility
20 Obligations, Junior Lien Contract Obligations, and Junior Lien Hedge Facility
21 Obligations. The Hotel Junior Lien Obligation, as a Junior Lien Contract Obligation,
22 shall constitute a Junior Lien Obligation hereunder.

1 (63) "Junior Lien Obligations Fund" means the special and separate
2 account created within the Airport System Fund by Section 301 of the Hotel Ordinance
3 and designated as the "City and County of Denver, Airport System Junior Lien
4 Obligations Fund" and affirmed by Section 502 hereof.

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

9 (65) "Junior Lien Refunding Bonds" means any Junior Lien Bonds
10 issued to refund, pay, and discharge any Senior Bonds, Subordinate Bonds,
11 Subordinate Obligations, Junior Lien Bonds, Junior Lien Obligations, or other securities
12 or obligations.

13 (66) "Junior Lien Refunding Project" means any project to refund, pay,
14 and discharge any Junior Lien Bonds, Junior Lien Obligations, or other securities or
15 obligations.

16 (67) "Junior Lien Serial Bonds" means any Junior Lien Bonds other than
17 Junior Lien Term Bonds.

18 (68) "Junior Lien Term Bonds" means Junior Lien Bonds of a series with
19 a fixed maturity date or dates which do not constitute consecutive periodic installments
20 and which Junior Lien Bonds are designated as Junior Lien Term Bonds by the
21 Supplemental Junior Lien Bond Ordinance authorizing their issuance.

1 (69) "Junior Lien Variable Rate Bonds" means Junior Lien Bonds issued
2 with a variable, adjustable, convertible or other similar rate or rate period which is not
3 fixed to maturity at the date of issue.

4 (70) "Manager" means the manager of the Department, or designee,
5 and successor in functions, if any (being the successor in function with respect to the
6 Airport of the City's Director of Public Works).

7 (71) "Mayor" means the mayor of the City, or designee, and successor
8 in functions, if any.

9 (72) "Minimum Junior Lien Bond Reserve" means the amount, if any, so
10 designated with respect to a Series of Junior Lien Bonds in the Supplemental Junior
11 Lien Bond Ordinance authorizing their issuance which is to be maintained as a
12 continuing reserve to be used, except as otherwise provided, only to prevent
13 deficiencies in the payment of Junior Lien Bond Requirements with respect to such
14 Series of Junior Lien Bonds.

15 (73) "Net Revenues" means the Gross Revenues remaining after the
16 deduction of Operation and Maintenance Expenses.

17 (74) "Obligations" means Credit Facility Obligations and Hedge Facility
18 Obligations.

19 (75) "Operation and Maintenance Expenses" has the meaning set forth
20 in the General Bond Ordinance; provided, for purposes of this Instrument, any
21 reference to "Bonds," "Paying Agent," "Credit Facility Obligations," "Improvement

1 Project," or "Debt Service Requirements," shall be deemed also to include Subordinate
2 Bonds and Junior Lien Bonds, Subordinate Bond Paying Agent and Junior Lien Bond
3 Paying Agent, Subordinate Credit Facility Obligations and Junior Lien Credit Facility
4 Obligations, Subordinate Bond Improvement Project and Junior Lien Improvement
5 Project, and Subordinate Debt Service Requirements and Junior Lien Debt Service
6 Requirements, respectively.

7 (76) "Other Available Funds" means for any Fiscal Year the amount
8 determined appropriate by the Manager to be transferred from the Capital Fund to the
9 Revenue Fund; but in no event shall such amount exceed the greater of 25% of
10 aggregate Debt Service Requirements or 10% of the sum of the aggregate Debt
11 Service Requirements and Subordinate Debt Service Requirements for such Fiscal
12 Year or 10% of the sum of the aggregate Debt Service Requirements, Subordinate
13 Debt Service Requirements and Junior Lien Debt Service Requirements for such Fiscal
14 Year.

15 (77) "Outstanding" when used with reference to any Junior Lien Bonds
16 and as of any particular date means all such Junior Lien Bonds in any manner
17 theretofore or thereupon authenticated and delivered, except:

18 (a) Any Junior Lien Bonds canceled or paid by or on behalf of
19 the City on or before such date;

20 (b) Any Junior Lien Bonds which are deemed to be paid
21 pursuant to Section 1101 hereof or for which sufficient moneys are held in
22 trust pursuant to Sections 308 and 505 hereof; and

1 (c) Any Junior Lien Bonds (including without limitation Junior
2 Lien Option Bonds deemed tendered or purchased) in lieu of or in
3 substitution for which other Junior Lien Bonds shall have been executed
4 and delivered.

5 In determining whether the owners of the requisite principal amount of
6 Outstanding Junior Lien Bonds have given any request, demand, authorization,
7 direction, notice, consent, or waiver, Junior Lien Bonds owned by the City shall be
8 disregarded and deemed not to be Outstanding.

9 (78) "Owner" or any similar term, when used in connection with any
10 Junior Lien Bonds means the registered owner of any Junior Lien Bond or the owner of
11 record as to any Junior Lien Bond issued in book entry form.

12 (79) "Person" means a corporation, firm, other body corporate (including
13 without limitation the Federal Government, the State, or any other body corporate and
14 politic other than the City), partnership, association, limited liability company, or
15 individual, and also includes an executor, administrator, trustee, receiver, or other
16 representative appointed according to law.

17 (80) "Pledged Revenues" means (i) all or a portion of the Gross
18 Revenues and (ii) any other revenues not included in Gross Revenues that are
19 irrevocably pledged under the provisions of any Supplemental Junior Lien Bond
20 Ordinance to secure the payment of the Junior Lien Bond Requirements of the Junior
21 Lien Bonds and, to the extent provided in any Supplemental Junior Lien Bond
22 Ordinance, to the payment of any Junior Lien Obligations. The designated term

1 indicates a source of revenues and does not necessarily indicate all or any portion or
2 other part of such revenues in the absence of further qualification.

3 (81) "Project Fund" means the special and separate account designated
4 as the "City and County of Denver, Airport System Revenue Bonds, Project Fund,"
5 created by the General Bond Ordinance.

6 (82) "Record Date" means, with respect to a particular series of Junior
7 Lien Bonds, the record date for determining Junior Lien Bond ownership for the
8 purpose of paying interest as it becomes due, as such date is provided by
9 Supplemental Junior Lien Bond Ordinance.

10 (83) "Redemption Date" means the date fixed by the City for the
11 mandatory or optional redemption of any Junior Lien Bonds prior to their respective
12 fixed maturity dates.

13 (84) "Redemption Price" means, when used with respect to a Junior
14 Lien Current Interest Bond, the principal amount thereof plus the applicable premium, if
15 any, payable on a Redemption Date, or when used with respect to a Junior Lien Capital
16 Appreciation Bond, the Accreted Value, plus the applicable premium, if any, payable on
17 a Redemption Date.

18 (85) "Revenue Fund" means the special and separate account
19 designated as the "City and County of Denver, Airport System Gross Revenue Fund,"
20 created by the General Bond Ordinance.

1 (86) "Senior Bonds" means bonds, notes, certificates, commercial paper
2 or other securities heretofore and hereafter issued pursuant to the provisions of the
3 General Bond Ordinance which are payable from the Net Revenues of the Airport
4 System and which payment is secured by a pledge of and lien on such Net Revenues,
5 senior to the lien thereon of Subordinate Bonds.

6 (87) "Serial Junior Lien Bonds" means any Junior Lien Bonds other than
7 Term Junior Lien Bonds.

8 (88) "Series" means, regardless whether such Junior Lien Bonds are
9 designated as a "series," "subseries," or otherwise, all Junior Lien Bonds authorized at
10 one time for any Junior Lien Improvement Project, Junior Lien Refunding Project, or
11 combination thereof.

12 (89) "Special Facilities" has the meaning set forth in the General Bond
13 Ordinance.

14 (90) "Special Facilities Bonds" has the meaning set forth in the General
15 Bond Ordinance.

16 (91) "Special Record Date" means, with respect to a series of Junior
17 Lien Bonds, the record date for determining Junior Lien Bond ownership for purposes of
18 paying defaulted interest, as such date may be determined pursuant to Supplemental
19 Junior Lien Bond Ordinance.

20 (92) "State" means the State of Colorado.

1 (93) "Subordinate Bond Improvement Project" has the meaning
2 assigned to it in the General Subordinate Bond Ordinance.

3 (94) "Subordinate Bond Paying Agent" has the meaning assigned to it in
4 the General Subordinate Bond Ordinance.

5 (95) "Subordinate Bonds" has the meaning assigned to it in the General
6 Subordinate Bond Ordinance.

7 (96) "Subordinate Credit Facility Obligations" has the meaning assigned
8 to it in the General Subordinate Bond Ordinance.

9 (97) "Subordinate Debt Service Requirements" has the meaning
10 assigned to it in the General Subordinate Bond Ordinance.

11 (98) "Subordinate Obligations" has the meaning assigned to it in the
12 General Subordinate Bond Ordinance.

13 (99) "Supplemental Junior Lien Bond Ordinance" means any ordinance
14 of the City amending or supplementing this Airport System General Junior Lien Bond
15 Ordinance, including without limitation any such ordinance authorizing the issuance or
16 incurrence (as applicable) of Junior Lien Bonds or Junior Lien Obligations hereunder,
17 and any ordinance amendatory thereof or supplemental thereto. The Hotel Ordinance
18 shall constitute a Supplemental Junior Lien Bond Ordinance for the purposes hereof.

19 (100) "Tax Code" means the Internal Revenue Code of 1986, as from
20 time to time amended. The term includes any regulations of the U.S. Department of the

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

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

8 (102) "Treasurer" means the manager of the City's Department of
9 Revenue, ex-officio Treasurer, or designee, and successor in functions, if any.

10 (103) "Trust bank" means any commercial bank which is authorized to
11 exercise and is exercising trust powers, and also means any branch of the Federal
12 Reserve Bank.

13 B. General Bond Ordinance/General Subordinate Bond Ordinance -
14 Definitions. Terms used in this Instrument and not otherwise defined herein shall have
15 the respective meanings assigned to them in the General Bond Ordinance and the
16 General Subordinate Bond Ordinance.

17 C. Construction. This Instrument, except where the context by clear
18 implication requires otherwise, shall be construed as follows:

19 (1) Words in the singular include the plural, and words in the plural
20 include the singular.

1 (2) Words in the masculine gender include the feminine and the
2 neuter, and when the sense so indicates words of the neuter gender refer to any
3 gender.

4 (3) Articles, sections, subsections, paragraphs, and subparagraphs
5 mentioned by number, letter, or otherwise, correspond to the respective articles,
6 sections, subsections, paragraphs, and subparagraphs of this Instrument so
7 numbered or otherwise so designated.

8 (4) The titles and leadlines applied to articles, sections, and
9 subsections of this Instrument are inserted only as a matter of convenience and
10 ease in reference and in no way define, limit, or describe the scope or intent of
11 any provisions of this Instrument.

12 (5) Any reference herein to articles, sections, subsections, paragraphs,
13 subparagraphs, and definitions in the General Bond Ordinance or in the General
14 Subordinate Bond Ordinance (as applicable), in the event the same are hereafter
15 modified, shall be construed to refer to the corresponding articles, sections,
16 subsections, paragraphs, subparagraphs, and definitions as modified except as
17 such construction shall materially and prejudicially affect the rights of the owners
18 of any Junior Lien Bonds, in which event such reference shall be construed to be
19 to the corresponding article, section, subsection, paragraph, subparagraph, or
20 definition as the same appears in the General Bond Ordinance or in the General
21 Subordinate Bond Ordinance (as applicable) on the effective date hereof. In the
22 event any such articles, sections, subsections, paragraphs, subparagraphs, or

1 definitions are hereafter repealed or otherwise cease, terminate or lapse, such
2 references herein shall be construed to refer to such articles, sections,
3 subsections, paragraphs, subparagraphs, or definitions as they last appeared in
4 the General Bond Ordinance or in the General Subordinate Bond Ordinance (as
5 applicable).

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

16 Section 104. Parties Interested Herein. Except as otherwise expressly provided
17 herein or by Supplemental Junior Lien Bond Ordinance, nothing in this Instrument is
18 intended or shall be construed to confer upon or to give to any person, other than the
19 City, the Department, the Junior Lien Bond Paying Agent, the Junior Lien Bond
20 Registrar, any other fiduciary or agent thereof, and the owners from time to time of the
21 Junior Lien Bonds or Junior Lien Obligations, any right, remedy, or claim under or by
22 reason hereof or any covenant, condition, or stipulation hereof. Subject to such
23 exception, all the covenants, stipulations, promises, and agreements herein contained

1 by and on behalf of the City or the Department shall be for the sole and exclusive
2 benefit of the City, the Department, such fiduciaries and agents, and any owner of any
3 Junior Lien Bonds or Junior Lien Obligations.

4 Section 105. Ratification. All action heretofore taken (not inconsistent with the
5 provisions of this Instrument) by the Council, the officers of the City, and otherwise by
6 the City or Department relating to (i) any Junior Lien Improvement Project, Junior Lien
7 Refunding Project or combination thereof; or (ii) the sale and delivery of Junior Lien
8 Bonds or Junior Lien Obligations for such purposes, be, and the same hereby is,
9 ratified, approved, and confirmed.

10 Section 106. Instrument Irrepealable. In consideration of the purchase and/or
11 acceptance (as applicable) of any Junior Lien Bonds or Junior Lien Obligations by those
12 who shall own or shall be the beneficiary of the same from time to time, this Instrument
13 shall constitute an irrevocable contract between the City and the owner, owners,
14 beneficiary, or beneficiaries (as applicable) of any Junior Lien Bonds or Junior Lien
15 Obligations issued or incurred, respectively, hereunder, and this Instrument, shall
16 remain irrepealable until such Junior Lien Bonds and Junior Lien Obligations shall be
17 fully paid, canceled, and discharged, except as herein otherwise provided.

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

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

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

7 Section 110. Hotel Junior Lien Obligation. The Hotel Junior Lien Obligation shall
8 constitute a Junior Lien Obligation hereunder and the Hotel Ordinance shall constitute a
9 Supplemental Junior Lien Ordinance. Any conditions required to be satisfied prior to
10 the incurrence of Junior Lien Obligations shall be deemed to have been satisfied prior
11 to the incurrence of the Hotel Junior Lien Obligation. Except as otherwise provided for
12 herein, the administration of the accounts and subaccounts created under the Hotel
13 Ordinance within the Junior Lien Obligation Fund shall be administered and otherwise
14 handled in accordance with the Hotel Ordinance.

15 **ARTICLE II**

16 **AUTHORITY FOR THIS INSTRUMENT AND AUTHORIZATION OF**
17 **PROJECTS, PLEDGE SECURING JUNIOR LIEN BONDS, JUNIOR LIEN**
18 **OBLIGATIONS OF CITY, AND LIMITATIONS THEREON**

19 Section 201. Authority for this Instrument. This Instrument is adopted pursuant
20 to the City's powers as a home-rule city under the Charter and Art. XX of the
21 Constitution of the State.

1 Section 202. Authorization of Projects. The City or the City for and on behalf of
2 the Department may authorize by Supplemental Junior Lien Bond Ordinance (i) any
3 Junior Lien Improvement Project, Junior Lien Refunding Project, or combination
4 thereof, and (ii) the issuance or incurrence of Junior Lien Bonds or Junior Lien
5 Obligations for such purposes or otherwise in respect thereof.

6 Section 203. Pledge Securing Junior Lien Bonds and Junior Lien Obligations.
7 Subject only to the right of the City to pay Operation and Maintenance Expenses of the
8 Airport System and to the obligations of the City in respect of Senior Bonds and
9 Obligations as provided by the General Bond Ordinance and in respect of Subordinate
10 Bonds and Subordinate Obligations as provided by the General Subordinate Bond
11 Ordinance, the Gross Revenues and all moneys and securities paid or to be paid to, or
12 held or to be held in, the Junior Lien Obligations Fund and any other fund or account
13 created and pledged for such purpose herein or by any Supplemental Junior Lien Bond
14 Ordinance (except moneys and securities held in any Junior Lien Bond Escrow Account
15 and except as otherwise provided herein or in any Supplemental Junior Lien Bond
16 Ordinance) are hereby irrevocably pledged to secure the payment of the Junior Lien
17 Bond Requirements of the Junior Lien Bonds and, to the extent so provided in any
18 Supplemental Junior Lien Bond Ordinance, to the payment of any Junior Lien
19 Obligations. This pledge shall be valid and binding from and after the date of first
20 issuance of any Junior Lien Bonds or the date on which any such Junior Lien
21 Obligations are incurred; and the moneys and securities, as received and hereby
22 pledged, shall immediately be subject to the lien of this pledge without any physical
23 delivery, filing, or further act. The lien of this pledge and the contractual obligations

1 hereby made shall have priority over any or all other liabilities and obligations of the
2 City, and the lien of this pledge shall be valid and binding against all persons having
3 claims of any kind in tort, contract, or otherwise against the City (except as herein
4 otherwise provided) whether or not such persons have notice thereof.

5 Section 204. Junior Lien Bonds and Junior Lien Obligations Equally Secured.

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

16 Section 205. Special Obligations. All Junior Lien Debt Service Requirements
17 shall be payable and collectible solely out of the Net Revenues of the Airport System
18 and such other funds and accounts as herein or by Supplemental Junior Lien Bond
19 Ordinance provided; no person may look to any general or other fund for the payment
20 of Junior Lien Debt Service Requirements, except the designated security pledged
21 therefor; Junior Lien Debt Service Requirements shall not constitute an indebtedness or
22 a debt within the meaning of any constitutional or statutory provision or limitation; and
23 Junior Lien Debt Service Requirements shall not be considered or held to be general

1 obligations of the City but shall constitute its special obligations. The City does not
2 pledge its full faith and credit and taxing power for the payment of Junior Lien Debt
3 Service Requirements.

4 Section 206. Character of Agreement. None of the covenants, agreements,
5 representations, and warranties contained herein or in any Junior Lien Bonds or Junior
6 Lien Obligations issued or incurred hereunder shall ever impose or shall be construed
7 as imposing any liability, obligation, or charge against the City (except with respect to
8 the Net Revenues and special funds pledged therefor) or its general credit, payable out
9 of its general fund or out of any funds derived from taxation.

10 Section 207. No Pledge of Property. The payment of Junior Lien Debt Service
11 Requirements is not secured by an encumbrance, mortgage, or other pledge of
12 property of the City, except the Net Revenues and other funds pledged for their
13 payment. No property of the City, subject to such exception, shall be liable to be
14 forfeited or taken in payment of Junior Lien Debt Service Requirements.

15 Section 208. No Recourse Against Officers and Agents. No recourse shall be
16 had for the payment of Junior Lien Debt Service Requirements or for any claim based
17 thereon, or otherwise, upon any instruments of the Council authorizing their issuance or
18 otherwise relating thereto, against any individual member of the Council, or any officer,
19 employee, or other agent of the City or Department, past, present, or future, either
20 directly or indirectly through the Council or otherwise, whether by virtue of the Charter
21 or any constitution, statute, or rule of law, or by the enforcement of any penalty, or
22 otherwise, all such liability, if any, being by the acceptance of the Junior Lien Bonds or

1 Junior Lien Obligations and as a part of the consideration therefor specially waived and
2 released.

3 Section 209. No Election or Other Preliminaries. Any Junior Lien Bonds or
4 Junior Lien Obligations issued or incurred hereunder may be issued or incurred without
5 being authorized at an election and without any other preliminaries, except as may be
6 required by the State Constitution, the Charter, the Tax Code or as otherwise provided
7 herein or by Supplemental Junior Lien Bond Ordinance.

8 **ARTICLE III**

9 **AUTHORIZATION, ISSUANCE, REDEMPTION, TERMS, EXECUTION,**
10 **AND FORM OF JUNIOR LIEN BONDS**

11 Section 301. Authorization of Junior Lien Bonds Generally. For the purpose of
12 protecting the public health, conserving its property, and advancing the general welfare
13 of its citizens, the City or the City for and on behalf of the Department may issue one or
14 more series of Junior Lien Bonds for any Junior Lien Improvement Project, Junior Lien
15 Refunding Project, or combination thereof, relating to the Airport System, in accordance
16 with the provisions of this Instrument.

17 Section 302. General Provisions of Junior Lien Bonds. Each series of Junior
18 Lien Bonds shall be authorized by Supplemental Junior Lien Bond Ordinance and shall
19 bear such designation as the City deems appropriate. The Junior Lien Bonds of each
20 series shall be subject to such terms and conditions as provided herein or by
21 Supplemental Junior Lien Bond Ordinance.

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

4 A. Ordinances. A copy, certified by the Clerk, of this instrument and
5 of all Supplemental Junior Lien Bond Ordinances relating to the Junior Lien Bonds of
6 such series:

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

9 (2) Junior Lien Bond Details. Providing for the issuance of the Junior
10 Lien Bonds and determining (or providing the basis for determining) the amount
11 and details thereof, including without limitation, and as may be necessary or
12 desirable, an appropriate series designation (including a separate letter
13 identification for any two or more series issued in the same year), the date or
14 dates of the Junior Lien Bonds, the year or years and amounts in which the
15 Junior Lien Bonds shall mature, any of the Junior Lien Bonds which are Junior
16 Lien Term Bonds, any Junior Lien Bond Sinking Fund Requirements, the time or
17 times and Redemption Prices at which the Junior Lien Bonds or designated
18 portions thereof are to be redeemable, the time or times and purchase prices at
19 which the Junior Lien Bonds or designated portions thereof are to be purchased
20 and remarketed upon optional or mandatory tender, the rate or rates of interest
21 which such Junior Lien Bonds shall bear or the method of determining such
22 interest rate or rates, any conversion or other options, any Junior Lien Credit

1 Facility provided or to be provided therefor (any such Junior Lien Credit Facility in
2 respect of one or more series of Junior Lien Bonds issued on one date to be
3 separate and apart from any Junior Lien Credit Facility in respect of one or more
4 series of Junior Lien Bonds issued on another date), and all other necessary or
5 desirable terms and conditions; and

6 (3) Additional Details. Awarding the Junior Lien Bonds, designating
7 any Junior Lien Bond Paying Agent, designating any Junior Lien Bond Registrar,
8 designating such other fiduciaries and agents as may be appropriate, and
9 directing the delivery of the Junior Lien Bonds to or upon the order of the Junior
10 Lien Bond Purchasers thereof upon payment of the purchase price therein set
11 forth; and

12 B. Attorney's Opinion. An Attorney's Opinion stating that the issuance
13 of the Junior Lien Bonds has been duly authorized and that all conditions precedent to
14 the delivery of the Junior Lien Bonds have been fulfilled.

15 C. Manager's Resolution. A resolution, order, or other instrument of
16 the Manager approving, authorizing and requesting the issuance of the Junior Lien
17 Bonds and pledging to their payment the Net Revenues of the Airport System and such
18 other funds and accounts of the Airport System as herein or in any Supplemental Junior
19 Lien Bond Ordinance provided.

20 Section 304. Optional Redemption of Junior Lien Bonds. All or any portion of
21 the Junior Lien Bonds of any series may be subject to prior redemption at the City's
22 option, as the City may determine by Supplemental Junior Lien Bond Ordinance.

1 Section 305. Mandatory Redemption of Junior Lien Bonds. All or any portion of
2 the Junior Lien Bonds of any series may be subject to mandatory redemption, as the
3 City may determine by Supplemental Junior Lien Bond Ordinance.

4 Section 306. Funds for Redemption of Junior Lien Bonds. If a Supplemental
5 Junior Lien Bond Ordinance provides for the mandatory redemption of any Junior Lien
6 Term Bonds, money sufficient to pay the Redemption Price of such Junior Lien Term
7 Bonds shall be accumulated as Junior Lien Bond Sinking Fund Requirements. Money
8 sufficient to provide for the Redemption Price due in connection with any optional
9 redemption of Junior Lien Bonds shall be credited to the Junior Lien Obligations Fund
10 or to a Junior Lien Bond Escrow Account for such purpose on or before the Applicable
11 Redemption Date. The interest on any such Junior Lien Bonds, or designated portions
12 thereof, shall continue to be paid from the Junior Lien Obligations Fund (except for any
13 interest to be paid from a Junior Lien Bond Escrow Account).

14 Section 307. Notice of Prior Redemption. Notice of the prior redemption of any
15 Junior Lien Bonds shall be given as provided by Supplemental Junior Lien Bond
16 Ordinance, and, except as otherwise so provided, may be given in conditional form,
17 specifying that redemption is subject to receipt by the Junior Lien Bond Paying Agent or
18 Junior Lien Bond Escrow Bank of moneys sufficient to effect the redemption or to other
19 stated conditions.

20 Section 308. Payment of Redeemed Junior Lien Bonds. Notice of redemption
21 having been duly given, and action having been duly taken to provide for the payment
22 of the Junior Lien Bonds, or designated portions thereof, so called for prior redemption,

1 the Junior Lien Bonds, or designated portions thereof, so called for redemption shall
2 become due and payable on the Redemption Date stated in such notice at the
3 applicable Redemption Price, plus interest accrued to the Redemption Date; and upon
4 presentation and surrender thereof, together with a written instrument of transfer duly
5 executed by the owner or by his or her duly authorized attorney, such Junior Lien
6 Bonds, or designated portions thereof, shall be paid.

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

17 Section 309. Form and Negotiability of Junior Lien Bonds. The Junior Lien
18 Bonds may be issued as Junior Lien Bonds registered as to principal and interest or as
19 book entry obligations, or in any other form as may be provided by Supplemental Junior
20 Lien Bond Ordinance. The Junior Lien Bonds shall be fully negotiable in form and shall
21 have all the qualities of negotiable paper; and the owners thereof shall possess all
22 rights enjoyed by the owners of negotiable instruments under the provisions of the
23 Uniform Commercial Code -- Investment Securities.

1 Section 310. Payment of Principal, Premium and Interest on Junior Lien Bonds.

2 The principal of, and any premium due in connection with, the Junior Lien Bonds shall
3 be payable at the principal office or offices of the Junior Lien Bond Paying Agent, upon
4 presentation and surrender of the Junior Lien Bonds. Payment of interest on any Junior
5 Lien Bond shall be made to the owner thereof as of the close of business on the
6 Record Date for such interest payment date, by check or draft mailed by the Junior Lien
7 Bond Paying Agent to such owner at its address as it last appears on the registration
8 books or records kept by the Junior Lien Bond Registrar, but any such interest not so
9 timely paid or duly provided for shall cease to be payable to the person who is the
10 owner thereof as of the close of business on a Record Date and shall be payable to the
11 person who is the owner as of a Special Record Date for the payment of any such
12 defaulted interest. Notice of the Special Record Date shall be given by first-class mail
13 to owners of the Junior Lien Bonds as shown on the Junior Lien Bond Registrar's
14 registration books or records as of the date selected by the Junior Lien Bond Registrar,
15 stating the date of the Special Record Date and the date fixed for the payment of such
16 defaulted interest. The Junior Lien Bond Paying Agent may make payments of interest
17 on any Junior Lien Bond by such alternative means as may be mutually agreed to by
18 the Junior Lien Bond Paying Agent and the owner. All such payments shall be made in
19 lawful money of the United States of America.

20 Section 311. Registration, Transfer and Exchange of Junior Lien Bonds;
21 Persons Treated as Owners. Any Junior Lien Bond Registrar shall be specified in the
22 related Supplemental Junior Lien Bond Ordinance. The Junior Lien Bond Registrar
23 shall maintain and keep, at its principal office, books or records for the registration and

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

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

14 The Junior Lien Bond Registrar shall require the payment by any owner
15 requesting exchange or transfer of any tax or other governmental charge required to be
16 paid with respect to such exchange or transfer, but no charge shall be made to the
17 owner of any Junior Lien Bond for the privilege of registration or transfer. Any Junior
18 Lien Bonds surrendered in any such exchange or transfer shall be cancelled.

19 The City and the Junior Lien Bond Paying Agent may treat and consider the
20 person in whose name any Junior Lien Bond shall be registered upon the books or
21 records of the Junior Lien Bond Registrar as the absolute owner thereof, whether the
22 Junior Lien Bond shall be overdue or not, for all purposes whatsoever; and payment of,

1 or on account of, the Junior Lien Bond Requirements of any Junior Lien Bond shall be
2 made only to, or upon the order of, such owner or his or her legal representative. All
3 payments made as in this section provided shall be valid and effectual to satisfy and to
4 discharge the liability upon the Junior Lien Bonds to the extent of the sum or sums so
5 paid.

6 Section 312. Modification of Portions of Article III. Any Supplemental Junior
7 Lien Bond Ordinance may modify or supplement the provisions of Sections 306 through
8 311 hereof with respect to any series of Junior Lien Bonds.

9 Section 313. Execution of Junior Lien Bonds. The execution of the Junior Lien
10 Bonds of any series shall be as provided by Supplemental Junior Lien Bond Ordinance.

11 Section 314. Use of Predecessor's Signature. The Junior Lien Bonds of any
12 series bearing the manual or facsimile signatures of the officers in office at the time of
13 the execution thereof shall be the valid and binding obligations of the City,
14 notwithstanding that before the delivery thereof and the payment therefor any or all of
15 the individuals whose manual or facsimile signatures appear thereon shall have ceased
16 to fill their respective offices. Each officer, at the time of the execution of the Junior
17 Lien Bonds and of a signature certificate relating thereto by such officers, may adopt as
18 and for his or her own facsimile signature any facsimile signature of his or her
19 predecessor in office if such facsimile signature appears upon any of the Junior Lien
20 Bonds.

21 Section 315. Authentication of the Junior Lien Bonds. Except as otherwise
22 provided by Supplemental Junior Lien Bond Ordinance, no Junior Lien Bond of any

1 series shall be secured hereby or entitled to the benefit hereof, nor shall any such
2 Junior Lien Bond be valid or obligatory for any purpose, unless a certificate of
3 authentication, substantially in such form as is provided by Supplemental Junior Lien
4 Bond Ordinance, has been duly executed by the Junior Lien Bond Registrar; and such
5 certificate of the Junior Lien Bond Registrar upon any such Junior Lien Bond shall be
6 conclusive evidence and the only competent evidence that such Junior Lien Bond has
7 been authenticated and delivered hereunder. The Junior Lien Bond Registrar's
8 certificate of authentication shall be deemed to have been duly executed by it if
9 manually signed by an authorized officer or employee of the Junior Lien Bond Registrar,
10 but it shall not be necessary that the same officer or employee sign the certificate of
11 authentication on all of such Junior Lien Bonds of any series.

12 Section 316. Incontestable Recital in Junior Lien Bonds. Each Junior Lien Bond
13 shall recite that it is issued pursuant to the home-rule powers granted to the City in
14 accordance with its Charter under Art. XX of the State Constitution, and such recital
15 shall be conclusive evidence of the validity of the Junior Lien Bonds and the regularity
16 of their issuance.

17 Section 317. Junior Lien Bond Delivery. After the execution and authentication
18 of the Junior Lien Bonds of any series pursuant to the terms of a Supplemental Junior
19 Lien Bond Ordinance, the Treasurer shall cause the Junior Lien Bonds to be duly
20 delivered, upon due payment being made therefor.

21 Section 318. Causes for Reissuance. If any outstanding Junior Lien Bond shall
22 be lost, mutilated, apparently destroyed, or wrongfully taken, it may be reissued at the

1 expense of the owner in the form and tenor of the lost, destroyed, or wrongfully taken
2 Junior Lien Bond as provided in Section 4-8-405, Uniform Commercial Code --
3 Investment Securities, as from time to time amended.

4 Section 319. Other Reissuance. The provisions of Section 318 hereof do not
5 prohibit the City from reissuing, pursuant to the provisions hereof or of any
6 Supplemental Junior Lien Bond Ordinance, any Outstanding Junior Lien Bond which
7 shall not have become lost, mutilated, apparently destroyed, or wrongfully taken.

8 Section 320. Junior Lien Bond Form. The form of any Junior Lien Bond shall be
9 as set forth by Supplemental Junior Lien Bond Ordinance.

10 **ARTICLE IV**

11 **USE OF JUNIOR LIEN BOND PROCEEDS, PROJECTS, PROJECT DETAILS,** 12 **DISPOSITION OF FUNDS, AND TERMINATION OF ACCOUNTS**

13 Section 401. Disposition of Junior Lien Bond Proceeds. Except as otherwise
14 provided by Supplemental Junior Lien Bond Ordinance, the proceeds of any series of
15 Junior Lien Bonds shall be applied in the following manner:

16 A. Junior Lien Bond Escrow Account. First, in the case of any series
17 of Junior Lien Bonds which are wholly or in part Junior Lien Refunding Bonds, there
18 shall be credited to and deposited in any Junior Lien Bond Escrow Account created
19 thereby, that portion of the proceeds of the Junior Lien Refunding Bonds as is required
20 by Supplemental Junior Lien Bond Ordinance.

1 B. Capitalized Interest Account. Second, there shall be credited to a
2 subaccount in the Capitalized Interest Account such amount, if any, as may be required
3 by Supplemental Junior Lien Bond Ordinance for the payment of interest due and
4 payable on such series of Junior Lien Bonds. Any such moneys in such subaccount in
5 the Capitalized Interest Account shall be expended at the times and in the amounts
6 provided in a payment schedule furnished by the Treasurer.

7 C. Accrued Interest. Third, there shall be credited to the Junior Lien
8 Obligations Fund or any subaccount created therein by Supplemental Junior Lien Bond
9 Ordinance any accrued interest from the sale of such series of Junior Lien Bonds.

10 D. Junior Lien Bond Reserve Account. Fourth, there shall be credited
11 to and deposited in the Junior Lien Bond Reserve Account or any subaccount created
12 therein by Supplemental Junior Lien Bond Ordinance such amount, if any, as may be
13 required by Supplemental Junior Lien Bond Ordinance as a reserve for the payment of
14 any Junior Lien Bonds.

15 E. Project Fund. Fifth, the balance of the proceeds of such series of
16 Junior Lien Bonds shall be deposited as provided by Supplemental Junior Lien Bond
17 Ordinance to the credit of a subaccount in the Project Fund, created by such
18 Supplemental Junior Lien Bond Ordinance, and, subject to Section 408 hereof, shall be
19 held in trust for the sole and exclusive purpose of paying the Cost of the Junior Lien
20 Improvement Project, or Junior Lien Refunding Project, or combination thereof, as the
21 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
3 Fund to defray any Cost of a Junior Lien Improvement Project or Junior Lien Refunding
4 Project, or combination thereof, and are pledged therefor. Before any payment shall be
5 made from such subaccount in the Project Fund, the Manager shall file with the Auditor:

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

8 (1) The item number of the payment,

9 (2) The name of the person to whom payment is due,

10 (3) The amount or amounts to be paid, and

11 (4) The purpose for which the obligation to be paid was incurred in
12 such detail as shall be satisfactory to the Auditor;

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

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

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

1 released or will not be released simultaneously with the payment of such
2 obligation,

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

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

8 (5) Such other facts and estimates with respect to the expenditure of
9 such subaccount to the extent, if any, required by Supplemental Junior Lien
10 Bond Ordinance in respect of the exemption from federal income taxation of
11 interest on such Junior Lien Bonds, under the Tax Code; and

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

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

17 (2) Insofar as any such obligation was incurred for work, materials,
18 equipment, or supplies, such work was actually performed in the furtherance of
19 the Junior Lien Improvement Project, or such materials, equipment, or supplies
20 were delivered for that purpose at such place or places approved by the Airport
21 Engineer and are under the control of the City;

1 but vouchers for withdrawals for the payment of the Bond Requirements and fees and
2 expenses incurred in connection with Junior Lien Bonds, for the acquisition of furniture,
3 fixtures, and equipment, or for labor and materials for acquisition work performed under
4 the supervision of the engineering staff of the City, or for the acquisition of land or any
5 interest therein, need not be accompanied by the certificate otherwise required hereby.

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

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

12 B. Land. For the acquisition of land, unless accompanied by an
13 Attorney's Opinion that good and marketable title to such land will be owned or can be
14 acquired by the City in fee simple or in a sufficient lesser estate as provided in Section
15 404 hereof.

16 Section 404. Title to Sites. Any Facilities to be acquired as part of a Junior Lien
17 Improvement Project shall be acquired on land (or shall itself be land) good and
18 marketable title to which is owned or can be acquired by the City in fee simple or in
19 such lesser estate as in an Attorney's Opinion is sufficient for the intended purpose.
20 (Perpetual easements, free and clear of all liens and encumbrances of whatsoever
21 nature, or other easements in a public street or highway, or upon other lands of a body
22 public and corporate, may constitute such sufficient lesser estate). Promptly, from time

1 to time, the City shall take such action as may be necessary or proper to remedy or
2 cure any defect in or cloud upon such title to such lands or other such lesser estates,
3 whether now existing or hereafter developing, and shall prosecute all such suits,
4 actions, and other proceedings as may be appropriate for such purpose.

5 Section 405. Prevention of Junior Lien Bond Default. Subject to the prior
6 application of amounts in the Capital Fund for such purpose, as provided by the
7 General Bond Ordinance, the Treasurer shall use the proceeds of any series of Junior
8 Lien Bonds credited to any subaccount in the Project Fund, without further order or
9 warrant, to pay the Junior Lien Bond Requirements of such series of Junior Lien Bonds
10 as the same become due whenever and to the extent moneys in the Junior Lien
11 Obligations Fund are insufficient for that purpose, unless such Junior Lien Bond
12 proceeds shall be needed to defray Costs accrued and to accrue under any contracts
13 then existing and relating to a Junior Lien Improvement Project. The Treasurer shall
14 promptly notify the Mayor and the Manager of any such use of moneys in the Project
15 Fund. Any moneys so used shall be restored to the appropriate subaccount, from the
16 first Pledged Revenues thereafter received and not needed to meet the payment
17 requirements in Sections 507 through 514 of the General Bond Ordinance.

18 Section 406. Completion of Junior Lien Improvement Project. When each
19 Junior Lien Improvement Project shall have been substantially completed in accordance
20 with the relevant plans and specifications, and when all Costs due therefor shall have
21 been paid, or for which reasonable provision shall have been made, the Treasurer,
22 upon the receipt from the Airport Engineer of a certificate so stating, and upon the
23 receipt of a written instrument of the Manager so ordering, shall cause to be transferred

1 all surplus moneys, if any, remaining in the appropriate subaccount established in the
2 Project Fund, except for any moneys designated in the instrument to be retained to pay
3 any unpaid accrued or contingent Costs, to the Junior Lien Obligations Fund. Upon
4 such transfers, such subaccount in the Project Fund shall be terminated. Nothing
5 herein:

6 A. Periodic Transfers. Prevents the Treasurer from causing to be so
7 transferred from a subaccount in the Project Fund at any time prior to its termination
8 any moneys which the Airport Engineer and the Manager determine will not be
9 necessary for a Junior Lien Improvement Project; or

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

15 Notwithstanding the foregoing provisions of this section, or any other provisions
16 of this Instrument, any surplus moneys in the Project Fund shall be applied so as to
17 permit or facilitate compliance with the applicable requirements of the Tax Code, if any,
18 including without limitation the transfer of any such surplus money to an escrow or other
19 special account for the payment or redemption of any Junior Lien Bonds.

20 Section 407. Junior Lien Bond Purchaser Not Responsible for Junior Lien
21 Improvement Project. The validity of any Junior Lien Bonds shall be neither dependent
22 on nor affected by the validity or regularity of any proceedings relating to the acquisition

1 of any Junior Lien Improvement Project or Junior Lien Refunding Project, or
2 combination thereof. The Junior Lien Bond Purchaser of such Junior Lien Bonds and
3 any subsequent owner of any such Junior Lien Bond shall in no manner be responsible
4 for the application or disposal by the City or by any of its officers, agents, and
5 employees of the moneys derived from the sale of the Junior Lien Bonds.

6 Section 408. Lien on Junior Lien Bond Proceeds. Until proceeds of any series
7 of Junior Lien Bonds credited to the Project Fund are applied as hereinabove provided,
8 such proceeds shall be subject to a lien thereon and pledge thereof for the benefit of
9 the owners of such series of Junior Lien Bonds and, to the extent provided by
10 Supplemental Junior Lien Bond Ordinance, the provider of a related Junior Lien Credit
11 Facility.

12 Section 409. Modifications of Junior Lien Improvement Project. The City, acting
13 through the Manager or otherwise, reserves the right to make alterations of, additions
14 to, and deletions from any Junior Lien Improvement Project prior to the withdrawal of all
15 moneys accounted for in the applicable subaccount in the Project Fund in accordance
16 with this article; but any such alterations, additions, and deletions shall not, in the
17 opinion of the Airport Consultant, render the City incapable of performing its obligations
18 under any rate maintenance covenant in respect of Junior Lien Bonds.

19 ARTICLE V

20 ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

21 Section 501. Generally. So long as any Junior Lien Bonds remain Outstanding
22 or Junior Lien Obligations remain unpaid, the Gross Revenues of the Airport System,

1 upon their receipt from time to time by the City, shall continue to be set aside and
2 immediately deposited to the credit of the Revenue Fund; and so long as any Junior
3 Lien Bonds remain Outstanding or Junior Lien Obligations remain unpaid, the Revenue
4 Fund shall be administered, and the moneys on deposit therein shall be applied in the
5 order of priority, as provided in the General Bond Ordinance, the General Subordinate
6 Bond Ordinance and this Instrument. Separate funds, accounts, and subaccounts (in
7 addition to those created in the General Bond Ordinance and the General Subordinate
8 Bond Ordinance) may be created by Supplemental Junior Lien Bond Ordinance in
9 connection with any Junior Lien Bonds or Junior Lien Obligations; provided, however
10 that the accumulation and application of any Net Revenues for such purposes shall be
11 on a parity with or subordinate to the accumulation and application of Net Revenues
12 required by Section 502 hereof.

13 Section 502. Junior Lien Obligations Fund. The City hereby affirms the creation
14 by the Hotel Ordinance of a special and separate account in the Airport System Fund
15 designated the "City and County of Denver, Colorado, Airport System Junior Lien
16 Obligations Fund." The Junior Lien Obligations Fund shall be under the control of the
17 City and shall be administered as provided herein and generally as provided in Article
18 VI of the General Bond Ordinance.

19 From any moneys remaining in the Revenue Fund, after making all payments
20 required by Section 507 through 512 of the General Bond Ordinance, there shall be
21 credited by the City not less frequently than monthly to the Junior Lien Obligations Fund
22 such amounts as may be required to pay Junior Lien Debt Service Requirements of, or
23 purchase price or other amounts due in respect of, Junior Lien Bonds and Junior Lien

1 Obligations, including required reserves therefor, as provided by any Supplemental
2 Junior Lien Ordinance, instrument or agreement.

3 The City hereby establishes and creates the following special and separate
4 subaccounts within the Junior Lien Obligations Fund, which subaccounts shall be under
5 the control of the City:

6 A. Interest Account. The "City and County of Denver, Airport System
7 Junior Lien Revenue Bonds, Interest Account," a subaccount within the Junior Lien
8 Obligations Fund;

9 B. Principal and Junior Lien Obligation Account. The "City and
10 County of Denver, Airport System Junior Lien Revenue Bonds, Principal and Junior
11 Lien Obligation Account," a subaccount within the Junior Lien Obligations Fund;

12 C. Sinking Fund Account. The "City and County of Denver, Airport
13 System Junior Lien Revenue Bonds, Sinking Fund Account," a subaccount within the
14 Junior Lien Obligations Fund;

15 D. Redemption Account. The "City and County of Denver, Airport
16 System Junior Lien Revenue Bonds, Redemption Account," a subaccount within the
17 Junior Lien Obligations Fund;

18 As a first charge on moneys credited to the Junior Lien Obligations Fund, such
19 moneys shall be credited to the following subaccounts of the Junior Lien Obligations
20 Fund, in the following order of priority:

1 A. Interest Account. Except as otherwise provided by Supplemental
2 Junior Lien Bond Ordinance, monthly, to the Interest Account and any subaccount
3 therein, commencing on the first day of the month immediately succeeding the issuance
4 of any Junior Lien Bonds, an amount which if made in substantially equal installments
5 thereafter would be sufficient, together with any other moneys from time to time
6 available therefor from whatever source, including without limitation moneys in the
7 Capitalized Interest Account set aside for the payment of such interest, to pay the next
8 maturing installment of interest on such series of Junior Lien Bonds. In computing any
9 required credit with respect to any Junior Lien Bonds bearing interest at a variable rate,
10 the interest rate used shall be as provided by Supplemental Junior Lien Bond
11 Ordinance. Moneys accounted for in the Interest Account shall be used to pay interest
12 on Outstanding Junior Lien Bonds, as it becomes due.

13 B. Principal and Junior Lien Obligation Account. Except as otherwise
14 provided by Supplemental Junior Lien Bond Ordinance, monthly, to the Principal and
15 Junior Lien Obligation Account and any subaccount therein, (i) commencing on the first
16 day of the month immediately succeeding the issuance of any Serial Junior Lien Bonds,
17 or commencing one year prior to the first fixed maturity date of such Serial Junior Lien
18 Bonds, whichever date is later, an amount which if made in substantially equal
19 installments thereafter would be sufficient, together with any other moneys from time to
20 time available therefor from whatever source, to pay the next maturing installment of
21 principal of such Serial Junior Lien Bonds, and (ii) commencing on the first day of the
22 month immediately succeeding the incurrence of any Junior Lien Contract Obligation, or
23 commencing one year prior to the first scheduled payment date under such Junior Lien

1 Contract Obligation, whichever date is later, an amount which if made in substantially
2 equal installments thereafter would be sufficient, together with any other moneys from
3 time to time available therefor from whatever source, to pay the next scheduled
4 payment under such Junior Lien Contract Obligation. Moneys accounted for in the
5 Principal Account shall be used to pay the principal of Outstanding Serial Junior Lien
6 Bonds, as they mature, and scheduled payments under Junior Lien Contract
7 Obligations.

8 The City hereby affirms the creation of certain subaccounts and accounts within
9 the Junior Lien Obligations Fund by Section 303 of the Hotel Ordinance and such
10 accounts and subaccounts shall be deemed to have been created within this Principal
11 and Junior Lien Obligation Account. Amounts required to be credited to the Airport
12 Hotel Junior Lien Obligations Account (as defined in the Hotel Ordinance) in
13 accordance with Section 304 of the Hotel Ordinance shall be on a parity with the
14 accumulation and application of Net Revenues for the payment of Junior Lien Bonds.

15 C. Sinking Fund Account. Except as otherwise provided by
16 Supplemental Junior Lien Bond Ordinance, monthly to the Sinking Fund Account,
17 commencing on the first day of the twelfth calendar month prior to the date on which the
18 City is required to pay any Term Junior Lien Bonds, one-twelfth of the amount
19 necessary, together with any other moneys from time to time available therefor from
20 whatever source, to pay the Redemption Price or principal of such Term Junior Lien
21 Bonds to become due. Moneys shall be so credited to the Sinking Fund Account on the
22 same priority as moneys credited to the Principal Account, and moneys accounted for
23 in the Sinking Fund Account shall be applied to pay the Term Junior Lien Bonds so

1 scheduled to be retired in any year by mandatory redemption, at fixed maturity, or
2 otherwise.

3 D. Redemption Account. Except as otherwise provided by
4 Supplemental Junior Lien Bond Ordinance, to the Redemption Account, on or prior to
5 any date on which the City exercises its option to call for prior redemption any Junior
6 Lien Bonds, an amount necessary to pay the Redemption Price of such Junior Lien
7 Bonds on such Redemption Date, except to the extent any other moneys, including
8 without limitation moneys in any Junior Lien Bond Escrow Account, are available
9 therefor.

10 If any credit required to be made to any subaccount within the Junior Lien
11 Obligations Fund (other than the Redemption Account) is deficient, the City shall
12 include in the next required credit on a cumulative basis, the sum of any such deficiency
13 or deficiencies. The moneys credited to the Interest Account, the Principal Account, the
14 Sinking Fund Account, and the Redemption Account within the Junior Lien Obligations
15 Fund, and the Capitalized Interest Account within the Project Fund, shall be used to pay
16 the Junior Lien Bond Requirements of the Junior Lien Bonds as the same become due.
17 Any money accounted for in the Interest Account, the Principal Account, the Sinking
18 Fund Account, or the Redemption Account which is in excess of the amount required
19 for Junior Lien Bond Requirements next payable therefrom shall be used for the
20 purposes as provided in Section 503 hereof.

1 Separate subaccounts for such purposes may be created within the Junior Lien
2 Obligations Fund and any accounts therein by Supplemental Junior Lien Bond
3 Ordinance.

4 Except as otherwise provided herein, any such accounts or subaccounts may be
5 pledged solely to the payment of any one or more series of Junior Lien Bonds or one or
6 more Junior Lien Obligations.

7 Section 503. Junior Lien Bond Reserve Account. The City hereby establishes
8 and creates a special and separate subaccount within the Junior Lien Obligations Fund
9 designated "The City and County of Denver, Airport System Junior Lien Revenue
10 Bonds, Bond Reserve Account" which shall be under the control of the City. As a
11 second charge on moneys credited to the Junior Lien Obligations Fund, after making all
12 credits as required by Section 502, there shall be credited to the Junior Lien Bond
13 Reserve Account and any subaccount created therein as provided by Supplemental
14 Junior Lien Bond Ordinance, in addition to any moneys required to be deposited therein
15 by § 401D hereof, not less frequently than monthly, commencing no later than the first
16 day of the month next succeeding each date on which any series of Junior Lien Bonds
17 with respect to which a Minimum Junior Lien Bond Reserve has been designated is
18 issued or on which the amounts credited thereto are less than the Minimum Junior Lien
19 Bond Reserve, if any, with respect to the applicable series of Junior Lien Bonds, an
20 amount in cash or Investment Securities, or both, which, if made in substantially equal
21 installments thereafter, would be sufficient to accumulate each Minimum Junior Lien
22 Bond Reserve on or before the first day of the sixtieth month following the date of
23 commencement (taking into account, in all such cases, the known minimum gain from

1 Investment Securities to be received by the City over such period). Any interest earned
2 on, or any profit realized from the liquidation of, the investments of amounts on deposit
3 in the Junior Lien Bond Reserve Account or any subaccount created therein shall
4 remain in the Junior Lien Bond Reserve Account or the applicable subaccount until the
5 moneys accounted for therein shall equal the applicable Minimum Junior Lien Bond
6 Reserve. A Minimum Junior Lien Bond Reserve may be, but is not required to be,
7 established with respect to any series of Junior Lien Bonds. No payment need be
8 made into the Junior Lien Bond Reserve Account or any subaccount therein so long as
9 the moneys therein shall equal not less than the Minimum Junior Lien Bond Reserve
10 with respect to all applicable Junior Lien Bonds, and any moneys therein exceeding the
11 Minimum Junior Lien Bond Reserve with respect to all applicable Junior Lien Bonds
12 shall be transferred as Gross Revenues to the Revenue Fund and be used for the
13 purposes thereof, as herein provided.

14 In the event any Supplemental Junior Lien Bond Ordinance so provides, the City
15 may at any time or from time to time deposit a Junior Lien Credit Facility in the Junior
16 Lien Bond Reserve Account in full or partial satisfaction of the applicable Minimum
17 Junior Lien Bond Reserve; provided that any such Junior Lien Credit Facility shall be
18 payable on any date on which moneys will be required to be withdrawn from the Junior
19 Lien Bond Reserve Account as provided in the applicable Supplemental Junior Lien
20 Bond Ordinance.

21 The moneys in the Junior Lien Bond Reserve Account (including, as a part
22 thereof, the amounts payable under a Junior Lien Credit Facility) shall be maintained as
23 a continuing reserve to be used, except as provided in § 505 hereof, only to prevent

1 deficiencies in the payment of the Junior Lien Bond Requirements of the applicable
2 series of Junior Lien Bonds resulting from the failure to deposit into the Junior Lien
3 Obligations Fund sufficient funds to pay such Junior Lien Bond Requirements as the
4 same accrue.

5 Section 504. Junior Lien Bond Escrow Account. In connection with any Junior
6 Lien Refunding Bonds, the City may by Supplemental Junior Lien Bond Ordinance
7 establish with a designated Junior Lien Bond Escrow Bank a Junior Lien Bond Escrow
8 Account as further provided in Section 401A hereof.

9 Section 505. Termination of Deposits. No payment need be made into the
10 Junior Lien Obligations Fund, if the amounts therein and available therefor total a sum
11 at least equal to all Junior Lien Debt Service Requirements thereafter becoming due, in
12 which case moneys therein in an amount at least equal to such Junior Lien Debt
13 Service Requirements (taking into account the known minimum gain from any
14 investment of such moneys in Investment Securities from the time of any such
15 investment to the time or respective times the proceeds of any such investment or
16 deposit shall be needed for such payment) shall be used (together with any such gain
17 from such investments) solely to pay such Junior Lien Debt Service Requirements as
18 the same become due; and any moneys in excess thereof and any other moneys
19 derived from the Pledged Revenues may be used as provided by the General Bond
20 Ordinance.

21 Section 506. Funds Held for Junior Lien Bonds/Junior Lien Obligations. The
22 amounts held or applied for the payment of the Junior Lien Bond Requirements due on

1 any date with respect to any Junior Lien Obligations or a particular series of Junior Lien
2 Bonds shall be set aside and held in trust for the beneficiaries of such Junior Lien
3 Obligations or owners of such Junior Lien Bonds by any agent holding moneys for such
4 payments; and for the purposes of this Instrument, such Junior Lien Bond
5 Requirements, after the due date thereof, shall no longer be considered to be
6 Outstanding.

7 Section 507. Cancellation of Junior Lien Bonds. Except as otherwise provided
8 by Supplemental Junior Lien Bond Ordinance, all Junior Lien Bonds paid or redeemed,
9 either at or before maturity shall be delivered to the City when such payment or
10 redemption is made, and such Junior Lien Bonds shall thereupon be promptly
11 cancelled. Junior Lien Bonds so cancelled may, to the extent permitted by law, at any
12 time be destroyed by the City.

13 ARTICLE VI

14 GENERAL ADMINISTRATION

15 Section 601. Administration of Accounts. The accounts and subaccounts
16 created in any Supplemental Junior Lien Bond Ordinance shall, except as otherwise
17 provided herein or therein, be administered and invested as nearly as practicable in the
18 manner required by the General Bond Ordinance.

19 Section 602. Payment of Junior Lien Debt Service Requirements. The moneys
20 credited to any account or subaccount designated for the payment of Junior Lien Debt
21 Service Requirements or other obligations shall be used without requisition, voucher,
22 warrant, further order, or authority (other than is contained herein), or any other

1 preliminaries, to pay promptly such Junior Lien Debt Service Requirements or other
2 obligations payable from such account or subaccount as the same are due, except to
3 the extent any other moneys are available therefor.

4 ARTICLE VII

5 SUBORDINATE LIENS AND ADDITIONAL JUNIOR LIEN BONDS 6 AND OBLIGATIONS

7 Section 701. Subordinate Lien. The Junior Lien Bonds issued hereunder, and
8 to the extent provided by Supplemental Junior Lien Bond Ordinance, any Junior Lien
9 Obligations incurred pursuant hereto shall, subject to the payment of the Operation and
10 Maintenance Expenses of the Airport System, constitute an irrevocable lien (but not
11 necessarily an exclusive lien) upon the Gross Revenues of the Airport System,
12 subordinate to the prior lien thereon of Senior Bonds and any Obligations and of
13 Subordinate Bonds and any Subordinate Obligations.

14 Section 702. Additional Junior Lien Bonds for Junior Lien Improvement Projects.
15 After the first issuance of any Junior Lien Bonds of any series hereunder, additional
16 Junior Lien Bonds of one or more series may be authorized and delivered for the
17 purpose of paying the Cost of any Junior Lien Improvement Project. Prior to the first
18 delivery of any such additional Junior Lien Bonds of any such series, there shall be filed
19 with the Clerk the certificates, opinions and reports described in subsections A through
20 C below:

21 A. Absence of Default. A certificate of the Manager to the effect that
22 at the time of the adoption of the Supplemental Junior Lien Bond Ordinance authorizing

1 such Junior Lien Bonds, the City was not in default in making any payments required by
2 Article V of the General Bond Ordinance, by Article V of the General Subordinate Bond
3 Ordinance or by Article V of the General Junior Lien Bond Ordinance.

4 B. Accountant's Certificate or Opinion. A certificate or opinion of an
5 Independent Accountant setting forth, for the last audited Fiscal Year or for any period
6 of 12 consecutive calendar months out of the 18 calendar months next preceding the
7 delivery of such Junior Lien Bonds, as determined by the Independent Accountant: (i)
8 the Net Revenues, together with any Other Available Funds for such period, and (ii) the
9 sum of the aggregate Debt Service Requirements, Subordinate Debt Service
10 Requirements, and Junior Lien Debt Service Requirements for such period; and
11 demonstrating for such period that the Net Revenues, together with any Other Available
12 Funds, are at least equal to the larger of either:

13 (1) the amounts needed for making the required deposits to the
14 credit of the several subaccounts (other than the Redemption Account or
15 any similar account) in the Bond Fund, the Bond Reserve Fund, the
16 Subordinate Bond Fund, the Junior Lien Obligations Fund and the
17 Operation and Maintenance Reserve Account, or

18 (2) an amount not less than 110% of the sum of the aggregate
19 Debt Service Requirements, Subordinate Debt Service Requirements and
20 Junior Lien Debt Service Requirements for such period.

21 C. Airport Consultant's Report. A report of the Airport Consultant
22 estimating, for each of the five Fiscal Years commencing with the earlier of either of the

1 Fiscal Year following the Fiscal Year in which the Manager estimates such Junior Lien
2 Improvement Project will be completed, or the first Fiscal Year there are Junior Lien
3 Debt Service Requirements with respect to the Junior Lien Bonds to be issued for such
4 Junior Lien Improvement Project: (i) the Gross Revenues, and (ii) the Operation and
5 Maintenance Expenses and other amounts required to be deposited in each of the
6 subaccounts (other than the Redemption Account or any similar account) in the Bond
7 Fund, the Bond Reserve Fund, the Subordinate Bond Fund, the Junior Lien Obligations
8 Fund, and the Operation and Maintenance Reserve Account; and demonstrating that
9 the Net Revenues in each such Fiscal Year, together with any Other Available Funds,
10 are projected to be at least equal to the larger of either:

11 (1) the amounts needed for making the required deposits to the
12 credit of the several subaccounts (other than the Redemption Account or
13 other similar account) in the Bond Fund, the Bond Reserve Fund, the
14 Subordinate Bond Fund, the Junior Lien Obligations Fund, and the
15 Operation and Maintenance Reserve Account, or

16 (2) an amount not less than 110% of the sum of the aggregate
17 Debt Service Requirements, Subordinate Debt Service Requirements, and
18 Junior Lien Debt Service Requirements for each such Fiscal Year, the
19 Junior Lien Debt Service Requirements of the series of Junior Lien Bonds
20 then to be issued, and the Debt Service Requirements, Subordinate Debt
21 Service Requirements, and Junior Lien Debt Service Requirements in
22 respect of any future Senior Bonds, Subordinate Bonds, Subordinate
23 Obligations, Junior Lien Bonds, or Junior Lien Obligations, which the

1 Manager shall estimate will be required to complete payment of the Cost
2 of such Improvement Project, Subordinate Bond Improvement Project, or
3 Junior Lien Improvement Project (such Debt Service Requirements,
4 Subordinate Debt Service Requirements, or Junior Lien Debt Service
5 Requirements to be estimated by the Airport Consultant or by the
6 Financial Advisor, if any), in each case after giving effect, among other
7 factors, to the increase in Operation and Maintenance Expenses and to
8 the completion of the Improvement Project, Subordinate Bond
9 Improvement Project or Junior Lien Improvement Project, or any
10 completed portion thereof, and the increase in rates, fees, rentals, or
11 other charges (or any combination thereof) as a result of the completion of
12 such Improvement Project, Subordinate Bond Improvement Project or
13 Junior Lien Improvement Project, or any such completed portion thereof.

14 In any computation required by this section, there shall be excluded from Gross
15 Revenues any capital gain resulting from any sale or revaluation of Investment
16 Securities or bank deposits, or both. If the instruments required by this section cannot
17 be given with the required results stated therein, the City may not issue the proposed
18 Junior Lien Bonds. Nothing contained in this section obligates the City to take any
19 action in violation of any applicable requirements imposed by law, as to any increase in
20 any rentals, rates, fees and other charges or otherwise. Notwithstanding anything
21 contained herein to the contrary, in any computation required by this section, (x) there
22 shall be excluded from Gross Revenues any Hotel Revenues and from the calculation
23 of Junior Lien Debt Service Requirements any amounts payable in respect of the Hotel

1 Junior Lien Obligation, and (y) to the extent provided in a Supplemental Junior Lien
2 Bond Ordinance, there shall be excluded from Gross Revenues any specified income
3 or revenues derived from a defined portion of the Airport System and from the
4 calculation of Junior Lien Debt Service Requirements any amounts payable in respect
5 of a Junior Lien Contract Obligation the payment of which is limited by reference to
6 such specified income or revenues derived from such defined portion of the Airport
7 System.

8 Section 703. Junior Lien Refunding Bonds. Except as provided in Section 704
9 hereof, Junior Lien Refunding Bonds may be delivered without compliance with Section
10 702 hereof in such principal amounts as may be necessary to effect a Junior Lien
11 Refunding Project, if prior thereto or simultaneously therewith there are filed with the
12 Clerk:

13 A. Defeasance Redemption Instructions. If any Senior Bonds,
14 Subordinate Bonds or Junior Lien Bonds are to be refunded, a certificate of the
15 Treasurer to the effect that the Bond Requirements of the Senior Bonds or the
16 Subordinate Bond Requirements of the Subordinate Bonds or the Junior Lien Bond
17 Requirements of the Junior Lien Bonds will upon the delivery of the Junior Lien
18 Refunding Bonds be paid or be deemed to be paid within the meaning of Section 1101
19 hereof; and

20 B. Sufficient Payment Amount. If Junior Lien Obligations are to be
21 refunded, a certificate of the Treasurer to the effect that moneys sufficient to effect
22 payment of the Junior Lien Obligations, as the same become due, will upon the delivery

1 of the Junior Lien Refunding Bonds be held (or are required to be deposited) with the
2 applicable payment agent in trust for such purpose.

3 Section 704. Refunding Junior Obligations. Junior Lien Refunding Bonds issued
4 to refund obligations having a lien on the Net Revenues of the Airport System
5 subordinate to the lien thereon of the Junior Lien Bonds or Junior Lien Obligations may
6 be issued in such principal amount as may be necessary to effect a Junior Lien
7 Refunding Project; if, in addition to the requirements of Section 703 hereof (treating
8 such obligations being refunded for such purpose as either Junior Lien Bonds or Junior
9 Lien Obligations depending on their character), the City furnishes and files with the
10 Clerk the instruments required by Section 702 hereof; provided that for purposes of
11 such instruments, the Junior Lien Refunding Bonds to be so issued shall be treated, as
12 nearly as practicable, as Junior Lien Bonds issued for a Junior Lien Improvement
13 Project.

14 Section 705. Junior Obligations Permitted. Nothing herein prevents the City or
15 the City for and on behalf of the Department from issuing securities or incurring other
16 obligations having a lien on the Net Revenues of the Airport System subordinate to the
17 lien thereon of Junior Lien Bonds and Junior Lien Obligations and/or subordinate to the
18 lien thereon of any other bonds, securities, or other obligations having a lien thereon
19 subordinate to the lien thereon of Junior Lien Bonds and Junior Lien Obligations. Any
20 such other securities or obligations may be authorized by any instrument of the City,
21 which, subject to the provisions of the General Bond Ordinance and this Instrument (i)
22 may pledge all or any designated portion of the Net Revenues to the payment of any
23 such other securities or obligations; (ii) shall provide the terms and conditions of any

1 such other securities or obligations (iii) shall provide for the payment of any such other
2 securities or obligations including the creation of accounts and reserves for such
3 purpose if deemed necessary; and (iv) may provide for any other related matters.

4 Section 706. Additional Senior Bonds and Subordinate Bonds Permitted. The
5 City or the City for and on behalf of the Department may issue additional Senior Bonds
6 and incur other Obligations in the manner and otherwise as provided by the General
7 Bond Ordinance and may issue additional Subordinate Bonds and incur Subordinate
8 Obligations in the manner and otherwise as provided by the General Subordinate Bond
9 Ordinance.

10 Section 707. Junior Lien Obligations. The City or the City for and on behalf of
11 the Department may incur Junior Lien Obligations in connection with the issuance of
12 Bonds, Subordinate Bonds or Junior Lien Bonds or for any Junior Lien Improvement
13 Project or Junior Lien Refunding Project. Such Junior Lien Obligations shall be incurred
14 pursuant to a Supplemental Junior Lien Bond Ordinance, which (i) may pledge all or
15 any designated portion of the Net Revenues to the payment of such Junior Lien
16 Obligations; (ii) shall provide the terms and conditions of such Junior Lien Obligations;
17 (iii) shall provide for the payment of such Junior Lien Obligations; (iv) may provide that
18 all or any designated provisions of this Instrument shall be deemed to apply to the
19 fullest extent practicable; and (v) may provide for such other matters as the City may
20 determine. Prior to the incurrence of any additional Junior Lien Obligations (apart from
21 the Hotel Junior Lien Obligation) there shall be filed with the Clerk the certificates
22 described in subsections A through C of Section 702 hereof; provided that for the

1 purposes of such certificates, opinions and reports Junior Lien Obligations shall be
2 treated, as nearly as practicable, as Junior Lien Bonds.

3 **ARTICLE VIII**

4 **SPECIAL FACILITIES AND SPECIAL FACILITIES BONDS**

5 Section 801. Privileges Reserved. The City or the City for and on behalf of the
6 Department may enter into contracts pursuant to which the City will agree to construct
7 Special Facilities to be financed by the issuance of Special Facilities Bonds; and the
8 City or the City for and on behalf of the Department may lease such Special Facilities
9 upon the conditions provided in the General Bond Ordinance.

10 **ARTICLE IX**

11 **RENTALS, RATES, FEES, AND OTHER CHARGES**

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

16 A. To provide for the payment of Operation and Maintenance
17 Expenses for such Fiscal Year, and

18 B. To provide for the greater of either:

1 (1) The amounts needed for making the required deposits in the
2 Fiscal Year to the credit of the several subaccounts in the Bond Fund
3 (other than the Redemption Account or any similar account) and to the
4 credit of the Bond Reserve Fund, the Subordinate Bond Fund, the Junior
5 Lien Obligations Fund and the Operation and Maintenance Reserve
6 Account; or

7 (2) An amount not less than 110% of the aggregate Debt
8 Service Requirements, Subordinate Debt Service Requirements, and
9 Junior Lien Debt Service Requirements for such Fiscal Year.

10 In any computation hereinabove required by this section, there shall be excluded
11 from the Gross Revenues any capital gain resulting from any sale or revaluation of
12 Investment Securities or bank deposits, or both. Nothing contained in this section
13 obligates the City to take any action in violation of any applicable requirements imposed
14 by law. All such rentals, rates, fees, and other charges for the use of the Airport
15 System must be reasonable in relation to the cost of providing, operating, and
16 maintaining the particular Facility and the services furnished by such Facility.
17 Notwithstanding anything contained herein to the contrary, in any computation required
18 by this section, there shall be excluded from Gross Revenues any Hotel Revenues and
19 from the calculation of Junior Lien Debt Service Requirements any amounts payable in
20 respect of the Hotel Junior Lien Obligation.

21 Section 902. Increasing Revenues. The City covenants that if the Gross
22 Revenues in any Fiscal Year, together with any Other Available Funds, are less than

1 the amounts specified above in §901, upon the receipt of the audit report for the Fiscal
2 Year, the Manager will require the Airport Consultant to make recommendations as to
3 the revision of the schedule of rentals, rates, fees, and charges; and upon receiving
4 such recommendations or giving reasonable opportunity for such recommendations to
5 be made, the Manager, on the basis of such recommendations and other information
6 available to the Manager, will revise the schedule of rentals, rates, fees, and charges
7 for the use of the Airport as may be necessary to produce Gross Revenues as
8 aforesaid.

9 Section 903. Compliance with Recommendations. If the Manager shall comply
10 with §902 hereof, there shall be no event of default under the provisions §1203E
11 hereof, even though the Gross Revenues, together with any Other Available Funds, are
12 not actually sufficient to provide funds in the amounts required for such Fiscal Year.

13 Section 904. Collection of Charges. The City shall cause all rentals, rates, fees,
14 and charges relating to the Airport System to be collected as soon as is reasonable and
15 shall prescribe and enforce rules and regulations or impose contractual obligations for
16 the payment thereof, including without limitation the imposition of penalties for any
17 defaults, to the end that the Pledged Revenues shall be adequate to meet the
18 requirements of this Instrument. The rentals, rates, fees, and charges due shall be
19 collected in any lawful manner.

1 **ARTICLE X**

2 **MISCELLANEOUS PROTECTIVE COVENANTS**

3 Section 1001. General. The City hereby particularly covenants and agrees with
4 the owners of Junior Lien Bonds and makes provisions which shall be a part of its
5 contract with such owners to the effect and with the purpose set forth in the following
6 provisions of this article. The City may, by Supplemental Junior Lien Bond Ordinance
7 or in any agreement relating to any Junior Lien Obligation, agree to any and all
8 covenants and agreements contained in this Section 1001 as well as any additional
9 covenants or agreements with respect to any Junior Lien Obligations.

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

17 Section 1003. Conditions Precedent. Upon the date of issuance of any Junior
18 Lien Bonds, all conditions, acts, and things required by the Constitution or statutes of
19 the United States, the Constitution or statutes of the State, the Charter, this Instrument,
20 or any Supplemental Junior Lien Bond Ordinance, to exist, to have happened, and to
21 have been performed precedent to or in the issuance of the Junior Lien Bonds shall
22 exist, have happened, and have been performed; and the Junior Lien Bonds, together

1 with all other obligations of the City, shall not contravene any debt or other limitation
2 prescribed by the Constitution or statutes of the United States, the Constitution or
3 statutes of the State, or the Charter.

4 Section 1004. Competing Airport Facilities. Unless, in an Attorney's Opinion,
5 compliance with this covenant in a particular situation would violate Federal or State
6 antitrust laws, the City shall neither construct, affirmatively permit to be constructed,
7 facilitate the construction or operation of, or enter into any agreement permitting or
8 otherwise facilitating the construction or operation of, other facilities to be operated by
9 any person and competing with the operation of the Airport in a manner that would, in
10 the opinion of the Manager, materially and adversely affect the City's ability to comply
11 with any rate maintenance covenant in respect of Junior Lien Bonds; but nothing herein
12 prevents the City from participating in a joint action agency, other regional entity, or as a
13 party to any inter-governmental agreement for the acquisition, operation and
14 maintenance of airport facilities if adequate provision has been made for the payment
15 of all Junior Lien Bond Requirements of all Outstanding Junior Lien Bonds or if such
16 acquisition, operation and maintenance, in the written opinion of the Airport Consultant,
17 will not materially and adversely affect the City's ability to comply with the requirements
18 of any such rate maintenance covenant. Nothing herein contained, however, impairs
19 the police power of the City.

20 Section 1005. Corporate Existence. The City shall maintain its corporate
21 identity and existence so long as any Junior Lien Bonds remain Outstanding, unless
22 another body corporate and politic, by operation of law or by contract, succeeds to the
23 duties, privileges, powers, liabilities, disabilities, immunities, and rights of the City with

1 respect to the Airport System without, in an Attorney's Opinion, adversely and materially
2 affecting the privileges and rights of any owner of any Outstanding Junior Lien Bond.

3 Section 1006. Disposal of Airport Prohibited. Except in the normal course of
4 business and except as otherwise provided by Sections 1007 and 1008 hereof, neither
5 all nor a substantial part of the Airport System shall be sold, leased, mortgaged,
6 pledged, encumbered, alienated, or otherwise disposed of until all Junior Lien Bonds
7 have been paid in full, as to all Junior Lien Bond Requirements; provided, however, that
8 the City may transfer all or a substantial part of the Airport System to another body
9 politic and corporate (including without limitation any successor of the City) if such body
10 politic and corporate succeeds to the duties, privileges, powers, liabilities, disabilities,
11 immunities and rights of the City with respect to the Airport System, or such substantial
12 part thereof, without, in an Attorney's Opinion, adversely and materially affecting the
13 privileges and rights of any owner of any Outstanding Junior Lien Bonds. In the event
14 of any such transfer and assumption, nothing herein prevents the retention by the City
15 of any Facility of the Airport if, in an Attorney's Opinion, such retention will not materially
16 and adversely affect the privileges and rights of any owner of any Outstanding Junior
17 Lien Bonds. All easements and licenses on, over, or across the Airport shall be
18 revocable in nature, and any instrument conveying such an interest shall require the
19 grantee to relocate the facility covered thereby without cost to the City if such relocation
20 is determined by the Manager to be necessary to the proper operation or development
21 of the Airport.

22 Section 1007. Leases. The City may execute leases, licenses, easements, or
23 other agreements for the use of any part of the Airport System with the Federal

1 Government or any other persons, if such instrument shall not, in the opinion of the
2 Manager, materially and adversely affect the City's ability to comply with the
3 requirements of any rate maintenance covenant in respect of Junior Lien Bonds.

4 Section 1008. Disposal of Unnecessary Property. The City may sell, lease,
5 mortgage, pledge, encumber, alienate, or otherwise dispose of, or exclude from the
6 Airport System, any Facilities constituting a part of the Airport System which have, in
7 the opinion of the Manager, ceased to be necessary for the efficient operation of the
8 Airport System, or which have been replaced by other Facilities of at least equal value,
9 except to the extent the City is prevented from so doing by any contractual limitation
10 relating thereto. The net proceeds of the sale of any Facilities under this section shall
11 be applied as provided by the General Bond Ordinance.

12 Section 1009. Loss from Condemnation. If any part of the Airport System shall
13 be taken by the exercise of a power of eminent domain, the amount of any award
14 received by the City as a result of such taking shall be applied as provided by the
15 General Bond Ordinance.

16 Section 1010. Records and Accounts. Proper books of record and account shall
17 be kept by the City, as provided by the General Bond Ordinance.

18 Section 1011. Audits Required. The City shall cause an Independent
19 Accountant to audit such books and records of the Airport System for each Fiscal Year
20 and to prepare an audit report; such audit and report to be made and prepared as soon
21 as practicable following the close of such Fiscal Year.

1 Section 1012. Contents of Audit Reports. Each such audit report shall be in
2 such reasonable detail as may be required, shall be in accordance with generally
3 accepted accounting principles, and shall otherwise be as provided by the General
4 Bond Ordinance.

5 Section 1013. Tax Covenants. The City hereby covenants for the benefit of
6 each owner of any Junior Lien Bond that it shall not (i) make any use of the proceeds of
7 any Junior Lien Bonds, any fund reasonably expected to be used to pay the principal of
8 or interest on any Junior Lien Bonds, or any other funds of the City; (ii) make any use of
9 any Airport Facilities; or (iii) take (or omit to take) any other action with respect to any
10 Junior Lien Bonds, the proceeds thereof, or otherwise, if such use, action or omission
11 would, under the Tax Code, cause the interest on any Junior Lien Bonds to be included
12 in gross income for federal income tax purposes. Notwithstanding such covenant, the
13 City may issue Junior Lien Bonds the interest on which is intended to be included in
14 gross income for federal income tax purposes and, in such event, the provisions of the
15 foregoing covenant and any other requirement of this Ordinance intended to establish
16 or maintain the exclusion from federal income taxation of interest on such Junior Lien
17 Bonds shall be inapplicable to such Junior Lien Bonds.

18 **ARTICLE XI**

19 **MISCELLANEOUS**

20 Section 1101. Defeasance. This Instrument and any Junior Lien Bonds may be
21 defeased, as follows:

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

14 B. Defeasance of Junior Lien Bonds.

15 (1) Any Junior Lien Bonds of any one or more series shall, prior to the
16 maturity or Redemption Date thereof, be deemed to have been paid within the
17 meaning and with the effect expressed in this section if: (1) in case such Junior
18 Lien Bonds are to be redeemed on any date prior to their maturity, the City shall
19 have given irrevocable instructions to effect due notice of redemption on such
20 Redemption Date, if such notice is required; (2) there shall have been deposited
21 in a Junior Lien Bond Escrow Account, either moneys in an amount which shall
22 be sufficient, or Defeasance Securities which shall not contain provisions
23 permitting the redemption thereof at the option of the obligor, the principal of and

1 interest on which when due, and without any reinvestment thereof, shall provide
2 moneys which, together with the moneys, if any, deposited with or held in such
3 Junior Lien Bond Escrow Account, at the same time and available therefor, shall
4 be sufficient to pay when due the principal of, premium if any, and interest due
5 and to become due on such Junior Lien Bonds on and prior to the Redemption
6 Date or maturity date thereof, as the case may be; (3) no such Junior Lien Bond
7 shall be subject to optional or mandatory tender prior to the maturity or
8 Redemption Date thereof; and (4) in the event such Junior Lien Bonds are not by
9 their terms subject to redemption within the next 60 days, the City by
10 Supplemental Junior Lien Bond Ordinance shall have given irrevocable
11 instructions to effect, as soon as practicable and in the same manner as the
12 notice of redemption is given pursuant to Section 307 hereof or as otherwise
13 provided by Supplemental Junior Lien Bond Ordinance, notice to the owners of
14 such Junior Lien Bonds that the deposit required by (2) above has been placed
15 in such Junior Lien Bond Escrow Account and that such Junior Lien Bonds are
16 deemed to have been paid in accordance with this section and stating such
17 maturity or Redemption Date upon which moneys are to be available for the
18 payment of the principal of, premium, if any, and interest on such Junior Lien
19 Bonds. Neither such Defeasance Securities (or principal or interest payments
20 received with respect thereto) nor moneys placed in such Junior Lien Bond
21 Escrow Account shall be withdrawn or used for any purpose other than the
22 payment of the principal of, premium, if any, and interest on said Junior Lien
23 Bonds and such Defeasance Securities or moneys shall be held in trust solely for

1 the payment of such principal of, premium, if any, and interest on such Junior
2 Lien Bonds; provided, any cash received from the principal or interest payments
3 on such Defeasance Securities if not then needed for such purpose, shall, to the
4 extent such cash will not be required at any time for such purpose, shall be paid
5 over to the City for any lawful purpose relating to the Airport System free and
6 clear of any trust, lien, security interest, or otherwise under this Instrument, and
7 to the extent such cash will be required for such purpose at a later date shall be
8 reinvested in Defeasance Securities maturing at times and in amounts sufficient
9 to pay when due the principal of, premium, if any, and interest to become due on
10 such Junior Lien Bonds on or prior to such Redemption Date or maturity date
11 thereof, as the case may be. Any such Junior Lien Bonds shall no longer be
12 secured by or entitled to the benefits of this Instrument, except for the purpose of
13 any payment from such moneys or Defeasance Securities placed in such a
14 Junior Lien Bond Escrow Account.

15 (2) As to Junior Lien Variable Rate Bonds, the amount required for the
16 interest thereon shall be calculated at the maximum rate which such Junior Lien
17 Variable Rate Bonds may bear prior to maturity or applicable Redemption Date;
18 provided, however, that if on any date, as a result of such Junior Lien Variable
19 Rate Bonds having borne interest at less than such maximum rate for any
20 period, the total amount of moneys and such Defeasance Securities on deposit
21 for the payment of interest on such Junior Lien Variable Rate Bonds is in excess
22 of the total amount which would have been required to be deposited on such
23 date in respect of such Junior Lien Variable Rate Bonds in order to fully

1 discharge and satisfy such Junior Lien Variable Rate Bonds pursuant to the
2 provisions of this section, the City may use for lawful purposes relating to the
3 Airport System the amount of such excess free and clear of any trust, lien,
4 security interest, pledge or assignment securing such Junior Lien Variable Rate
5 Bonds or otherwise existing under this Instrument.

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

1 Upon compliance with the provisions of this section with respect to all series of
2 Junior Lien 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 Junior
4 Lien Bonds shall continue provided that the owners thereof shall thereafter be entitled
5 to payment only out of such Junior Lien Bond Escrow Account.

6 In no event shall any Junior Lien Bonds be deemed paid for purposes of this
7 Section by virtue of their purchase upon optional or mandatory tender, except as
8 otherwise provided by Supplemental Junior Lien Bond Ordinance.

9 Notwithstanding anything in this Section 1101 to the contrary, this Instrument
10 shall not be deemed discharged as to any Junior Lien Obligation until all amounts due
11 thereunder shall be paid in full, and, in the case of any Junior Lien Credit Facility
12 Obligation, the related Junior Lien Credit Facility has terminated in accordance with its
13 terms, unless otherwise agreed by the beneficiary thereof.

14 Section 1102. Delegated Powers. The Mayor, Auditor, Clerk, Treasurer,
15 Manager and other officers and employees of the City be, and hereby are, authorized
16 and directed to take all action necessary or appropriate to effectuate the provisions of
17 this Instrument.

18 Section 1103. Evidence of Owners. Any request, consent, or other instrument
19 which this Instrument may require or may permit to be signed and to be executed by the
20 owner of any Junior Lien Bonds may be in one or more instruments of similar tenor and
21 shall be signed or shall be executed by each such owner in person or by his or her
22 attorney appointed in writing. Proof of the execution of any such instrument or of an

1 instrument appointing any such attorney, or the ownership of any person of the Junior
2 Lien Bonds shall be sufficient for any purpose of this Instrument (except as otherwise
3 herein expressly provided) if made in the following manner.

4 A. Proof of Execution. The fact and the date of the execution by any
5 owner of any Junior Lien Bonds or his or her attorney of such instrument may be
6 provided by the certificate, which need not be acknowledged or verified, of an officer of
7 a bank or trust company satisfactory to the Clerk or of any notary public or other officer
8 authorized to take acknowledgments of deeds to be recorded in the state in which he or
9 she purports to act, that the individual signing such request or other instrument
10 acknowledged to him the execution, or an affidavit of a witness of such execution, duly
11 sworn to before such notary public or other officer; the authority of the individual or
12 individuals executing any such instrument on behalf of a corporate owner of any Junior
13 Lien Bonds may be established without further proof if such instrument is signed by an
14 individual purporting to be the president or vice-president of such corporation with a
15 corporate seal affixed and attested by an individual purporting to be its secretary or an
16 assistant secretary; and the authority of any person or persons executing any such
17 instrument in any fiduciary or representative capacity may be established without further
18 proof if such instrument is signed by a person or persons purporting to act in such
19 fiduciary or representative capacity; and

20 B. Proof of Ownership. The ownership of any fully registered Junior
21 Lien Bond, the amount and numbers of such Junior Lien Bonds, and the date of owning
22 the same shall be proved by the registration records of the Junior Lien Bond Registrar,

1 but the Clerk may nevertheless in his or her discretion require further or other proof in
2 cases where they deem the same advisable.

3 Any request or consent of the owner of any Junior Lien Bond shall bind all future
4 owners of such Junior Lien Bond in respect of anything done or suffered to be done by
5 the City in accordance therewith.

6 Section 1104. Holidays. Except as otherwise provided by Supplemental Junior
7 Lien Bond Ordinance or any credit agreement or similar instrument in respect of any
8 Junior Lien Credit Facility, if the date for making any payment or deposit or the last date
9 for performance of any act or the exercise of any right, as provided herein or by
10 Supplemental Junior Lien Bond Ordinance, shall be a Saturday, Sunday, legal holiday
11 or other day on which banking institutions in the City are authorized by law to remain
12 closed, such payment or deposit may be made or act performed or right exercised on
13 the next succeeding day not a Saturday, Sunday, legal holiday or other day on which
14 such banking institutions are authorized by law to remain closed, with the same force
15 and effect as if done on the nominal date so provided, and no interest shall accrue for
16 the period after such nominal date.

17 **ARTICLE XII**

18 **DEFAULTS, RIGHTS AND REMEDIES OF BONDOWNERS**

19 Section 1201. Owner's Remedies. Each owner of any Junior Lien Bond shall be
20 entitled to all of the privileges, rights, and remedies provided herein, and as otherwise
21 provided or permitted at law or in equity or by other statutes, except as otherwise

1 provided herein or in a Supplemental Junior Lien Bond Ordinance with respect to Junior
2 Lien Credit Enhanced Bonds. Each beneficiary of any Junior Lien Obligation shall be
3 entitled to all of the privileges, rights, and remedies provided in a Supplemental Junior
4 Lien Bond Ordinance with respect to such Junior Lien Obligation or as provided in any
5 agreement relating to such Junior Lien Obligation.

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

9 Section 1203. Events of Default. Each of the following events is hereby
10 declared an "event of default":

11 A. Senior Bonds. An event of default shall have occurred in respect of
12 any Senior Bonds;

13 B. Subordinate Bonds. An event of default shall have occurred in
14 respect of any Subordinate Bonds;

15 C. Nonpayment of Principal and Premium. Payment of the principal of
16 any Junior Lien Bonds, or any prior redemption premium due in connection therewith, or
17 both, is not made when the same becomes due and payable, either at maturity, by
18 mandatory or optional prior redemption, or otherwise;

19 D. Nonpayment of Interest. Payment of any installment of interest on
20 any Junior Lien Bonds is not made when the same becomes due and payable;

1 E. Nonpayment of Junior Lien Obligations. Payment of the principal
2 of, interest on, or any other amount due in connection with any Junior Lien Obligation is
3 not made when the same becomes due and payable;

4 F. Nonperformance of Any Provisions. The City fails to perform any
5 of the representations, covenants, conditions, agreements, and other provisions
6 contained in any Junior Lien Bonds or in this Instrument on its part to be performed,
7 and such failure continues for sixty days after written notice specifying such failure and
8 requiring the same to be remedied is given to the City by the owners of 25% in principal
9 amount of the Junior Lien Bonds then Outstanding; provided, however, that it shall not
10 be considered an event of default under this subparagraph if the Manager determines
11 that corrective action has been instituted within such sixty day period and is being
12 diligently pursued;

13 G. Other. Such other events of default as are provided for any series
14 of Junior Lien Bonds in any Supplemental Junior Lien Bond Ordinance.

15 The City may, by Supplemental Junior Lien Bond Ordinance or in any agreement
16 relating to any Junior Lien Obligation, agree to any and all events of default contained
17 in this Section 1203 as well as any additional events of default with respect to Junior
18 Lien Obligations.

19 Section 1204. Remedies for Defaults. Upon the happening and continuance of
20 any of the events of default provided in Section 1203 hereof, then (except as otherwise
21 expressly provided by Supplemental Junior Lien Bond Ordinance with respect to Junior
22 Lien Credit Enhanced Bonds), and in each and every such case, so long as such event

1 of default shall not have been remedied, unless the principal of all the Junior Lien
2 Bonds shall have already become due and payable, the owners of not less than 25% in
3 principal amount of the Junior Lien Bonds then Outstanding (by notice in writing to the
4 City, Junior Lien Bond Paying Agent, if any, and Junior Lien Bond Registrar, if any),
5 may declare the principal of all the Junior Lien Bonds then Outstanding, and the interest
6 accrued thereon, to be due and payable immediately, and upon such declaration the
7 same shall become and be payable on the date so declared (interest accruing
8 thereafter to cease), anything in this Instrument or in any of the Junior Lien Bonds
9 contained to the contrary notwithstanding. The right of the owners of not less than 25%
10 in principal amount of the Junior Lien Bonds to make any such declaration as aforesaid,
11 however, is subject to the conditions that if, at any time after such declaration, but
12 before the Junior Lien Bonds shall have matured by their terms, all overdue
13 installments of interest upon the Junior Lien Bonds, together with interest on such
14 overdue installments of interest to the extent permitted by law and the reasonable and
15 proper charges, expenses and liabilities of the owners, and all other sums then payable
16 by the City under this instrument (except the principal of, and interest accrued since the
17 next preceding interest date on, the Junior Lien Bonds due and payable solely by virtue
18 of such declaration) shall either be paid by or for the account of the City or provision
19 satisfactory shall be made for such payment, and all defaults under the Junior Lien
20 Bonds or under this Instrument (other than the payment of principal and interest due
21 and payable solely by reason of such declaration) shall be made good and any Junior
22 Lien Credit Facility securing the Junior Lien Bond Requirements of such Junior Lien
23 Bonds has been reinstated to an amount equal to its stated amount immediately

1 preceding any drawing thereunder in respect of any such default, then and in every
2 case the owners of a majority in principal amount of the Junior Lien Bonds Outstanding,
3 by written notice to the City may rescind such declaration and annul such default in its
4 entirety, then any such declaration shall ipso facto be deemed to be rescinded and any
5 such default and its consequences shall ipso facto be deemed to be annulled, but no
6 such rescission and annulment shall extend to or affect any subsequent default or
7 impair or exhaust any right or power consequent thereon.

8 In addition, upon the happening and continuance of any of the events of default,
9 as provided in Section 1203 hereof, then (except as otherwise expressly provided by
10 Supplemental Junior Lien Bond Ordinance with respect to Junior Lien Credit Enhanced
11 Bonds), and in every case the owner or owners of not less than 25% in principal
12 amount of the then Outstanding Junior Lien Bonds may proceed, against the City and
13 its agents, officers, and employees to protect and to enforce the rights of any owner of
14 the Junior Lien Bonds under this Instrument by mandamus or by other suit, action, or
15 special proceedings in equity or at law, in any court of competent jurisdiction, either for
16 the appointment of a receiver or for the specific performance of any covenant or
17 agreement contained in this Instrument, or by an award of execution of any power
18 herein granted for the enforcement of any proper, legal, or equitable remedy as such
19 owner or owners may deem most effectual to protect and to enforce the rights
20 aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of
21 any right of any owner of any Junior Lien Bond, or to require the City to act as if it were
22 the trustee of an expressed trust, or any combination of such remedies. All such

1 proceedings at law or in equity shall be instituted, had and maintained for the equal
2 benefit of all owners of all the Junior Lien Bonds then Outstanding.

3 The City may, by Supplemental Junior Lien Bond Ordinance or in any agreement
4 relating to any Junior Lien Obligation, confer upon the beneficiary of any Junior Lien
5 Obligation, any and all rights and privileges of the owners of Junior Lien Bonds relating
6 to the remedies set forth herein as well as any additional rights and privileges.

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

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

1 privilege, and the exercise of any right or privilege by or on behalf of any owner shall not
2 be deemed a waiver of any other right or privilege thereof.

3 Section 1207. Duties upon Defaults. Upon the happening of any of the events
4 of default provided in Section 1203 hereof, the City, in addition, shall do and perform all
5 proper acts on behalf of and for the owners of any Junior Lien Bonds to protect and to
6 preserve the security created for the payment thereof and to insure timely payment
7 thereof.

8 During the continuance of an event of default, subject to the prior rights and
9 privileges of the owners of any Senior Bonds or any Subordinate Bonds and subject to
10 any limitations with respect to payment of Junior Lien Credit Enhanced Bonds, the City
11 shall, after payment (but only out of moneys received other than pursuant to a draw on
12 a Junior Lien Credit Facility) of the amounts required for reasonable and necessary
13 Operation and Maintenance Expenses and for the reasonable renewals, repairs and
14 replacements of the Airport System necessary in the judgment of the City to prevent a
15 loss of Gross Revenues, apply all moneys, securities, funds under this Instrument,
16 including without limitation Gross Revenues, as an express trust for the owners of the
17 Junior Lien Bonds and apply the same as follows and in the following order:

18 A. Unless the principal of all of the Junior Lien Bonds shall have
19 become due and payable,

20 (1) First, to the payment to the persons entitled thereto of all
21 installments of interest then due in the order of the maturity of such installments,
22 together with accrued and unpaid interest on the Junior Lien Bonds theretofore

1 called for redemption, and, if the amount available shall not be sufficient to pay in
2 full any installment or installments maturing on the same date, then to the
3 payment thereof ratably, according to the amounts due thereon, to the persons
4 entitled thereto, without any discrimination or preference; and

5 (2) Second, to the payment to the persons entitled thereto of the
6 unpaid principal or redemption price of any Junior Lien Bonds which shall have
7 become due, whether at maturity or by call for redemption, in the order of their
8 due dates, and, if the amount available shall not be sufficient to pay in full all the
9 Junior Lien Bonds due on any date, then to the payment thereof ratably,
10 according to the amounts of principal or Redemption Price due on such date, to
11 the persons entitled thereto, without any discrimination or preference.

12 B. If the principal of all of the Junior Lien Bonds shall have become
13 due and payable, to the payment of the principal and interest then due and unpaid upon
14 the Junior Lien Bonds without preference or priority of principal over interest or of
15 interest over principal, or of any installment of interest over any other installment of
16 interest, or of any Junior Lien Bond over any other Junior Lien Bond, ratably, according
17 to the amounts due respectively for principal and interest, to the persons entitled
18 thereto without any discrimination or preference except as to any difference in the
19 respective rates of interest specified in the Junior Lien Bonds.

20 If and whenever all overdue installments of interest on all Junior Lien Bonds,
21 together with the reasonable and proper charges, expenses and liabilities of the
22 owners, and all other sums payable by the City under this Instrument, including the

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

6 To the extent such revenues, if any, exceed such requirements, both accrued
7 and to accrue to their respective fixed maturity dates or to any Redemption Dates
8 relating thereto, whichever is earlier, such Gross Revenues shall be applied to payment
9 of Junior Lien Bonds. If the City fails or refuses to proceed as in this section provided,
10 the owner or owners of not less than 25% in principal amount of the Junior Lien Bonds
11 then Outstanding, after demand in writing, may proceed to protect and to enforce the
12 rights of the owners of the Junior Lien Bonds as hereinabove provided; and to that end
13 any such owners of Outstanding Junior Lien Bonds shall be subrogated to all rights of
14 the City under any agreement, lease, or other contract involving the Pledged Revenues
15 or the Airport System entered into prior to the effective date of this Instrument or
16 thereafter while any such Junior Lien Bonds are Outstanding.

17 As and to the extent provided by Supplemental Junior Lien Bond Ordinance the
18 City may extend the provisions and priorities of this Section to the payment of Junior
19 Lien Obligations.

20 Section 1208. Duties in Bankruptcy Proceedings. If any such lessee or other
21 user of the Airport System proceeds under any laws of the United States relating to
22 bankruptcy, including, without limitation, any action under law providing for corporate

1 reorganization, it shall be the duty of the City and its appropriate officers are hereby
2 authorized and directed to take all necessary steps for the benefit of the owners of the
3 Junior Lien Bonds in such proceedings, including, without limitation, the filing of any
4 claims for unpaid rentals, fees, other charges, and other payments due to the City or
5 otherwise arising from the breach of any of the covenants, terms, or conditions of the
6 lease or any other contract relating to the Airport System, unless the Manager
7 determines that the costs of such action are likely to exceed the amounts thereby
8 recovered from such obligor.

9 As and to the extent provided by Supplemental Junior Lien Bond Ordinance the
10 City may extend the provisions of this Section to the payment of Junior Lien
11 Obligations.

12 Section 1209. Prejudicial Action Unnecessary. Nothing in this Article requires
13 the City to proceed as provided therein if the Manager determines in good faith and
14 without any gross abuse of his or her discretion that if the City so proceeds it is more
15 likely than not to incur a net loss rather than a net gain or such action is otherwise likely
16 to affect materially and prejudicially the owners of the Outstanding Senior Bonds,
17 Subordinate Bonds, or Junior Lien Bonds or the beneficiaries of Subordinate
18 Obligations or Junior Lien Obligations.

19 Section 1210. Notice of Default. The City shall mail to the owners of Junior Lien
20 Bonds, written notice of the occurrence of any event of default; provided that, except in
21 the case of an event of default described in subsections C and D of Section 1203, the

1 City shall be protected in withholding such notice if such action is in the best interests of
2 the owners of Junior Lien Bonds or the beneficiaries of Junior Lien Obligations.

3 Section 1211. Protection of Senior Bonds and Subordinate Bonds. Nothing in
4 this article requires or permits the City to proceed in a manner prejudicial to the rights
5 and privileges of the owners of any Senior Bonds or Subordinate Bonds or beneficiaries
6 of any Subordinate Obligations; and, notwithstanding any provision hereof to the
7 contrary, such rights and privileges shall be senior and prior to the rights and privileges
8 of any owners of Junior Lien Bonds set forth herein.

9 **ARTICLE XIII**

10 **AMENDMENT OF INSTRUMENT**

11 Section 1301. Amendments Without Consent. The City may adopt
12 Supplemental Junior Lien Bond Ordinances amending or supplementing this Instrument
13 without the consent of or notice to the owners of Junior Lien Bonds or Junior Lien
14 Obligations, as follows:

15 A. Additional Junior Lien Bonds/Junior Lien Obligations and Matters
16 Not Inconsistent. To authorize the issuance of Junior Lien Bonds or the incurrence of
17 Junior Lien Obligations and, in connection therewith or otherwise, to specify and
18 determine any matters and things which are not contrary to or inconsistent with this
19 Instrument, including without limitation provisions for the issuance or incurrence (as
20 applicable) and payment of Junior Lien Bonds or Junior Lien Obligations, provisions

1 creating and applying additional funds or accounts, and provisions for the marketing or
2 remarketing of Junior Lien Bonds;

3 B. Curing Defects. To cure any formal defect, omission or ambiguity
4 in this Instrument or to comply with any applicable requirements of the General Bond
5 Ordinance or the General Subordinate Bond Ordinance;

6 C. Additional Rights. To grant to or confer upon the owners of any
7 Junior Lien Bonds any additional rights, remedies, powers, authority or security which
8 may lawfully be granted or conferred, including without limitation the designation of a
9 trustee for the owners of Junior Lien Bonds, the transfer of custody and control of any
10 fund or account to any such trustee, and provisions for the rights and obligations of any
11 such Trustee;

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

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

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

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

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

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

14 Section 1303. Limitations upon Amendments. Notwithstanding the provisions of
15 Sections 1301 and 1302 hereof, no such Supplemental Junior Lien Bond Ordinance
16 shall permit without the consent of the owner of any Outstanding Junior Lien Bond or
17 beneficiary of any Junior Lien Obligation so affected:

18 A. Changing Payment. A change (other than as expressly provided
19 for in the Supplemental Junior Lien Bond Ordinance authorizing such Junior Lien Bond
20 or Junior Lien Obligation) in the maturity or in the terms of redemption of the principal of
21 any Outstanding Junior Lien Bond or Junior Lien Obligation, or any installment of
22 interest thereon; or

1 B. Reducing Return. A reduction (other than as expressly provided for
2 in the Supplemental Junior Lien Bond Ordinance authorizing such Junior Lien Bond or
3 Junior Lien Obligation) in the principal amount of any Outstanding Junior Lien Bond or
4 Junior Lien Obligation, the rate of interest thereon, or any prior redemption premium
5 payable in connection therewith; or

6 C. Prior Lien. Except as otherwise provided herein, the creation of a
7 lien upon or a pledge of Net Revenues ranking prior to the lien or to the pledge created
8 by this Instrument; or

9 D. Modeling Limitations upon Amendment. A reduction of the
10 principal amount or percentages of Junior Lien Bonds the consent of the owners of
11 which is required for any such amendment or other modifications; or

12 E. Priorities Between Junior Lien Bonds. The establishment of
13 priorities as between Junior Lien Bonds issued or incurred under the provisions of this
14 Instrument, other than as may be expressly permitted herein;

15 All owners of Junior Lien Bonds or Junior Lien Obligations, by the purchase
16 and/or acceptance (as applicable) of any Junior Lien Bonds or Junior Lien Obligations
17 and in consideration of the same, are deemed to have consented to the adoption of the
18 Proposed Amendments (as defined in the Official Statement dated November 17, 2016
19 relating to the City and County of Denver, Colorado, for and on behalf of its Department
20 of Aviation, Airport System Revenue Bonds, Series 2016A) to the General Bond
21 Ordinance, either in whole or in part, substantially in the form set forth in Appendix C of
22 such Official Statement, and to the appointment of UMB Bank, n.a. (or its successors or

1 assigns) as their agent with irrevocable instructions to file a written consent to that
2 effect at the time and the place and in the manner provided in the General Bond
3 Ordinance.

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

7 A. Owners. To the owners of all the Junior Lien Bonds then
8 Outstanding; and

9 B. Junior Lien Bond Purchasers. To the Junior Lien Bond Purchaser
10 of the Junior Lien Bonds then Outstanding, or to any successor thereof known to the
11 Clerk.

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

15 Section 1305. Time for Amendment. Whenever at any time within one year
16 from the date of such notice, there shall be filed in the office of the Clerk an instrument
17 or instruments executed by the required number of owners, which instrument or
18 instruments shall refer to the proposed Supplemental Junior Lien Bond Ordinance
19 described in such notice and shall specifically consent to and approve the adoption of
20 such instrument, thereupon, but not otherwise, the Council may adopt such
21 Supplemental Junior Lien Bond Ordinance and such instrument shall become effective.

1 Section 1306. Binding Consent to Amendment. If the required number of
2 owners, at the time of the adoption of such Supplemental Junior Lien Bond Ordinance,
3 or the predecessors in title of such owners, shall have consented to and approved the
4 adoption thereof as herein provided, no owner of any Junior Lien Bond whether or not
5 such owner shall have consented to or shall have revoked any consent as in this article
6 provided, shall have any right or interest to object to the adoption of such Supplemental
7 Junior Lien Bond Ordinance or to object to any of the terms or provisions therein
8 contained or to the operation thereof or to enjoin or restrain the City from taking any
9 action pursuant to the provisions thereof.

10 Section 1307. Time Consent Binding. Any consent given by the owner of a
11 Junior Lien Bond pursuant to the provisions of this article shall be irrevocable for a
12 period of six months from the date of the notice above provided for in Section 1304 and
13 shall be conclusive and binding upon all future owners of the same Junior Lien Bond
14 during such period. Such consent may be revoked at any time after six months from
15 the date of such notice, by the owner who gave such consent or by a successor in title
16 by filing notice of such revocation with the Clerk, but such revocation shall not be
17 effective if the required number of owners, prior to the attempted revocation, consented
18 to and approved the Supplemental Junior Lien Bond Ordinance referred to in such
19 revocation.

20 Section 1308. Unanimous Consent. Notwithstanding any of the foregoing
21 provisions of this article, the terms and the provisions of this Instrument and the rights
22 and the obligations of the City and of the owners of all Outstanding Junior Lien Bonds
23 issued hereunder may be amended or otherwise modified in any respect upon the

1 adoption by the City and upon the filing with the Clerk of a Supplemental Junior Lien
2 Bond Ordinance to that effect and with the consent of the owners of all the then
3 Outstanding Junior Lien Bonds (and, to the extent required by any Supplemental Junior
4 Lien Bond Ordinance, the beneficiaries of any Junior Lien Obligations), such consent to
5 be given as provided in Section 1306 hereof; and no notice to owners of Junior Lien
6 Bonds shall be required, and the time of consent shall not be limited except as may be
7 provided in such consent.

8 Section 1309. Notation on Junior Lien Bonds. Junior Lien Bonds authenticated
9 and delivered after the effective date of any action taken as in this article provided may
10 bear a notation by endorsement or otherwise in form approved by the Council as to
11 such action; and if any such Junior Lien Bond so authenticated and delivered shall bear
12 such notation, then upon demand of the owner of any Junior Lien Bond Outstanding at
13 such effective date and upon presentation of his or her Junior Lien Bond for the
14 purpose at the principal office of the Clerk or Junior Lien Bond Registrar, suitable
15 notation shall be made on such Junior Lien Bond by the Clerk or Junior Lien Bond
16 Registrar as to any such action. If the Council so determines, new Junior Lien Bonds
17 so modified shall be prepared, authenticated, and delivered; and upon demand of the
18 owner of any Junior Lien Bond then Outstanding, shall be exchanged without cost to
19 such owner for Junior Lien Bonds then Outstanding upon surrender of such Junior Lien
20 Bonds.

21 Section 1310. Proof of Instruments and Junior Lien Bonds. The fact and date of
22 execution of any instrument under the provisions of this article, the amount and number

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

3 Section 1311. Additional Junior Lien Obligation Rights. Nothing in this article
4 shall limit the rights of the beneficiary of any Junior Lien Obligation conferred by
5 Supplemental Junior Lien Bond Ordinance or by any agreement executed pursuant
6 thereto.

7

1 COMMITTEE APPROVAL DATE: August 30, 2017
2 MAYOR-COUNCIL DATE: September 5, 2017, by Consent
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 DATE: September 7, 2017

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

15 Kristin M. Bronson, City Attorney

16 BY: _____, Denver City Attorney DATE: _____

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