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**DALLAS/FORT WORTH INTERNATIONAL AIRPORT**

**AMENDED AND RESTATED MASTER BOND ORDINANCE**

Passed concurrently by the City Councils of the Cities of Dallas and Fort Worth

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**DALLAS/FORT WORTH INTERNATIONAL AIRPORT  
JOINT REVENUE OBLIGATIONS**

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Passed by the City Council of the City of Dallas \_\_\_\_\_, 20\_\_

Passed by the City Council of the City of Fort Worth \_\_\_\_\_, 20\_\_

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Effective \_\_\_\_\_, 20\_\_

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**CITY OF DALLAS ORDINANCE NO. \_\_\_\_\_**

**CITY OF FORT WORTH ORDINANCE NO. \_\_\_\_\_**

**AN AMENDED AND RESTATED MASTER BOND ORDINANCE  
AMENDING AND RESTATING THE MASTER BOND ORDINANCE  
PASSED CONCURRENTLY BY THE CITY COUNCILS OF THE  
CITIES OF DALLAS AND FORT WORTH, AND AUTHORIZING  
THE ISSUANCE OF ADDITIONAL JOINT REVENUE BONDS OF  
THE CITIES RELATING TO THE DALLAS/FORT WORTH  
INTERNATIONAL AIRPORT, AUTHORIZING OTHER  
OBLIGATIONS OF THE CITIES RELATING TO THE AIRPORT,  
ESTABLISHING, PROVIDING, AND CONFIRMING THE  
SECURITY THEREFOR, AND PRESCRIBING OTHER MATTERS  
WITH RESPECT THERETO**

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**WHEREAS**, the Cities of Dallas and Fort Worth (the “Cities”) jointly own the Dallas/Fort Worth International Airport (the “Airport”), which is operated for and on behalf of the Cities by a Joint Airport Board (the “Board”) pursuant to the terms, provisions, and requirements of a certain “Contract and Agreement” between the Cities and pursuant to the terms herein; and

**WHEREAS**, in order to finance the future improvements from time to time in the manner that provides capital funds at the lowest possible costs to the users of the Airport and to the traveling public, the Master Bond Ordinance passed concurrently by the City Councils of the Cities, effective September 22, 2010 (the “Prior Master Bond Ordinance”) should be amended to provide the Cities and the Board with the authority to utilize a broader range of alternative financing options that may be available and dictated from time to time in the various capital markets for the financing of public capital improvements at the Airport; and

**WHEREAS**, pursuant to Sections 8.3 and 8.4 of the Prior Master Bond Ordinance, the Prior Master Bond Ordinance may be amended with the consent of the Holders of a majority of the combined principal amount of the Obligations then Outstanding and each Credit Provider, if applicable; and

**WHEREAS**, upon the satisfaction of Sections 8.3 and 8.4 of the Prior Master Bond Ordinance, the proposed amendments shall become effective; and

**WHEREAS**, the respective City Councils for the Cities have determined and found that there is a public need and necessity that this Amended and Restated Master Bond Ordinance (this “Master Bond Ordinance”) be passed concurrently in order to amend and restate the Prior Master Bond Ordinance, and that this Master Bond Ordinance shall be effective immediately upon its passage by each of the Cities and receipt of the requisite consents; and

**WHEREAS**, the purpose of this Master Bond Ordinance is to amend and restate the Prior Master Bond Ordinance.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH:**

**ARTICLE I**

**DEFINITIONS, FINDINGS AND INTERPRETATIONS**

**Section 1.1** **Short Title.** This Master Bond Ordinance may hereafter be cited in other documents and without further description as the “Master Bond Ordinance” or “Ordinance.”

**Section 1.2** **Definitions.** (i) For all purposes of this Master Bond Ordinance and all Additional Supplemental Ordinances, the following terms and definitions shall apply, shall be controlling, and shall have the following meanings, to-wit:

**Accrued Aggregate Debt Service** - means, for any Debt Service Accrual Period, or other period stated herein, an amount equal to the sum of the Debt Service with respect to all Outstanding Obligations and Parity Credit Agreement Obligations accruing during that Debt Service Accrual Period.

**Accrued Aggregate Interest** - means that portion of Accrued Aggregate Debt Service applicable to interest on Obligations and Parity Credit Agreement Obligations and accruing during a Debt Service Accrual Period and transferred to the Debt Service Fund pursuant to Section 5.2(b)(i). Such term shall include amounts payable to the counterparty under a Swap Agreement to the extent such amounts exceed the applicable amount of interest on the Obligations, but does not include termination fees or other similar charges with respect to Parity Credit Agreement Obligations.

**Accrued Aggregate Principal** - means that portion of Accrued Aggregate Debt Service applicable to Principal Installments of Obligations and principal amounts owed under Parity Credit Agreement Obligations accruing during a Debt Service Accrual Period and transferred to the Debt Service Fund pursuant to Section 5.2(b)(i).

**Acts** - mean, collectively, chapters 1201, 1207, 1371, and 1503, Government Code, as amended, and chapter 22, Transportation Code, as amended.

**Additional Obligations** - means one or more series of bonds, notes, commercial paper obligations, or other evidences of indebtedness permitted by Applicable Law and issued by the Cities on a parity with each other as to the Pledged Revenues and Pledged Funds (except with respect to the separate accounts of the Debt Service Reserve Fund held for the benefit of the Reserve Fund Participants or Reserve Fund Non-Participants, as applicable) for lawful purposes as permitted by Section 3.1.

**Additional Supplemental Ordinance** - means any ordinance jointly passed by the Cities subsequent to the passage of the Prior Master Bond Ordinance that supplements the Prior Master Bond Ordinance or this Master Bond Ordinance for the purpose of (i) authorizing and providing the terms and provisions of the Additional Obligations and Parity Credit Agreement Obligations, (ii) authorizing and providing the terms and provisions of Subordinate Lien Obligations, and Credit Agreement Obligations related thereto and on a

parity therewith if so stated therein, or (iii) for any of the other purposes permitted by Article VIII.

**Administrative Expenses** - means, to the extent specified in an Additional Supplemental Ordinance, the fees, expenses, and indemnification liabilities payable to the Paying Agent, the Credit Providers, and others, of which the Board has or is given actual notice at least 30 days prior to the due date thereof. Said term does not include Credit Agreement Obligations.

**Aggregate Debt Service** - means, for any period and as of any date of calculation, the sum of the interest and Principal Installments payable with respect to Obligations and the principal amount of and interest on any Parity Credit Agreement Obligations payable, in each case, during such period. The calculation of Principal Installments accruing shall be determined as provided in paragraph (ii) of the definition of Debt Service in this Section 1.2, except that the period for the calculation shall be substituted for the Debt Service Accrual Period.

**Aircraft** - means airplanes, helicopters, and every other contrivance now or hereafter used for the navigation of, or flight in, air or space.

**Airport** - means the international airport, presently known as the “Dallas/Fort Worth International Airport” and originally described in the 1968 Ordinance as the “Dallas/Fort Worth Regional Airport,” that is owned and operated by the Cities acting jointly under the Contract and Agreement in accordance with Applicable Law, and the term shall include all land, structures, and facilities thereof or related thereto of whatever character and wherever situated, and all future improvements, extensions, and equipment appertaining thereto and belonging to the Cities for use in connection therewith, and such term shall also include any other airport or airports, the revenues of which are, by official action of the Cities, made a part of Gross Revenues, but excluding all Special Facilities while the Special Facility Bonds secured thereby are outstanding, and, to the extent, but only to the extent, stated in an Additional Supplemental Ordinance, excluding such Facilities as are financed with the proceeds of Special Revenue Bonds while the Special Revenue Bonds secured thereby are outstanding.

**Airport Consultant** - means a professional person, firm or corporation having a wide and favorable repute for skill and experience in the field of planning and determining the feasibility of airports and related facilities and undertakings.

**Applicable Law** - means the Acts, and all other laws or statutes, rules or regulations, and any amendments thereto, of the State or of the United States by which the Cities, the Board, and their powers, securities (including the Obligations), operations and procedures are, or may be, governed or from which such powers may be derived.

**Architect** - means a registered licensed professional architect working as a regular employee of the Board, or working for any firm or joint venture of such architects that has been retained by the Board, having a favorable repute for skill and experience in the fields of architecture and planning who is entitled to practice and practicing as such under the laws of the State of Texas.

**Authorized Officer** - means the Chief Executive Officer, Executive Vice President/Chief Financial Officer, and the Vice President of Treasury Management and any and all successor positions or titles.

**Balloon Obligations** – means any series of Obligations, or portion thereof, providing for principal repayment in a manner that results in principal due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period to be materially greater than the principal due or required to be redeemed, prepaid, purchased, or otherwise paid in any other 12-month period, as determined by an Authorized Officer; provided that, in calculating the principal amount of such Obligations due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to be redeemed or amortized prior to such 12-month period.

**Business Day** - means any day other than a Saturday, Sunday or legal holiday or other day on which banking institutions in the Cities or in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close.

**Board or Airport Board** - shall mean and refer to the operating Board of Directors of the Airport whose powers and duties were continued, expanded and further defined by the Contract and Agreement.

**Certificate** - means a document signed by an Authorized Officer, either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Master Bond Ordinance or an Additional Supplemental Ordinance.

**Chief Executive Officer**- means the chief administrative and executive officer of the Board as described and required by the Contract and Agreement.

**Cities** - mean collectively the municipal corporations and political bodies known as the City of Dallas, in the County of Dallas and State of Texas, and the City of Fort Worth, in the County of Tarrant and State of Texas, and such term shall also be deemed to include and refer to, in all appropriate ways, any successor political body, authority or subdivision if the Airport shall ever be transferred thereto.

**City Council or City Councils** - mean in each instance the governing body as from time to time constituted of Dallas or Fort Worth or the plural thereof shall mean and refer to the governing bodies of both said Cities.

**Code** - means the Internal Revenue Code of 1986, the regulations and published rulings promulgated or published thereto, and the provisions of any applicable section of a successor federal income tax law.

**Contract and Agreement** - means that certain agreement entitled “Contract and Agreement,” entered into actually on April 23, 1968, but effective as of April 15, 1968, as amended, by and between Dallas and Fort Worth, which by its terms continues, expands, and further defines the powers and duties of the Board, creates the Joint Airport Fund, as herein defined, and provides for the construction and operation of the Airport.

**Construction Fund** - means the Fund by that name created as a part of the Joint Airport Fund in the Contract and Agreement.

**Costs of the Airport** - means (i) expenses and costs for labor, payments to contractors, builders, and materialmen in connection with preparing, constructing, otherwise acquiring, equipping, replacing, extending, improving, and/or restoring any part of the Airport; (ii) the costs of machinery, furnishings, and equipment used in connection therewith; (iii) the cost of indemnity and fidelity bonds, if any, to secure the deposits of any moneys in any fund or account of the Cities or the Board relating to the Airport; any costs or expenses relating to litigation of any nature or kind that relates to the Airport; (iv) expenses and costs necessary or incidental to a determination of the feasibility or practicability of constructing or installing any facilities related to the Airport, including the fees and expenses of engineers, architects, and other professionals or consultants; (v) financing costs, including the fees and expenses of financial advisors, attorneys, and other professionals and consultants, the costs, fees, and charges of Credit Providers relating to the execution and delivery of Credit Agreements pertaining to any matters that relate to Obligations, any other fees and expenses related to the issuance and delivery of Obligations, and interest on Obligations that is to be capitalized from the proceeds of Obligations; and (vi) expenses of administration properly chargeable to the construction of improvements to the Airport or equipping the same, including legal fees and expenses, costs of audits, and costs necessary to place the same into operation or service; (vii) any costs and expenses related to the acquisition of land to comprise a part of the Airport; and (viii) any proper expense incurred for any of the foregoing purposes.

**Credit Agreement** - means any agreement of the Cities permitted by Applicable Law that is entered into with a Credit Provider for the purpose of enhancing or supporting the creditworthiness of all or a part of a series of Obligations, or Subordinate Lien Obligations, and/or to assure the Cities' financial ability to honor rights of tender of any of such obligations and to hold, sell, market or remarket any of such obligations thus tendered according to the specific terms and features of a series of such obligations as contained and defined in an Additional Supplemental Ordinance, and/or to make deposits to the Debt Service Reserve Fund or other applicable fund in lieu of cash deposits thereto, such as, for example only, municipal bond insurance policies, stand-by bond purchase agreements, Swap Agreements, revolving credit agreements, hedge agreements, and letters or lines of credit issued or provided by, and notes, surety bonds, reimbursement, purchase and other similar agreements with, banks, insurance companies or other commercial and financial institutions or by and with governmental agencies, entities or departments.

**Credit Agreement Obligations** - means any liability of the Cities to pay any amount of principal, interest, or other payment on any debt or liability created under a Credit Agreement in favor of a Credit Provider that is declared by the terms of an Additional Supplemental Ordinance either (i) to be a Parity Credit Agreement Obligation, or (ii) to be on a parity with Subordinate Lien Obligations.

**Credit Provider** - means the Existing Insurers, and includes each party identified and named in an Additional Supplemental Ordinance that provides credit or liquidity support for, or insurance insuring the payment of, any amounts due or owing on Obligations, on Subordinate Lien Obligations, or on other financial undertakings in a Credit Agreement, including a counterparty to the Cities under a Swap Agreement.

**Current Gross Revenues** - means Gross Revenues less any amounts transferred to the Operating Revenue and Expense Fund pursuant to Section 5.5(f) or Section 5.6(a) or retained pursuant to Section 5.2(d)(i).

**Dallas** - means the City of Dallas, Texas.

**Debt Service** - means for each Debt Service Accrual Period with respect to a series of Obligations, and related Parity Credit Agreement Obligations, an amount equal to the sum of:

(1) interest accruing on each series of Outstanding Obligations, including as to Interim Obligations, Balloon Obligations, and to each series of Variable Interest Rate Obligations, if any, the amount estimated by an Authorized Officer that will accrue during the Debt Service Accrual Period based on the applicable Standard Assumptions, and excluding interest funded or projected by an Authorized Officer to be funded from the proceeds of Additional Obligations; and

(2) that portion of the next maturing Principal Installment for each series of Outstanding Obligations which will accrue during the Debt Service Accrual Period, other than a Principal Installment of or with respect to Interim Obligations or Balloon Obligations that are to be paid either with the proceeds of other Obligations or with funds provided by a Credit Provider, and other than amounts scheduled to be paid by a counter party to a Swap Agreement that is not in default. For the purpose of determining the amount of the next maturing Principal Installment that will accrue during the Debt Service Accrual Period, the Board and the Paying Agent shall assume that the Principal Installment accrues daily in equal amounts from the next preceding Principal Installment due date. If there is no preceding Principal Installment due date with respect to the series of Obligations, the Principal Installments with respect to that series shall not begin to accrue until the later of (A) the date which is one year preceding the first Principal Installment due date of that series, or (B) the date of issuance of that series. The Board and the Paying Agent shall further assume that no Obligations of the series will cease to be Outstanding except by reason of the payment, through defeasance or otherwise, of each Principal Installment on the due date thereof; and

(3) all amounts due and payable on Parity Credit Agreement Obligations during the Debt Service Accrual Period, including interest amounts payable by the Cities or the Board under a Swap Agreement during the Debt Service Accrual Period above the amount of interest accruing on a series of Obligations during such period, so long as the counterparty to that the Swap Agreement is not in default.

Debt Service requirements shall be calculated on the assumption that no Obligations Outstanding at the

date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installments or Sinking Fund Installments thereon when due, except as provided herein for Interim Obligations and Balloon Obligations. Such Debt Service requirements shall not include termination fees or other similar charges with respect to Parity Credit Agreement Obligations.

When calculating Debt Service or Accrued Aggregate Debt Service for purposes of Section 3.3 or Section 6.3 hereof, if any Special Revenues, unrestricted federal subsidies or other moneys not included in Gross Revenues have been irrevocably committed or are held by a trustee or fiduciary and are to be set aside exclusively to be used to pay principal and/or interest on specified Obligations, then the principal and/or interest to be paid from such moneys not included in Gross Revenues or from earnings thereon shall be disregarded and not included in calculating Debt Service or Accrued Aggregate Debt Service for purposes of Section 3.3 or Section 6.3 hereof.

**Debt Service Accrual Period** - means the period commencing, as applicable, on the date of issuance of a series or issue of Obligations or the execution of Parity Credit Agreements or on the day following the most recent Interest Payment Date or Principal Payment Date, and ending on, but including, the last day of the calendar month prior to the next succeeding Interest Payment Date or Principal Payment Date thereafter; provided, however, with respect to provision for the final payment of any one or more of the Obligations or Parity Credit Agreement Obligations, such accrual period with respect to such Obligations or Parity Credit Agreement Obligations may be shortened to a period sufficient to provide for the payment of such Obligations or Parity Credit Agreement Obligations in full when due. The Board may adjust the Debt Service Accrual Period from time to time, by the terms of Additional Supplemental Ordinances or otherwise, in order to assure that all Obligations and Parity Credit Agreement Obligations are paid in full when due.

**Debt Service Fund** - means the fund designated and created as the “Interest and Sinking Fund” in Section 17 of the Contract and Agreement, and confirmed and renamed in Section 5.1.

**Debt Service Reserve Fund** - means the fund, including the accounts established therein, designated and created as the “Reserve Fund” in Section 17 of the Contract and Agreement, and confirmed and renamed in Section 5.1.

**Debt Service Reserve Fund Participant Account** – means the account of such name created within the Debt Service Reserve Fund pursuant to Section 5.1.

**Debt Service Reserve Requirement** – means:

(i) with respect to Additional Obligations that are Reserve Fund Participants, the total amount required to be on deposit in the Debt Service Reserve Fund (and the accounts therein) in accordance with Section 5.5(b) and/or for which alternative funding is provided in accordance with Section 5.5(c); and

(ii) with respect to Additional Obligations that are Reserve Fund Non-Participants, the amount (if any) set forth in the applicable Additional Supplemental Ordinance or officer's pricing certificate pursuant to which such Additional Obligations are issued.

**Depository Bank** - means the lawful depository bank of the Board at which the Joint Revenue Fund is to be held pursuant to the Contract and Agreement.

**Existing Insurers** - means the issuers of municipal bond insurance policies insuring a portion of the Prior Obligations, if any.

**Event of Default** - means the occurrence of any of the events or circumstances described as such in Section 7.1.

**Facilities** - means any facilities, buildings or equipment comprising a part of or used in connection with the Airport.

**Fiscal Year** - means the twelve month period commencing on the 1st day of October of any year and ending at midnight on September 30 of the next succeeding year.

**Fort Worth** - means the City of Fort Worth, Texas.

**Ground Lease** - means the lease of Airport lands required to be executed in connection with the construction of Special Facilities.

**Gross Revenues** - mean all income and revenues derived directly or indirectly by the Board from the operation or ownership of the Airport or any part thereof, whether resulting from improvements, extensions, enlargements, repairs, or betterments to the Airport, additional Facilities, or otherwise, and expressly including (i) all revenues received by the Board or any municipal corporation or entity succeeding to the revenues of the Cities from the Airport; (ii) all rentals, tolls, rates or other charges for the use of the Airport or any Facilities or for the entry upon any part thereof or for any service rendered by the Board or the Cities in the operation thereof, (iii) any funds transferred to the Operating Revenue and Expense Fund pursuant to Section 5.5(f) or Section 5.6(a), (iv) the rentals payable under Ground Leases; (v) any funds retained in the Operating Revenue and Expense Fund pursuant to Section 5.2(d)(i), and (vi) any net amounts owing to the Cities or the Board under a Swap Agreement, but expressly excluding the following:

(a) rentals or other amounts derived from Net Rent Leases to the extent and for so long as they are pledged as security for Special Facility Bonds and reserves therefor;

(b) any moneys received as grants or gifts from the United States of America, the State of Texas, or other sources, the use of which is limited by the grantor or donor to the construction or acquisition of capital improvements, additions or extensions to the Airport, except to the extent any such moneys shall be received as payments for the use of the Airport;

(c) all Special Revenues and/or unrestricted federal subsidies, except for such portion thereof as may be included as a part of “Gross Revenues” under the provisions of an Additional Supplemental Ordinance;

(d) the proceeds of any Additional Obligations or Credit Agreements, and the interest or other investment income realized from the investment of the proceeds of Obligations, and all other investment income not required to be deposited to the Operating Revenue and Expense Fund;

(e) the proceeds of insurance other than from insurance policies insuring against the loss of use or business interruption at the Airport;

(f) the money on deposit in the Capital Improvements Fund except for such amounts as are transferred to the Operating Revenue and Expense Fund pursuant to Section 5.5(f) or Section 5.6(a);

(g) moneys received by the Cities pursuant to interlocal agreements entered into among the Cities and municipalities having jurisdiction within the boundaries of the Airport under which such municipalities and the Cities agree to share in certain tax receipts and other revenues lawfully imposed and collected by such municipalities resulting from the continued development of Airport-owned property within such municipalities; and

(h) any and all money deposited to, or required to be deposited to, a Rebate Fund relating to a Tax-Exempt Obligation.

**Holder** - means the registered owner of an Obligation according to an Obligation Register.

**Independent Insurance Consultant** - means a firm of independent professional consultants knowledgeable in the ownership and operation of publicly-owned properties, including airports, and having a favorable reputation for skill and experience in the field of insurance consultation.

**Interim Obligations** - mean Obligations (i) for or with respect to which no Principal Installments are required to be made other than on the Stated Maturity Date thereof, and (ii) which are authorized by an Additional Supplemental Ordinance which declares the Cities’ intent, at the time of issuance, to refund or refinance all or a part of the same prior to or on such Stated Maturity Date, including commercial paper, notes, and similar Obligations.

**Interest Payment Date(s)** - means the date or dates on which interest on Obligations or Parity Credit Agreement Obligations is payable, as said date or dates are specified in an Additional Supplemental Ordinance.

**Investment Securities** - mean any and all of the investments permitted by Applicable Law for the investment of the public funds of the Board, provided that such investments are at the time made included in and authorized by the official investment policy of the Airport as approved by the Board from time to time and are not prohibited by an Additional Supplemental Ordinance.

**Joint Airport Fund** - means the master fund by that name created by the Cities for the purpose of accurately and adequately recording and accounting for the ownership, operations and properties contributed and committed by the Cities to the joint venture evidenced by the Contract and Agreement, all as described and provided in the Contract and Agreement.

**Market Value** - means the fair market value of Investment Securities calculated as set forth herein.

**Master Bond Ordinance** - means this Master Bond Ordinance as it may be, from time to time, amended, modified or supplemented by Additional Supplemental Ordinances, or by amendment in accordance with Article VIII.

**Maximum Interest Rate** - means, with respect to particular Variable Interest Rate Obligations or Parity Credit Agreement Obligations bearing a Variable Interest Rate, a numerical or other statement of the rate of interest, which shall be set forth in the Additional Supplemental Ordinance authorizing such Obligations, or in a related Credit Agreement with respect to Parity Credit Agreement Obligations, in each case being the maximum rate of interest such Obligations or Parity Credit Agreement Obligations may bear at a single time or over the period during which they are Outstanding or unpaid, but in no event exceeding the maximum amount or rate of interest permitted by Applicable Law.

**Minimum Interest Rate** - means, with respect to any particular Variable Interest Rate Obligations, or Parity Credit Agreement Obligations, bearing a Variable Interest Rate, a numerical rate of interest which may (but need not) be set forth in the Additional Supplemental Ordinance authorizing such Obligations that shall be the minimum rate of interest such Obligations will at any time bear.

**Net Rent Lease** - means a lease of Airport property or Facilities entered into by the Board pursuant to which the lessee agrees to pay to the Board a rental during the term thereof in an amount at least equal to the principal, interest and any special reserve requirements contained in the ordinance authorizing the Special Facility Bonds (as herein defined) to which such lease relates, as contemplated by Section 3.9(A) hereof, and to pay, in addition to such rental, all operation and maintenance expenses applicable to the Special Facilities to be constructed with said bonds, including, without limitation, any insurance premiums applicable to such Special Facilities (as may be required by said lease); any and all ad valorem or other property taxes lawfully levied or assessed against the leasehold interest of the lessee in and to such Special Facilities and to the Airport land upon which the same are to be situated pursuant to the Ground Lease executed in connection therewith (such leasehold interest, irrespective of the term thereof, as distinguished from the remainder or other interest of the Cities therein, being for such purposes the property of such lessee and not the property of the Cities); any and all lawful excise or other types of taxes imposed on or in respect of such properties; and the expenses of upkeep thereof of every kind and character including the repair or ordinary restoration thereof.

**Net Revenues** - mean the amount remaining after deducting Operation and Maintenance Expenses from Gross Revenues.

**1968 Ordinance** - means the “1968 Regional Airport Concurrent Bond Ordinance,” passed by the City Councils, respectively, on November 11, 1968, and November 12, 1968, as amended and supplemented, such ordinance having authorized the initial bonds issued by the Cities for the purpose of financing the Airport and establishing the terms and provisions of and the security for additional bonds to be issued for the purposes of the Airport.

**Obligation Register** - means, as to each series of Obligations, the register or registers maintained pursuant to Section 4.5.

**Obligations** - mean the Prior Obligations and the Additional Obligations.

**Operating Revenue and Expense Fund** - means the Fund by that name established as a part of the Joint Airport Fund in the Contract and Agreement and referred to in this Master Bond Ordinance.

**Operation and Maintenance Expenses** - means all reasonable and necessary current expenses of the Board (paid or accrued) of operating, maintaining, and repairing the Airport. Without limiting the generality of the foregoing, such term shall include insurance premiums, refunds/payments to be made to airlines pursuant to agreements between the Board and such airlines, the reasonable charges of any Paying Agent and any other depository bank appertaining to the Airport, contractual services, professional services required by this Master Bond Ordinance or by the Board, salaries and administrative expenses, labor and the cost of materials and supplies used for current operation; but shall not include the costs of improvements, extensions, enlargements or betterments, which according to standard accounting principles are chargeable as capital replacements or improvements.

**Outstanding** - when used with reference to Obligations, including Obligations acquired by a Credit Provider with the proceeds of a Credit Agreement, means, as of any date, Obligations theretofore or thereupon being authenticated and delivered under the Prior Master Bond Ordinance, this Master Bond Ordinance, or an Additional Supplemental Ordinance, except:

(i) Obligations which have been fully paid at or prior to their maturity or on or prior to a redemption date;

(ii) Obligations (or portions thereof) for the payment of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption, shall be held by a Paying Agent or a trustee in cash in trust under Sections 5.10 or 9.1 of this Master Bond Ordinance and set aside for payment at maturity or redemption on a redemption date and for which notice of redemption has been given or provision has been made therefor;

(iii) Obligations in lieu of or in substitution for which other Obligations have been authenticated and delivered pursuant to this Master Bond Ordinance or an Additional Supplemental Ordinance; and

(iv) Obligations for which payment has been provided by defeasance in accordance with Section 9.2.

**Outstanding Obligations** - mean (i) the Prior Obligations while, when, after, to the extent, and for so long as any of the same are Outstanding, and (ii) any Additional Obligations, while, when, after, to the extent, and for so long as any of the same are Outstanding.

**Parity Credit Agreement Obligation** - means a Credit Agreement Obligation that is declared by an Additional Supplemental Ordinance to be payable from and secured by a lien on Pledged Revenues and Pledged Funds on a parity with the Outstanding Obligations.

**Paying Agent** - means any paying agent for a series or issue of Obligations appointed pursuant to Section 4.6 and its successor or successors.

**Person** - means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

**Pledged Funds** - mean, collectively, (i) amounts on deposit in the Debt Service Fund, (ii) amounts on deposit in the Debt Service Reserve Fund, (iii) any amounts that are due and owing, and any amounts that are paid, under a Credit Agreement executed in lieu of making cash deposits to the Debt Service Reserve Fund, (iv) any Investment Securities or other investments or earnings belonging to either of the funds identified in clauses (i) and (ii), above, and (v) any additional funds, accounts, revenues, or other moneys or funds of the Cities which hereafter may be, by an Additional Supplemental Ordinance, expressly and specifically pledged to the payment of all, but not less than all, of the Outstanding Obligations. The foregoing notwithstanding, the term "Pledged Funds" does not include, unless specifically provided in an Additional Supplemental Ordinance, any amounts deposited to or investments or earnings belonging to a Rebate Fund to the extent necessary to make a payment to the United States of America in accordance with Section 148 of the Code.

**Pledged Revenues** – mean, collectively, (i) Gross Revenues, and (ii) such other money, income, revenues or other property as may be specifically included in such term in an Additional Supplemental Ordinance.

**Principal Installment** - means, with respect to Obligations or Parity Credit Agreement Obligations, any amounts, other than interest payments, including any Sinking Fund Installments, which are stated to be due or required to be made on or with respect to an Obligation or Parity Credit Agreement Obligation, which, when made, would reduce the amount of the Obligation or series of Obligations that remain Outstanding or would retire and pay the same in full, and which are not otherwise paid from other funds of the Airport or from the proceeds of other obligations of the Airport, including Obligations.

**Principal Payment Date(s)** - means the date or dates upon which Principal Installments are due as specified in an Additional Supplemental Ordinance, to and including the Stated Maturity Date of an Obligation.

**Prior Master Bond Ordinance** - mean the Master Bond Ordinance passed concurrently by the City Councils of the Cities, effective September 22, 2010.

**Prior Obligations** - mean the bonds heretofore issued by the Cities pursuant to the Prior Master Bond Ordinance, having been authorized and issued under and pursuant to the respective Additional Supplemental Ordinances, and that are Outstanding on the effective date of this Master Bond Ordinance.

**Project** - means any addition, improvement, expansion or extension to the Airport to be financed with all or a portion of the proceeds of Obligations, as determined by the Board.

**Qualified Counterparty** – means an entity (or its corporate parent as guarantor of its obligations under a Credit Agreement) whose long-term debt is rated or whose rating is, at the time a Swap Agreement is entered into, in one of the three highest categories by a nationally recognized rating agency, without regard to rating sub-categories.

**Rebate Fund** - means any fund established by an Additional Supplemental Ordinance in connection with the issuance of any Obligation that is a Tax-Exempt Obligation, to ensure compliance with the provisions of Section 148 of the Code, including, in particular, Section 148(f) of the Code. For purposes of the foregoing and of this Master Bond Ordinance, the Board and the Cities are permitted to rely on a firm of certified public accountants, bond counsel or other persons who specialize in the exemption from federal income taxation of interest payable on Tax-Exempt Obligations, and the Cities may include in Additional Supplemental Ordinances covenants relating to Tax Exempt Obligations, to a Rebate Fund, and to the use and application of money on deposit in the funds created or confirmed herein or in the funds or accounts created in an Additional Supplemental Ordinance.

**Redemption Price** - means, with respect to any Obligation, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the terms of such Obligation or its authorizing Additional Supplemental Ordinance.

**Registrar** - means any registrar for Obligations appointed pursuant to Section 4.5 (which may include the Paying Agent and its successors or assigns).

**Reserve Fund Non-Participants** – mean any series of Additional Obligations designated as “Reserve Fund Non-Participants” and secured by a lien on an account of the Debt Service Reserve Fund that is created and held for the sole benefit of that series of Additional Obligations.

**Reserve Fund Participants** – mean (i) any series of Additional Obligations designated as “Reserve Fund Participants” and secured by a lien on the Debt Service Reserve Fund Participant Account of the Debt Service Reserve Fund and (ii) each series of Additional Obligations issued prior to the effective date of this Master Bond Ordinance.

**Risk Manager** - means the insurance risk manager of the Airport in the control and employ of the Board, or such other officer or employee of the Board having the responsibility to acquire and maintain insurance on the Board’s behalf.

**Sinking Fund Installment** - means, with respect to any series of Obligations, the portion of the Accrued Aggregate Debt Service required by an Additional Supplemental Ordinance to be deposited to the Debt Service Fund in all events on a future date to be held on deposit or applied, in either case, for the mandatory redemption or retirement, in whole or in part, of any Outstanding Obligations of said series having a stated maturity after said future date. Said future date is deemed to be the date when such Sinking Fund Installment is due and payable.

**Special Facilities** - means hangars, aircraft overhaul, maintenance and repair shops, storage facilities, garages and other buildings, structures, Facilities and appurtenances being a part of or related to the Airport and financed wholly or in part with the proceeds of Special Facility Bonds pursuant to Section 3.8 hereof.

**Special Facility Bonds** - means bonds described in Section 3.8 payable solely from all or a portion of the rentals received from any one or more Net Rent Leases appertaining to Special Facilities.

**Special Revenues** - mean any one or all (i) taxes or special charges, other than tolls and charges imposed for entry to the Airport, that are levied or imposed for use of the Airport, or on the price of goods, products, or services sold or provided at the Airport pursuant to Applicable Law, such as, but not limited to, passenger facilities charges imposed pursuant to 49 U.S. Code, Sec. 40117, as amended, or any successor or similar law, sales and/or use taxes received by the Board from any source, hotel occupancy taxes, and special taxes or surcharges imposed on automobile rental or use charges, and (ii) ad valorem taxes received by the Board from any source. Special Revenues shall not include moneys received by the Cities pursuant to interlocal agreements entered into among the Cities and municipalities having jurisdiction within the boundaries of the Airport under which such municipalities and the Cities agree to share in certain tax receipts and other revenues lawfully imposed and collected by such municipalities resulting from the continued development of Airport-owned property within such municipalities.

**Special Revenue Bonds** - mean bonds, notes or other obligations issued for the purposes of the Airport that are made payable from Special Revenues pursuant to the right to issue the same reserved in Section 3.6.

**Standard Assumptions** - means the assumptions that are applicable to Interim Obligations, Variable Interest Rate Obligations, and Balloon Obligations, as set forth and described in subsections (f), (g) and (h), respectively, of Section 1.4.

**State** - means the State of Texas.

**Stated Maturity Date** - means the date on which an Obligation matures and the full amount owed thereon is in all events due and payable, as specified in Additional Supplemental Ordinances.

**Subordinate Lien Obligations** - mean bonds, notes or other obligations issued pursuant to and in accordance with Section 3.5.

**Swap Agreement** – means, with respect to a series of Obligations, a Credit Agreement entered into by the Cities with a Qualified Counterparty, which is (i) a contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract, (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices, (iii) any contract to exchange cash flows or payments or series of payments, (iv) any type of contract called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate, or other financial risk, and (v) any other type of contract or arrangement that the Board, on behalf of the Cities, determines is to be used, or is intended to be used, to manage or reduce the cost of any Obligations, to convert any element of any Obligations from one form to

another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

**Tax-Exempt Obligation** - means any Obligation the interest on which is excludable from the gross income of the Holder for federal income tax purposes under Section 103 of the Code.

**Variable Interest Rate** - means a variable or adjustable interest rate that varies from time to time based on a formula or reference to specified financial indicators, or by negotiation, auction, or revisions through another method from time to time and to be borne by all or a part of a series of Obligations or Parity Credit Agreement Obligations, all as specified in an Additional Supplemental Ordinance or Credit Agreement.

**Variable Interest Rate Obligations** - mean Obligations or Parity Credit Agreement Obligations which bear a Variable Interest Rate.

**Section 1.3 Findings.** (a) The declarations, determinations and findings declared, made and found in the preambles to this Master Bond Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

(b) Each respective City Council finds and declares that the meeting at which this Master Bond Ordinance is considered is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required by Applicable Law.

**Section 1.4 Interpretation.** (a) In this Master Bond Ordinance, unless the context otherwise requires:

(i) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Master Bond Ordinance;

(ii) Unless the context dictates otherwise, the terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Master Bond Ordinance, refer to this Master Bond Ordinance, and the term “hereafter” means after, and the term “heretofore” means before, the date of this Master Bond Ordinance;

(iii) Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa;

(iv) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(v) Any headings preceding the texts of the several Articles and Sections of this Master Bond Ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Master Bond Ordinance, nor shall they affect its meaning, construction or effect; and

(vi) “Includes,” “including” and “include” shall mean includes, including and include without limitation.

(b) If any one or more of the covenants, provisions or agreements contained herein should be contrary to law, then such covenants, provisions or agreements shall be deemed separable from the remaining covenants, provisions and agreements hereof, and shall in no way affect the validity of the remaining covenants, provisions or agreements contained in this Master Bond Ordinance.

(c) None of the covenants herein shall ever impose, or be construed as imposing, a liability or obligation on the part of the Cities, or either of them, to pay the principal of or interest on any Obligations or Credit Agreement Obligations out of any funds derived by any system of ad valorem taxation.

(d) All covenants contained herein and in any Additional Supplemental Ordinance which require the performance by the Cities of an affirmative, common, or joint act with respect to the Airport shall be performed, on behalf of the Cities acting jointly, by the Board, and from and after the effective date of this Master Bond Ordinance, the Board shall be obligated to undertake and perform each and every such covenant, and this Master Bond Ordinance shall constitute a directive and order to the Board to that effect.

(e) All covenants contained herein and in any Additional Supplemental Ordinance which require the Cities to pay principal and interest or other payments on Obligations, Subordinate Lien Obligations, and Credit Agreement Obligations shall be joint, and not several, obligations, and all monetary obligations shall be payable and collectible solely from the revenues and funds expressly pledged thereto by this Master Bond Ordinance or by an Additional Supplemental Ordinance, such revenues and funds being owned in undivided interests by the City of Dallas (to the extent of 7/11ths thereof) and by the City of Fort Worth (to the extent of 4/11ths thereof); and, each and every Holder shall by his acceptance thereof consent and agree that no claim, demand, suit, or judgment for the payment of money shall ever be asserted, filed, obtained or enforced against either of the Cities apart from the other City and from sources other than the funds and revenues pledged thereto; and no liability or judgment shall ever be asserted, entered or collected against either City individually, except out of such pledged revenues and exceeding in the case of Dallas an amount equal to 7/11ths of the total amount asserted or demanded, and in the case of Fort Worth an amount equal to 4/11ths of the total amount asserted or demanded.

(f) Subject to the last sentence of this Section, wherever in this Master Bond Ordinance a calculation of Debt Service during any current or future Debt Service Accrual Period with respect to Interim Obligations is required by application of the Standard Assumptions, the Debt Service shall be computed by assuming that the principal amount of the Interim Obligations will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Obligations has not been capitalized or otherwise funded or provided for, at which time it shall be assumed (A) that the Outstanding principal amount of the series of Interim Obligations will be refinanced with a series of Additional Obligations that will be amortized over a period not to exceed 30 years in such manner as will cause the maximum Debt Service Requirement applicable to such series in any twelve (12) month period not to exceed 110% of the minimum Debt Service Requirements applicable to such series for any other twelve (12) month period, and (B) that the series of Additional Obligations will bear interest at a fixed interest rate estimated by the Board’s financial advisor to be the interest rate such series of Additional Obligations would bear if issued on such terms on the date of such estimate. Notwithstanding any to the contrary, for the purposes of setting

rates, fees and charges under Section 6.3 for the then current Fiscal Year, the Board may assume an interest rate that is equal to the average interest rate over the last twelve months plus 50 basis points.

(g) Subject to the last sentence of this Section, wherever in this Master Bond Ordinance a calculation of Debt Service during any current or future Debt Service Accrual Period with respect to each series of Variable Interest Rate Obligations that are not Interim Obligations is required by application of the Standard Assumptions, the Debt Service shall be computed by assuming that such Obligations will bear interest at an interest rate which, in the judgment of an Authorized Officer, is the average interest rate anticipated to be in effect with respect to such Variable Interest Rate Obligations; provided, however, for the purpose of verifying prior compliance with the rate covenants contained in paragraphs 6.3(b) and (c), such Obligations shall be deemed to bear interest at the actual rate borne during any prior test period. Notwithstanding any to the contrary, for the purposes of setting rates, fees and charges under Section 6.3 for the then current Fiscal Year, the Board may assume an interest rate that is equal to the average interest rate over the last twelve months plus 50 basis points.

(h) Subject to the last sentence of this Section, wherever in this Master Bond Ordinance a calculation of Debt Service during any current or future Debt Service Accrual Period with respect to Balloon Obligations is required by application of the Standard Assumptions, the Debt Service shall be computed by assuming that (A) the principal amount of such Balloon Obligations will be amortized over a term of not more than 30 years, as determined by an Authorized Officer, extending not later than 30 years from the date such Balloon Obligations were originally issued, and (B) such Balloon Obligations will bear interest at a fixed interest rate estimated by the Board's financial advisor to be the interest rate such series of Balloon Obligations would bear if issued on such terms on the date of such estimate. Notwithstanding any to the contrary, for the purposes of setting rates, fees and charges under Section 6.3 for the then current Fiscal Year, the Board may assume an interest rate that is equal to the average interest rate over the last twelve months plus 50 basis points.

## ARTICLE II

### PURPOSES, PLEDGE AND SECURITY

**Section 2.1 Purposes of Master Bond Ordinance, Contract with Holders.** (a) The purposes of this Master Bond Ordinance are (i) to amend and restate the Prior Master Bond Ordinance, (ii) to confirm the parity lien and the security for the Obligations and Parity Credit Agreement Obligations, (iii) to amend and revise the financial requirements for the issuance of additional bonds as established in the 1968 Ordinance, and to prescribe herein new minimum standards for the issuance, execution and delivery of any Additional Obligations and Parity Credit Agreement Obligations, (iv) to confirm the authorization of the issuance of Subordinate Lien Obligations, and Credit Agreement Obligations related thereto, and (v) to prescribe other matters and the general rights of the Holders, the Cities, the Board, and Credit Providers in relation to such obligations and related Credit Agreement Obligations.

(b) In consideration of the purchase and acceptance of any or all of the Obligations by those who have heretofore purchased and now hold the same, or who shall hereafter purchase and hold the same from time to time, and in consideration of the execution of Credit Agreements by Credit Providers, the provisions of this Master Bond Ordinance, upon consent of the requisite Holders and Credit Providers, shall be and constitute a contract of the Cities to and with the Holders and Credit Providers.

**Section 2.2 Pledge and Security for Obligations and Parity Credit Agreement Obligations.** (a) The Cities irrevocably pledge (i) the Pledged Revenues, and (ii) the Pledged Funds (A) to the payment of the principal and any Redemption Price of, and the interest and any premiums on, all Obligations which are or may be Outstanding from time to time, (B) to the payment of all Parity Credit Agreement Obligations, (C) to the payment of all Administrative Expenses, and (D) to the establishment and maintenance of the Debt Service Fund and the Debt Service Reserve Fund, and any other special trust funds or accounts which are ordered to be created by an Additional Supplemental Ordinance, at the times and for the periods and purposes provided in this Master Bond Ordinance, in an Additional Supplemental Ordinance, and in any Credit Agreement with regard to Parity Credit Agreement Obligations.

(b) The provisions, covenants, pledge and lien on and against the Pledged Revenues and the Pledged Funds, as herein set forth, are established and shall be for the equal benefit, protection and security of the Holders of the Obligations, the Credit Providers holding Parity Credit Agreement Obligations, and the Persons to whom Administrative Expenses are owed, due and payable, without distinction as to priority and rights under this Master Bond Ordinance.

(c) The Obligations, all Parity Credit Agreement Obligations and all Administrative Expenses shall constitute special obligations of the Cities, payable solely from, and secured solely by, a pledge of and lien on the Pledged Revenues and Pledged Funds, and not from any other revenues, properties or income of the Cities or the Board. Subordinate Lien Obligations, Credit Agreement Obligations, and associated Administrative Expenses shall not constitute debts or obligations of the State or of the Cities, and the Holders, the Credit Providers, and Persons to whom Administrative Expenses are owed shall be limited to the amounts pledged for such payments and never have the right to demand payment from any other revenues, properties or income of the Cities or of the Board.

(d) Credit Agreement Obligations that are declared by an Additional Supplemental Ordinance to be on a parity with Subordinate Lien Obligations shall be payable from the funds and accounts established pursuant to Section 5.2(b)(v) and shall be junior and subordinate to the pledge and lien created herein in favor of the Obligations and Parity Credit Agreement Obligations.

**Section 2.3 Source of Payment of Operation and Maintenance Expenses.** The Cities and the Board are obligated to pay Operation and Maintenance Expenses from the revenues remaining after satisfying the deposit requirements of Section 5.2(b), and the Cities are not required or obligated to pay any Operation and Maintenance Expenses from any other revenues, properties, taxes, or income of the Cities.

**Section 2.4 Security Agreement.** (a) This Master Bond Ordinance is and shall continuously be and constitute a security agreement establishing a first lien on and security interest in the Pledged Revenues and Pledged Funds in favor of the Holders and the Credit Providers holding Parity Credit Agreement Obligations pursuant to Applicable Law. The grant, assignment, lien, pledge and security interest created herein on and against the Pledged Revenues and Pledged Funds shall become effective immediately upon and from the time of payment for and delivery of Additional Obligations and Parity Credit Agreement Obligations, and the same shall be continuously effective for so long as any Obligations are Outstanding, and any Parity Credit Agreement Obligation and Administrative Expenses are unpaid.

(b) Such grants, assignments, lien, pledge and security interest shall be fully effective as to Pledged Revenues and Pledged Funds on hand, and all Pledged Revenues shall be subject thereto

on and as of the day or date on which they are owed to or collected by any party for the account of the Board or the Cities.

(c) The Cities and the Board shall keep a full and complete copy of this Master Bond Ordinance and each Additional Supplemental Ordinance, together with their authorizing proceedings, at all times among the permanent records of the Cities and the Board. Such records shall be open for inspection by any member of the general public and to any individual, firm, corporation, governmental entity or other Person proposing to do or doing business with, or having or asserting claims against the Cities or the Board with respect to the Airport, at all times during regular business hours.

(d) The provisions and filings required by subsections (a), (b) and (c) of this Section are included, provided, required and made herein pursuant to the requirements of, and with the effect stated in, the Acts. Should any other Applicable Law, in the opinion of counsel to the Cities or the Board, ever require filings additional to the filing required by subsection (c) of this Section in order to preserve and protect the priority of the grants, assignments, lien, pledge and security interest created herein as to all Obligations and Parity Credit Agreement Obligations, then the Cities and the Board shall diligently and regularly make such filings to the extent required by law to accomplish such result.

### ARTICLE III

#### PERMITTED AIRPORT INDEBTEDNESS

**Section 3.1 Right to Issue Additional Obligations.** (a) The Cities reserve the right to issue debt securities for the purpose of improving, constructing, replacing, or otherwise extending the Airport, or for the purpose of refunding or refinancing any debt or obligation of or relating to the Airport permitted by Applicable Law. When such debt securities are issued in accordance with this Section, and in conformity with the requirements of Sections 3.2 and 3.3, and with the provisions of any Additional Supplemental Ordinance imposing additional restrictions thereon, they shall constitute “Additional Obligations” and will be on a parity and of equal quality and dignity as to lien and right to the Pledged Revenues and Pledged Funds under this Master Bond Ordinance with any Obligations that will remain Outstanding, and any Parity Credit Agreement Obligations that will remain unpaid, after their issuance, except with respect to the separate accounts of the Debt Service Reserve Fund held for the benefit of the Reserve Fund Participants or Reserve Fund Non-Participants, as applicable.

(b) Additional Obligations may be issued or created from time to time when and to the extent not prohibited or restricted by related Credit Agreements, if any.

(c) Additional Obligations may be issued in any manner and in any form and denominations and having any terms permitted by Applicable Law, and may be sold for cash or issued for such other consideration as may be permitted by Applicable Law.

(d) Additional Supplemental Ordinances may further restrict the time, the manner and the requirements in or under which Additional Obligations and Credit Agreements may be issued, created, or executed.

**Section 3.2 Terms of Additional Obligations.** Additional Obligations shall be authorized in Additional Supplemental Ordinances. The Additional Supplemental Ordinances shall specify the details and terms of the Additional Obligations, and may contain such provisions as the

Cities deem appropriate and not in conflict with this Master Bond Ordinance or with earlier Additional Supplemental Ordinances.

**Section 3.3 Conditions Precedent to Issuance of Additional Obligations.** (a) No Additional Obligations shall be issued under this Master Bond Ordinance unless the following instruments shall be executed:

(i) A certificate, dated as of the date of delivery of the Additional Obligations, executed by an Authorized Officer, certifying, in effect, that:

(A) All conditions precedent have been satisfied which are provided for in this Master Bond Ordinance and in each Additional Supplemental Ordinance, the provisions of which relate to or further restrict the issuance of Additional Obligations; and

(B) No Event of Default has occurred and is then continuing under this Master Bond Ordinance or under any Additional Supplemental Ordinances that will not be cured by the issuance of the Additional Obligations; and

(ii) A written order, executed by an Authorized Officer, directing that the Additional Obligations shall be authenticated if the same are required to be authenticated under the terms of the Additional Supplemental Ordinance; and

(iii) A Certificate executed by an Authorized Officer certifying that the Cities have received at least one of the following:

(A) An Airport Consultant's written report or certificate of an Authorized Officer setting forth projections of Gross Revenues and Operation and Maintenance Expenses, and the report indicates that (I) the estimated Net Revenues for each of three (3) consecutive Fiscal Years beginning with the first Fiscal Year in which Debt Service is due on or with respect to the Additional Obligations proposed to be issued, and for the payment of all of which provision has not been made as indicated in the report of such Airport Consultant or certificate of an Authorized Officer from the proceeds of such Additional Obligations and/or from interest that has been capitalized from the proceeds of previously issued Obligations, are equal to at least 125% of the Debt Service that will be due and owing and scheduled to be paid during each of such three (3) consecutive Fiscal Years, after taking into consideration any additional Debt Service to be paid during such period on or with respect to the Additional Obligations then proposed to be issued

and any reduction in Debt Service that may result from the issuance thereof, and after applying the Standard Assumptions with respect to Outstanding or proposed Interim Obligations, Balloon Obligations or Variable Interest Rate Obligations, and (II) the schedule of rentals, rates and charges then in effect meets the requirements of Section 6.3(c) hereof;

(B) A certificate, executed by the Chief Financial Officer of the Board showing that (I) for either the Board's most recent complete Fiscal Year, or for any consecutive twelve (12) out of the most recent eighteen (18) months, the Net Revenues were equal to at least 125% of the maximum Debt Service on or with respect to all Outstanding Obligations and Parity Credit Agreement Obligations scheduled to be paid during the then current or any future Fiscal Year after taking into consideration the issuance of the Additional Obligations then proposed to be issued, and after applying the Standard Assumptions with respect to Outstanding or proposed Interim Obligations, Balloon Obligations or Variable Interest Rate Obligations, and (II) the schedule of rentals, rates and charges then in effect meets the requirements of Section 6.3(c) hereof; or

(C) A certificate, executed by an Authorized Officer, to the effect that (I) the proceeds of such Additional Obligations are being only used to refund Outstanding Obligations, fund any required deposit to the Debt Service Reserve Fund, or pay related costs of issuance, (II) as of the date of delivery of such Additional Obligations, after giving effect to the application of the proceeds thereof and the refunding of the Outstanding Obligations to be refunded thereby, the Accrued Aggregate Debt Service on all Outstanding Obligations and Parity Credit Agreement Obligations for each Fiscal Year will not exceed the Accrued Aggregate Debt Service that would have been payable in such Fiscal Year had the refunded Obligations remained Outstanding, applying the Standard Assumptions for any Interim Obligations, Balloon Obligations and Variable Interest Rate Obligations, and (III) the Stated Maturity Date of such Additional Obligations is not later than the Stated Maturity Date of the Outstanding Obligations being refunded thereby.

(b) The Cities or an Authorized Officer shall include in each Additional Supplemental Ordinance or officer's pricing certificate with respect to an issuance of Additional Obligations, as applicable, a designation of such Additional Obligations as either "Reserve Fund Participants" or "Reserve Fund Non-Participants," and:

(i) with respect to Reserve Fund Participants, a requirement that an amount equal to the Debt Service Reserve Requirement for the Additional Obligations secured thereby shall be deposited into or made available for the purposes of the Debt Service Reserve Fund Participant Account or the Debt Service Fund, either (i) by including the required amount in the principal amount of the Obligations being issued, (ii) with respect to the Debt Service Reserve Requirement, by requiring the required amount to be deposited to the Debt Service Reserve Fund Participant Account from Gross Revenues in approximately equal monthly installments over a period not exceeding sixty (60) months following the delivery of such Additional Obligations, respectively, or (iii) by executing a Credit Agreement with one or more qualified Credit Provider(s) pursuant to Section 5.5(c) by which the Credit Provider(s) agree(s) to make deposits to either the Debt Service Reserve Fund Participant Account or the Debt Service Fund in an amount equal to or greater than the amount of the Debt Service Reserve Requirement allocable to the Obligations being issued, in either case, if necessary to pay the Obligations and the Parity Credit Agreement Obligations when due, or (iv) any combination of the methods permitted by clauses (i) through (iii); and

(ii) with respect to Reserve Fund Non-Participants, a requirement that an amount equal to the Debt Service Reserve Requirement (if any) for the Additional Obligations secured thereby shall be deposited into or made available for the purposes of an account to be created within the Debt Service Reserve Fund for the benefit of such Additional Obligations or the Debt Service Fund, either (i) by including the required amount in the principal amount of the Obligations being issued, (ii) with respect to the Debt Service Reserve Requirement, by requiring the required amount to be deposited to the designated account of the Debt Service Reserve Fund from Gross Revenues in approximately equal monthly installments over a period not exceeding sixty (60) months following the delivery of such Additional Obligations, respectively, or (iii) by executing a Credit Agreement with one or more qualified Credit Provider(s) pursuant to Section 5.5(c) by which the Credit Provider(s) agree(s) to make deposits to either the designated account of the Debt Service Reserve Fund or the Debt Service Fund in an amount equal to or greater than the amount of the Debt Service Reserve Requirement allocable to the Obligations being issued, in either case, if necessary to pay the Obligations and the Parity Credit Agreement Obligations when due, or (iv) any combination of the methods permitted by clauses (i) through (iii).

**Section 3.4 Other Parity Encumbrances Prohibited.** Except for the pledge of the Pledged Revenues and the Pledged Funds to the payment of and as security for the Prior Obligations, the Additional Obligations, and Parity Credit Agreement Obligations pursuant to the preceding Sections of this Article, the Pledged Revenues and the Pledged Funds shall not be pledged or encumbered to or for the payment of any other obligation or liability of the Cities relating to the Airport, unless the lien and pledge securing the same is expressly made junior and subordinate to the pledge and lien securing the Obligations and Parity Credit Agreement Obligations in accordance with the following Sections of this Article.

**Section 3.5 Subordinate Lien Obligations.** (a) The Cities reserve the right (i) to issue bonds, notes or other obligations for the purpose of further developing, improving, repairing, or maintaining the Airport, or refunding and refinancing previously issued or created indebtedness of the Cities relating to the Airport, and (ii) to enter into Credit Agreements creating Credit Agreement Obligations in connection therewith, that are, in each case, secured by and payable solely from the money on deposit from time to time in a special fund or account created pursuant to Section 5.2(b)(v), upon and having such terms, conditions, and provisions as the Cities deem appropriate, and, if desired, to additionally pledge Special Revenues thereto.

(b) Subordinate Lien Obligations, and Credit Agreement Obligations created in connection therewith, if any, shall be authorized, and their terms and provisions prescribed, in Additional Supplemental Ordinances.

**Section 3.6 Special Revenue Bonds.** (a) The Cities reserve the right (i) to issue bonds, notes or other obligations for the purpose of paying Costs of the Airport or otherwise further developing, improving, repairing, expanding, or maintaining the Airport, or refunding and refinancing previously issued or created indebtedness of the Cities relating to the Airport, and (ii) to enter into related credit support agreements having such terms as are permitted by Applicable Law, that are, in each case, exclusively or partially secured by and payable from a first and superior lien on Special Revenues for such purposes, in such form, and having such terms and provisions as are permitted by Applicable Law.

(b) The rights of the Cities described in subsection (a) of this Section include, but are not limited to, the right to pledge Special Revenues to the payment of, and as additional security for, Subordinate Lien Obligations.

(c) Special Revenues, when and while they are pledged to secure the payment of Special Revenue Bonds or Subordinate Lien Obligations may be deposited to such funds and accounts of the Board as may be required by Applicable Law or as directed in the documents and agreements authorizing or relating to their issuance.

(d) Special Revenue Bonds may be authorized, and their terms prescribed, in such ordinances, resolutions, indentures, or other proceedings as shall be determined by the Cities.

**Section 3.7 Parity Credit Agreement Obligations.** Parity Credit Agreement Obligations and the rights and obligations of the Credit Providers holding the same shall be as specifically provided in Additional Supplemental Ordinances, and no such rights are being granted by this Master Bond Ordinance.

**Section 3.8 Special Facility Bonds.** The Cities, acting by and through the Board pursuant to the Contract and Agreement, shall have the right to enter into contracts, leases or other agreements pursuant to which the Board will agree to construct and pay all costs of construction of Special Facilities to be financed by the issuance by the Cities of Special Facility Bonds in accordance with this Section. Such costs shall include all of the items enumerated in the definition of Costs of the Airport. Such bonds may be issued upon and subject to the following conditions, to-wit:

(A) A Net Rent Lease shall be entered into between the parties thereto pursuant to which the lessee agrees to the matters specified in the definition of such term and agrees to cause the payments there required, the rentals thereunder to be payable over a period not longer than the latest maturity of the Special Facility Bonds.

(B) A second lease, the "Ground Lease," for at least the same term as the Net Rent Lease, shall be entered into between the parties to provide for additional rentals for the ground upon which such Special Facilities are to be located, which Ground Lease shall provide for rental payments to the Board payable in periodic installments in amounts not less than as shall be required pursuant to a schedule or schedules for rental of ground space at the Airport as fixed from time to time by the Board, which Ground Rental payments shall constitute a part of Gross Revenues under this Master Bond Ordinance.

(C) The Net Rent Lease and the Ground Lease may be made a part of the same instrument or document so long as the rentals of each are clearly definable and in accordance with this Master Bond Ordinance. And in either event such leases may contain such other provisions not inconsistent herewith as the parties thereto may agree. Additionally, the Cities may combine into a single, common fund the revenues and rentals derived from two or more Net Rent Leases and cause Special Facility Bonds to be payable from said common fund rather than from a single Net Rent Lease.

(D) No Special Facility Bonds shall ever be payable in whole or in part from Gross Revenues. After such Special Facility Bonds have been fully paid and retired all revenues derived from the leasing or operation or use of such Special Facilities shall be a part of Gross Revenues and shall be subject to all provisions hereof relating thereto.

## ARTICLE IV

### TERMS, PROVISIONS AND AUTHENTICATION OF OBLIGATIONS

**Section 4.1 Terms of Obligations.** (a) The Prior Obligations shall mature, shall bear interest, shall be subject to redemption prior to maturity, shall be subject to registration and transfer, shall be in the denominations, and shall be payable at the places specified and provided in the applicable Additional Supplemental Ordinances, respectively.

(b) Subject to the provisions of any earlier Additional Supplemental Ordinance, the Additional Obligations and related Credit Agreements may be issued and executed in any form and manner, and may have any terms and provisions, permitted by Applicable Law. The form of such Obligations shall be as substantially set forth in or authorized by the Additional Supplemental Ordinance.

**Section 4.2 Additional Obligations.** Each Additional Obligation shall be titled as specified in an Additional Supplemental Ordinance and may, in addition, contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of Master Bond Ordinance or any Additional Supplemental Ordinance as may be necessary or desirable to comply with Applicable Law or custom or otherwise as may be determined by the City Councils of the Cities prior to the delivery thereof. The Additional Obligations of a series shall bear such further designation or designations, added to or incorporated in their title, as may be necessary to distinguish them from the Obligations of every other series. Additional Obligations shall be lettered or otherwise differentiated so as to distinguish each series.

**Section 4.3 Medium of Payment.** The principal and any Redemption Price of, and the interest on, the Obligations shall be payable in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

**Section 4.4 Additional Obligation Details.** (a) Subject to the provisions hereof, Obligations shall be dated, shall mature and be payable on such dates and in such years and amounts, shall bear a fixed interest rate or rates per annum, or shall bear a Variable Interest Rate, shall be subject to redemption on such terms and conditions and shall be payable as to principal, interest and Redemption Price at such place or places as shall be specified in the Additional Supplemental Ordinance authorizing their issuance.

(b) The method of computing a Variable Interest Rate shall be specified in the Additional Supplemental Ordinance authorizing a series of Variable Interest Rate Obligations and shall be calculated and determined in any manner permitted by Applicable Law. The method may include periods during which a rate may be fixed and be subject to change from time to time; provided, however, such Variable Interest Rate shall be subject to a Maximum Interest Rate and may be subject to a Minimum Interest Rate. The Additional Supplemental Ordinance may contain such other details as may be permitted by Applicable Law.

**Section 4.5 Additional Obligation Registrars and Registers.** (a) Each Additional Supplemental Ordinance shall designate a registrar (the “Registrar”) for the purpose of keeping and maintaining books of registration (the “Obligation Register”) in which the names of the Holders of the Obligations of the series authorized by the Additional Supplemental Ordinance shall be registered and recorded. The Paying Agent or any other person may be appointed as Registrar for any one or more series of Obligations.

(b) The terms, provisions and conditions of registration, together with the manner and methods of recording transfers and replacing mutilated, lost or stolen Additional Obligations, as to each series, shall be set forth in the authorizing Additional Supplemental Ordinance.

**Section 4.6 Paying Agents.** (a) Each Additional Supplemental Ordinance authorizing a series of Obligations shall designate a Paying Agent for that series. The duties of the Paying Agent are as described in this Master Bond Ordinance and as further described in the applicable Additional Supplemental Ordinance and in any separate contracts and agreements approved by the Board.

(b) The Cities, the Board, each Paying Agent, and each Registrar may deem and treat the person in whose name any Obligation shall be registered as the absolute owner of such Obligation, whether such Obligation shall be overdue or not, for the purpose of receiving payment of or on account of, the principal and Redemption Price, if any, of, and, in the case of any fully registered Obligation, interest on, such Obligation and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such obligation to the extent of the sum or sums so paid, and neither the Cities, the Board, nor any Paying Agent, nor any Registrar shall be affected by a notice to the contrary.

**Section 4.7 Application of Proceeds of Obligations.** The proceeds derived from the sale and delivery of each series of Additional Obligations shall be deposited as and to the extent directed in this Master Bond Ordinance as to deposits to the Debt Service Reserve Fund, and as to other deposits, as directed in any applicable Additional Supplemental Ordinance.

**Section 4.8 Execution and Authentication of Obligations.** (a) Each Additional Obligation shall be executed in the name of the Cities by the manual or facsimile signature of any one or more officers of the Cities, and their respective official seals shall be affixed, imprinted, engraved or otherwise reproduced thereon as authorized and directed in an Additional Supplemental Ordinance.

(b) In case any officer who shall have signed, sealed or attested any of the Obligations shall cease to be such officer before the Obligations so signed, sealed or attested shall have been authenticated and delivered, such Obligations may nevertheless be authenticated and delivered as if the person who so signed, sealed or attested such Obligations had not ceased to be such officer. Any Obligation may be signed, sealed or attested on behalf of the Cities by any person who, on the date of

such act, shall hold the proper office, notwithstanding that at the date of such Obligation such person may not have held such office.

(c) The manner and method of authenticating the Additional Obligations of each series shall be set forth in each authorizing Additional Supplemental Ordinance. Authentication may be a certificate of registration executed by a Paying Agent or a Registrar.

**Section 4.9 Obligations in Book Entry Form.** The Cities reserve the right to authorize a system of ownership registration in total or partial book-entry form for any series of Obligations to the extent so provided in an Additional Supplemental Ordinance. The rights and duties of the City and the Holders of Obligations which are subject to such system of registration of ownership shall be provided in the applicable Additional Supplemental Ordinance.

## ARTICLE V

### SPECIAL FUNDS, USES OF MONEYS

**Section 5.1 Special Funds and Accounts.** (a) The Cities (i) confirm and continue the “Capital Improvements Fund,” (currently, the “Capital Improvements Fund”) the “Operating Revenue and Expense Fund,” and the “Construction Fund,” all of the same having been created in Section 17 of the Contract and Agreement and the 1968 Ordinance, and the following special funds, as confirmed and continued within the Joint Airport Fund, shall hereafter be governed by the terms of this Master Bond Ordinance:

- (A) the Operating Revenue and Expense Fund;
- (B) the Debt Service Fund;
- (C) the Debt Service Reserve Fund;
- (D) the Capital Improvements Fund; and
- (E) the Construction Fund.

The Cities may authorize the creation of special or general accounts within any of such Funds and may prescribe the terms applicable thereto in Additional Supplemental Ordinances; provided however, that Board may authorize special or general accounts within any such Funds for accounting purposes.

(b) (i) The Debt Service Fund, and any and all accounts created therein, if any, is a special trust fund, to be held by the Board for the benefit of the Holders of Obligations, the Credit Providers holding Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable.

(ii) The Debt Service Reserve Fund, and any and all accounts created therein, if any, is a special trust fund, to be held by the Board for the benefit of the Holders of Obligations to which they are pledged and the Credit Providers holding related Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable.

(A) The Debt Service Reserve Fund Participant Account, and any and all accounts created therein, if any, is a special trust fund, to be held by the Board for the benefit of Holders of Obligations that are Reserve Fund Participants, the Credit Providers holding related Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable.

(B) The Cities reserve the right to issue Additional Obligations which may be designated as Reserve Fund Non-Participants and are not secured by the Debt Service Reserve Fund Participant Account; provided that the Cities shall create a separate account(s) within the Debt Service Reserve Fund, to the extent required by the related Additional Supplemental Ordinance or officer's pricing certificate pursuant to which such Additional Obligations are issued, as a special trust fund, to be held by the Board for the benefit of the Holders of such Additional Obligations designated as Reserve Fund Non-Participants, the Credit Providers holding related Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable.

(c) All funds and accounts created or confirmed in this Master Bond Ordinance and in any Additional Supplemental Ordinance, and the books and records of account with respect thereto, shall be kept and maintained in such manner as will record on a regular basis all deposits therein and the source thereof, withdrawals therefrom and the purposes therefor, and the earnings realized with respect thereto.

**Section 5.2 Flow of Funds.** (a) All Gross Revenues, when and as received by the Board, shall be promptly deposited to the credit of the Operating Revenue and Expense Fund.

(b) Unless made more frequent by an Additional Supplemental Ordinance, the Board shall transfer, only to the extent required, amounts on deposit in the Operating Revenue and Expense Fund monthly on or before the last Business Day of each month to the following Funds and in the following order of priority:

(i) **First**, to the Debt Service Fund, an amount equal to the lesser of (A) all funds available for transfer, or (B) an amount equal to the Accrued Aggregate Debt Service for such monthly period, subject to Section 5.3.

(ii) **Second**, if and to the extent required by an Additional Supplemental Ordinance pursuant to which Obligations are issued and/or related Parity Credit Agreements are authorized, to a special account or accounts, such amount as is necessary to pay any Administrative Expenses that are due and payable during the succeeding month;

(iii) **Third**, to the Debt Service Reserve Fund, the lesser of (A) all funds available for transfer, or (B) subject to the alternative funding methods permitted by Sections 3.3(b) and 5.5(c), up to the amount required to cause the amount on deposit therein to be equal to the lesser of (y) the Debt Service Reserve Requirement, or (z) the amount then required to be on deposit therein according to said sections, plus any amounts required to restore or replenish any deficiencies in the Debt Service Reserve Fund so

that the amounts required by Section 5.5 are on deposit therein when, as, and in the amounts therein required;

(iv) **Fourth**, to any other fund or account required by any Additional Supplemental Ordinance authorizing Obligations and/or Parity Credit Agreement Obligations, the amounts required to be deposited therein; and

(v) **Fifth**, to a special account or fund, if any, created by the Cities in an Additional Supplemental Ordinance, for the purpose of paying the principal and redemption price of, the interest on, and reserves for Subordinate Lien Obligations, and paying Credit Agreement Obligations that are declared to be on a parity therewith.

(c) Unless otherwise directed by an Additional Supplemental Ordinance, during each month, subject to the requirements of subsection (b) of this Section, the Board is authorized to expend or set aside any money on deposit in the Operating Revenue and Expense Fund for the following purposes, in the following order of priority:

(i) First, expending such money for the purpose of paying the Operation and Maintenance Expenses of the Board in accordance with the current annual budget of the Board; and

(ii) Second, setting aside into a separate account an amount sufficient to pay Operation and Maintenance Expenses for the ensuing period of ninety (90) days, as estimated by an Authorized Officer.

(d) (i) Gross Revenues remaining unexpended at the close of business on the last day of each Fiscal Year, after expending or setting aside the money required for the purposes set forth in subsections (a), (b) and (c) of this Section, shall be deposited to the credit of the Capital Improvements Fund for use, deposit and application in accordance with Section 5.6; provided, however, an Authorized Officer may, at such time, elect to keep all or a portion of such unexpended funds in the Operating Revenue and Expense Fund.

(ii) Notwithstanding the deposits to the Capital Improvements Fund set forth in (d)(i) immediately above, an Authorized Officer may transfer amounts in the Operating Revenue and Expense Fund to the Capital Improvements Fund at any time and from time to time to the extent it can be certified by an Authorized Officer that: (A) the rate covenants set forth in Section 6.2(b) and 6.2(c) have been met to date and (B) there is no information available that the Board will not satisfy such Sections for the remainder of the Fiscal Year.

(e) Notwithstanding the other provisions of this Section, the Board shall not be required to set aside or pay any amounts to a Credit Provider or to a Paying Agent in respect of Administrative Expenses except as requested by such Persons and approved by an Authorized Officer.

(f) Notwithstanding the other provisions of this Section, Gross Revenues received from or through the United States of America, the State of Texas, or other sources, the use of which is limited, shall be used as Gross Revenues in compliance with any requirements placed on the use of such funds.

**Section 5.3 Adjustments in Transfer Requirements.** (a) The Accrued Aggregate Debt Service required to be transferred to the Debt Service Fund by subsection 5.2(b)(i) for such monthly period shall be reduced by an amount equal to the total of any moneys already on deposit in the Debt Service Fund and in any account created therein, or on deposit in another Pledged Fund, if any, that is created in an Additional Supplemental Ordinance, and after taking into account investment earnings actually realized and on deposit therein (inclusive of accrued interest and amortization of original issue discount or premium), excess deposits made on account of Variable Interest Rate Obligations and the assumed interest rates thereof, and money deposited therein from the proceeds of Obligations as capitalized interest or otherwise. It is provided, however, that the amounts required to be transferred shall never be reduced to an amount below the amount necessary to pay all amounts then due and owing on the Obligations and Parity Credit Agreement Obligations when due and payable.

(b) In the event the counterparty to a Swap Agreement becomes obligated to make payments to the Board, such amounts shall be deposited to the Debt Service Fund.

(c) The Board may at any time increase the amounts of any transfers required by Section 5.2 from funds on deposit in the Operating Revenue and Expense Fund, or from any other lawfully available moneys, so long as such transfers do not reduce the amounts required to be transferred to any particular fund or account in accordance with Section 5.2.

**Section 5.4 Uses of Debt Service Fund.** (a) The Board shall pay, out of the Debt Service Fund, to the respective Paying Agents for any of the Obligations from time to time Outstanding, or directly to a Credit Provider holding a Parity Credit Agreement Obligation, as applicable (i) on the date specified in the Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than each Interest Payment Date, the amount (as determined by each Paying Agent or other party designated in each applicable Additional Supplemental Ordinance) required for the payment of interest on the Obligations or Parity Credit Agreement Obligations due on such Interest Payment Date, and (ii) on the date specified in the Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than the redemption date, the amount required for the payment of accrued interest on Obligations or Parity Credit Agreement Obligations to be redeemed or paid unless the payment of such accrued interest shall be otherwise provided for. Such amounts paid to Paying Agents shall be held and applied by the Paying Agents as directed in Section 5.9.

(b) The Board shall pay, out of the Debt Service Fund, to the respective Paying Agents, on the dates specified in each Additional Supplemental Ordinance, but in no event later than each Principal Payment Date for any of the Obligations from time to time Outstanding or Parity Credit Agreement Obligations coming due, the amount (as determined by each Paying Agent or other party designated in each applicable Additional Supplemental Ordinance) required for the payment of any Principal Installments and any Redemption Price that are due on Obligations, and similar amounts that are due and payable on Parity Credit Agreement Obligations on such Principal Payment Date and such amounts paid to Paying Agents or Credit Providers shall be held and applied by the Paying Agents or Credit Providers as directed in each Additional Supplemental Ordinance.

(c) The amount accumulated in the Debt Service Fund for each Sinking Fund Installment may, and if so directed and authorized by an Additional Supplemental Ordinance shall, be applied prior to a day preceding the due date of such Sinking Fund Installment, as fixed in the Additional Supplemental Ordinance, to:

(i) the purchase of Obligations of the series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable from Sinking Fund Installments for such Obligations when such Obligations are redeemable by application of said installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as is specified in the Additional Supplemental Ordinance, or

(ii) the redemption of Obligations pursuant to the provisions of the applicable Additional Supplemental Ordinance authorizing such Obligations, if then redeemable by their terms, at a price not exceeding the Redemption Price.

(d) If a stated Interest Payment Date or a Principal Payment Date, or a date fixed for redemption of Obligations or Parity Credit Agreement Obligations, shall not be a Business Day, then the Interest Payment Date, Principal Payment Date or redemption date shall be deemed to be the next succeeding Business Day and no interest shall accrue between the stated day and the applicable succeeding Business Day.

#### **Section 5.5 Uses of Debt Service Reserve Fund.**

(a) (i) Moneys on deposit in or required by a Credit Agreement to be deposited to the Debt Service Reserve Fund Participant Account shall be used solely and exclusively for the purposes of making transfers to the Debt Service Fund for the payment of the principal of and interest on Additional Obligations that are Reserve Fund Participants, in the event the moneys in the Debt Service Fund are not sufficient to make transfers to the Paying Agents for such payment, or payments to Credit Providers for the payment of related Parity Credit Agreement Obligations, on the dates and in the full amounts required by this Master Bond Ordinance, by any Additional Supplemental Ordinance, or by any Credit Agreement.

(ii) Moneys on deposit in or required by a Credit Agreement to be deposited to any account created within the Debt Service Fund for the benefit of a particular series of Additional Obligations that are Reserve Fund Non-Participants, shall be used solely and exclusively for the purposes of making transfers to the Debt Service Fund for the payment of the principal of and interest on such Additional Obligations that are Reserve Fund Non-Participants, in the event the moneys in the Debt Service Fund are not sufficient to make transfers to the Paying Agents for such payment, or payments to Credit Providers for the payment of related Parity Credit Agreement Obligations, on the dates and in the full amounts required by this Master Bond Ordinance, by any Additional Supplemental Ordinance, or by any Credit Agreement.

(b)(i) Subject to the rights reserved in subsection (c) of this Section, the Debt Service Reserve Fund Participant Account shall be established and maintained in an amount equal to the Debt Service Reserve Requirement for the Additional Obligations that are Reserve Fund Participants, as such amount is determined in accordance with the following paragraphs of this subsection, to-wit:

(A) The amount of the Debt Service Reserve Requirement to be deposited, accumulated, and maintained, or alternatively funded in accordance with subsection (c) of this Section on account of the Prior Obligations and each respective series of Additional Obligations that are Reserve Fund Participants shall be established and funded, or funding shall

be provided therefor, in accordance with the provisions of Additional Supplemental Ordinances authorizing their issuance, but shall be in an amount that is not less than the average annual Debt Service that will be required to be paid on or with respect to the Prior Obligations and such Additional Obligations that are Reserve Fund Participants that are from time to time Outstanding, except that no increase in the Debt Service Reserve Requirement is required on account of any series of Interim Obligations or Balloon Obligations that are secured, guaranteed, or insured by a Credit Provider.

For the purposes of this subsection, computations with respect to Interim Obligations, Balloon Obligations, and Variable Interest Rate Obligations shall be made by applying the applicable Standard Assumptions.

(ii) With respect to any series of Additional Obligations that are Reserve Fund Non-Participants, subject to the rights reserved in subsection (c) of this Section and pursuant to the Additional Supplemental Ordinance authorizing such Additional Obligations, a separate account within the Debt Service Reserve Fund shall be established and maintained in an amount equal to the Debt Service Reserve Requirement for each such series of Reserve Fund Non-Participants secured thereby.

The amount of the Debt Service Reserve Requirement to be deposited, accumulated, and maintained, or alternatively funded in accordance with subsection (c) of this Section on account of each respective series of Additional Obligations that are Reserve Fund Non-Participants shall be established and funded, or funding shall be provided therefor, in accordance with the provisions of Additional Supplemental Ordinances authorizing their issuance, in an amount set forth in such Additional Supplemental Ordinance, provided that no increase in such Debt Service Reserve Requirement is required on account of any series of Interim Obligations or Balloon Obligations that are secured, guaranteed, or insured by a Credit Provider. For the purposes of this subsection, computations with respect to Interim Obligations, Balloon Obligations, and Variable Interest Rate Obligations shall be made by applying the applicable Standard Assumptions.

(c) Any Debt Service Reserve Requirement required on account of the issuance of each respective series of Additional Obligations shall be funded either (i) by including the required amount in the principal amount of the Obligations being issued, (ii) by requiring the transfer, on a pro rata basis, into the Debt Service Reserve Fund Participant Account (in the case of Additional Obligations that are Reserve Fund Participants) and such other designated accounts of the Debt Service Reserve Fund (in the case of Additional Obligations that are Reserve Fund Non-Participants) the required amounts to be deposited to such accounts of the Debt Service Reserve Fund from Gross Revenues in approximately equal monthly installments over a period not exceeding sixty (60) months following the delivery of such Additional Obligations, respectfully, (iii) by entering into one or more Credit Agreements, such as surety, insurance, other similar contracts, letters of credit and similar arrangements, with an insurance company or companies or a bank or banks, insuring or providing amounts up to the portion of the Debt Service Reserve Requirement applicable to the Obligations being issued, or (iv) by any combination of such methods. Such Credit Agreements must provide for the payment of the principal of and interest on the Obligations when due, and in order to avoid a default thereof, up to an amount equal to the Debt Service Reserve Requirement applicable to the Obligations to which they relate, to the extent cash funds in the applicable account of the Debt Service Reserve Fund do not contain the amount required to be on deposit therein from time to time.

The total dollar amount of the insured or guaranteed liability under the Credit Agreement with respect to the payment of such Obligations shall be deemed for all purposes hereof to satisfy a corresponding amount of the applicable Debt Service Reserve Requirement. In order for a Credit Agreement to be effective in satisfying in whole or in part the Debt Service Reserve Requirement, the execution of such Credit Agreement (i) must not result in or cause the then underlying credit rating on the Obligations to be lowered or withdrawn by a majority of the credit rating agencies then having a contract credit rating with respect to the Obligations or (ii) must be with a Credit Provider that holds a current rating for claims-paying ability by at least two nationally recognized rating agencies in one of the three highest long-term rating categories. A determination by the Cities that the terms and provisions of a particular Credit Agreement are in compliance with the requirements of this subsection shall be conclusive. To the extent such agreements or contracts are entered into, the Cities may pay the costs thereof from amounts that would otherwise be deposited to the Debt Service Reserve Fund pursuant to subsection 5.2(b)(iii).

(d) If, at any time, a transfer is required from an account of the Debt Service Reserve Fund for the purposes stated in subsection (a), the Board shall make such transfer on the dates on which transfers are required to be made to the Paying Agents under this Master Bond Ordinance or an Additional Supplemental Ordinance.

(e) Subject to such limitations as may be contained in an Additional Supplemental Ordinance, the Cities shall have the right and option to apply money in the Debt Service Reserve Fund to (i) redeem Obligations that are Reserve Fund Participants (from funds in the Debt Service Reserve Fund Participant Account), (ii) redeem Obligations that are Reserve Fund Non-Participants (from funds in the related account of the Debt Service Reserve Fund), or (iii) pay related Parity Credit Agreement Obligations, in advance of their maturity date when and if the same are subject to redemption at the option of the Cities in an amount by which the redemption lowers the applicable Debt Service Reserve Requirement.

(f) Any funds on deposit in an account of the Debt Service Reserve Fund in excess of the applicable Debt Service Reserve Requirement from time to time may be transferred to the Debt Service Fund or, at the discretion of the Board, may be applied to pay Costs of the Airport, or transferred to the Operating Revenue and Expense Fund.

(g) Notwithstanding anything to the contrary but subject to the requirements herein, the Board is authorized to, from time to time and at any time, substitute funding of the Debt Service Reserve Requirement with any funding source or provision allowable herein.

**Section 5.6 Uses of Capital Improvements Fund.** (a) Moneys transferred to the Capital Improvements Fund, as required by Section 5.2(d), shall be used for any purpose permitted by Applicable Law related to the Airport.

(b) Notwithstanding the provisions of subsection (a) of this Section, moneys on deposit in the Capital Improvements Fund shall be used to prevent a default in the payment of any Obligations or Parity Credit Agreement Obligations.

**Section 5.7 Restoration of Deficiencies.** Should the Debt Service Fund or the Debt Service Reserve Fund, or any other fund or account of any of the types described in subsection 5.2(b), contain less than the amount required to be on deposit therein, then such deficiency shall be restored from Pledged Revenues over a period not longer than sixty (60) months, and further transfers

to the Capital Improvements Fund pursuant to subsection 5.2(d) shall be suspended until such deficiency has been restored.

**Section 5.8 Investment of Funds and Accounts.** (i) Subject to restrictions set forth in a Credit Agreement, if any, amounts in any fund or account created herein may, to the extent permitted by Applicable Law, be invested in Investment Securities. All investments shall be made by or upon written instruction of an Authorized Officer in accordance with Applicable Law and the Board's investment policy approved by the Board from time to time. Such investments shall mature in such amounts and at such times as may, in the judgment of such Authorized Officer, be necessary to provide funds when needed to make timely payments from such fund or account. In order to avoid loss in the event of a need for funds, the Board may, in lieu of a liquidation of investments in the fund or account needing funds, exchange such investments for investments in another fund or account that may be liquidated at no, or at a reduced, loss.

(b) Except as otherwise provided in this Master Bond Ordinance, obligations purchased as an investment of moneys in any fund or account created in or confirmed by this Master Bond Ordinance shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account. It is provided, however, that earnings may be used as provided in subsection 5.2(e) and in an Additional Supplemental Ordinance.

(c) Except as otherwise provided in this Master Bond Ordinance, the Board shall sell or cause to be sold at the best price obtainable, or present for redemption or exchange, any Investment Security purchased as an investment pursuant to this Master Bond Ordinance whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made.

(d) To the extent not invested in Investment Securities, funds and accounts shall be fully secured in the same manner as is required for the public funds of the Board.

**Section 5.9 Effect of Deposits With Paying Agents.** (a) Whenever Pledged Revenues shall be on deposit with a Paying Agent in the amounts required herein or in an Additional Supplemental Ordinance, then the Cities and the Board shall be released from any further obligations of payment of the interest on or the principal or Redemption Price of Obligations with respect to which the deposits and transfers were made. The Holders of the Obligations with respect to which such moneys are held shall look solely to the appropriate Paying Agents for payment of the interest on or the principal or Redemption Price of the applicable Obligations from such moneys.

(b) Moneys transferred to a Paying Agent shall be set aside and continuously held uninvested (unless otherwise provided in an Additional Supplemental Ordinance) in a special trust fund or account held by the Paying Agent and shall be used for the sole and exclusive purpose of paying the amounts due and owing on the Obligations with respect to which such transfers were made and upon demand for such payment by the proper Holders. Any moneys remaining unclaimed for a period specified in any Applicable Law relating to the escheat of property or money shall be distributed by the Paying Agent in accordance with such law.

(c) Obligations, for the full payment of the principal amount or Redemption Price of which moneys have been provided to the appropriate Paying Agents under this Section, shall no

longer be deemed to be Outstanding from and after the maturity or redemption date thereof and all interest thereon shall cease to accrue from and after said date.

(d) Notwithstanding the provisions of subsection (a) and (b) of this Section, an Additional Supplemental Ordinance may require the payment of amounts deposited with the Paying Agent to be paid to a Credit Provider if offsetting and comparable amounts are deposited by the Credit Provider with the applicable Paying Agent for the purpose of making direct payment to the Holders of the applicable Obligations.

**Section 5.10. Construction Fund.** Except as otherwise provided herein or in an Additional Supplemental Ordinance, moneys deposited in the Construction Fund and the moneys within said Fund shall be used solely for the purpose of defraying a part of the Costs of the Airport.

**Section 5.11. Disbursements from Construction Fund.** Disbursements from the Construction Fund shall be made pursuant to the customary practices of the Airport. All disbursements from the Construction funds shall be accounted for and recorded in the appropriate records of the Airport.

**Section 5.12. Completion.** When improvements made with Obligation proceeds, shall have been completed in accordance with the plans and specifications therefor, and when all amounts due therefor, including all proper incidental expenses, shall have been paid, the Authorized Officer shall file with the Board a certificate so stating, and thereupon the Board shall cause the transfer of all moneys remaining in the Construction Fund, if any, to the Capital Improvements Fund.

## ARTICLE VI

### GENERAL COVENANTS AND REPRESENTATIONS

**Section 6.1 Budgets and Expenditures.** (a) For each Fiscal Year hereafter, the Board shall, in accordance with the terms, provisions and requirements of the Contract and Agreement, prepare and annually submit to the Cities an annual budget containing estimates of expenditures and anticipated Gross Revenues for the next ensuing Fiscal Year.

(b) All Operation and Maintenance Expenses shall be reasonable and the total expenditures for the purchase of services, goods or commodities shall not exceed in any year the total expenditures thus set forth in the annual budget except on the express approval of the Board and the Cities in accordance with the Contract and Agreement.

**Section 6.2 Payment of Obligations.** The Cities agree promptly to pay the principal of and the interest on every Obligation at the place, on the dates, and in the manner specified in the Additional Supplemental Ordinances.

**Section 6.3 Rates, Charges and Free Use of Land.** The Cities covenant and agree as follows:

(a) The Board shall fix, place into effect, directly or through leases, contracts or agreements with users of the Airport, a schedule of rentals, rates, fees and charges for the use, operation and occupancy of the Airport premises and Facilities and the services appertaining thereto, which is reasonably estimated to produce the amounts provided in

paragraphs (b) and (c), next below. From time to time and as often as it shall appear necessary, the Chief Executive Officer of the Airport and other Authorized Officers shall make recommendations to the Board as to the revision of the schedule of rentals, rates, fees and charges. Upon receiving such recommendations, the Board shall revise, insofar as it may legally do so, the rentals, rates, fees and charges for the use, operation and occupancy of the Airport, its Facilities, and the services appertaining thereto in order continually to fulfill the requirements of this covenant. This covenant shall not be construed to require adjustment or revision in long-term agreements which by their terms are not subject to adjustment or revision;

(b) The schedule of rentals, rates, fees and charges required by paragraph (a), next above, shall be at least sufficient to produce in each Fiscal Year Gross Revenues sufficient to pay (i) the Operation and Maintenance Expenses, plus (ii) 1.25 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively, plus (iii) an amount equal to the amounts required to pay any other obligations payable from Gross Revenues of the Airport, including Subordinate Lien Obligations, but excluding Special Revenue Bonds and Special Facility Bonds, and plus (iv) any additional amounts required by the terms of an Additional Supplemental Ordinance;

(c) The schedule of rentals, rates, fees and charges required by paragraph (a), next above, shall be at least sufficient to produce in each Fiscal Year Current Gross Revenues sufficient to pay the amounts provided in clauses (i), (iii) and (iv) of subsection (b), next above, plus 1.00 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively;

(d) The Board shall cause all rentals, fees, rates and charges pertaining to the Airport to be collected when and as due; shall prescribe and enforce rules and regulations for the payment thereof and for the consequences of nonpayment for the rental, use, operation and occupancy of and services by the Airport, and shall provide methods of collection and penalties to the end that the Gross Revenues and the Current Gross Revenues shall be adequate to meet the respective requirements hereof; and

(e) To the full extent lawfully permissible, no free use of the land, public roads and ways comprising a part of the Airport shall be allowed or permitted for commercial purposes by private or commercial concerns providing direct service to the traveling public, and no rights-of-way, easements, access or uses on or across said lands or public roads and ways for commercial purposes shall be granted except through easements, franchises or permits granted, and for consideration fixed, by the Board.

**Section 6.4 Books, Audits, Inspection.** (a) So long as any Obligations or Credit Agreements remain outstanding, proper books of record and account will be kept by the Board,

separate and apart from all other records and accounts of the Cities, showing complete and correct entries of all transactions relating to the Airport.

(b) The Board shall, after the close of each Fiscal Year, cause an audit of such books and accounts to be made by an independent accountant. Each such audit will be available for inspection by any Holder of Obligations and any Credit Provider.

**Section 6.5 Representations as to Pledged Funds and Pledged Revenues.** (a) The Cities represent and warrant that they are authorized by Applicable Law to adopt this Master Bond Ordinance and to pledge the Pledged Funds and Pledged Revenues in the manner and to the extent provided in this Master Bond Ordinance and that the Pledged Funds and Pledged Revenues so pledged are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Master Bond Ordinance except as expressly provided herein for Obligations and Parity Credit Agreement Obligations.

(b) The Obligations and the provisions of this Master Bond Ordinance are and will be the valid and legally enforceable special obligations of the Cities in accordance with their terms and the terms of this Master Bond Ordinance, subject only to any applicable bankruptcy or insolvency laws or to any Applicable Law affecting creditors rights generally.

(c) The Cities shall at all times, to the extent permitted by Applicable Law, defend, preserve and protect the pledge of the Pledged Funds and Pledged Revenues and all the rights of the Holders and the Credit Providers under this Master Bond Ordinance and all Credit Agreements against all claims and demands of all persons whomsoever.

**Section 6.6. Transfers of Airport and Facilities.**

(a) So long as any Obligations are outstanding and unpaid, the Cities shall not sell, transfer, or in any manner dispose of or otherwise alienate, any part of the property comprising the Airport; provided that leases shall not be deemed to constitute a transfer of Airport property. It is provided, however, that:

(i) the Cities may acquire additional property as an extension to the Airport additional to that reflected within the preliminary boundaries contained in the Board's over-all preliminary plan of the Airport and shall be authorized to grant rights of foreclosure in connection with mortgages, pledges, or other encumbrances of the land or revenues thereof fixed in connection with such acquisition and the Special Facilities to be placed therein, such mortgages and pledges being hereby authorized subject to the restrictions applicable to Special Facilities;

(ii) the Cities shall have the right to sell or otherwise dispose of any property, real or personal, which shall be no longer necessary, appropriate or required for the use of, profitable to, or for the best interests of the Board in operation of the Airport. The net proceeds of any sale pursuant to this provision shall be used for the purpose of replacing properties or equipment at the Airport, if necessary, or shall be deposited into the Capital Improvements Fund; except that the proceeds from the sales of surplus land may be distributed to the Cities as a return of capital under the Contract and Agreement.

(b) Notwithstanding the provisions of paragraph (a), next above, the Cities retain, reserve, and shall have the right and privilege of transferring, selling, leasing or disposing of the entire properties and Facilities constituting the Airport to another political body or political sub-division of the State of Texas which shall be authorized by law to own and operate airports, subject to the following conditions, to-wit:

(i) The governing body of such political entity by lawfully adopted and effective ordinance, order, resolution or by other appropriate action, shall expressly and unequivocally assume each and every, all and singular, the covenants, obligations, duties and responsibilities of the Cities and the Board imposed by this Master Bond Ordinance and all ordinances supplemental hereto or adopted in connection with the issuance of any future issues of Obligations.

(ii) If such properties and Facilities comprising the Airport shall be sold to such political body and such sale shall be on a deferred-payment basis, such deferred payment shall be junior and subordinate to all payments required here in to be made to or on account of any Obligations from time to time outstanding; or, if the purchase price is to be made in cash at the time of sale, no part thereof shall be or shall have been derived from Gross Revenues.

**Section 6.7. The Contract and Agreement.** The Cities hereby covenant and agree for the benefit of the Holders of the Obligations that they shall honor, fulfill, and enforce the Contract and Agreement between themselves. The Cities reserve the right by mutual agreement to additionally amend or supplement the Contract and Agreement from time to time in such respects as they shall consider appropriate so long as the effect of such amendment will not be to impair or diminish the rights of the Holders of Obligations; and they shall have the right to dissolve the Contract and Agreement upon transfer of the Airport in accordance with Section 6.6(b) hereof.

**Section 6.8. Standard of Operation.** The Airport shall be maintained in an efficient, operating condition; and such improvements, enlargements, extensions, repairs and betterments shall be made thereto as shall be necessary or appropriate in the prudent management thereof to insure its economic and efficient operation at all times, to maintain it in good repair, working order and operating condition; and such standards shall be maintained as may be required in order that the same will be approved by all proper and competent agencies of the Federal Government for the landing and taking-off of Aircraft operating in scheduled service, and as a terminal point of the Cities for the receipt and dispatch of passengers, property and mail by Aircraft.

**Section 6.9. Rules and Regulations.** The Board, shall establish and enforce reasonable rules and regulations for the use and occupancy, management, control, operation, care, repair and maintenance of the Airport. The Board will comply with all valid acts, rules, regulations, orders and directives of any executive, administrative or judicial body applicable to the Airport, unless the same shall be contested in good faith, all to the end that it will remain operative at all times.

**Section 6.10. Federal Financial Assistance.** The Board, will, insofar as they may legally do so, maintain, preserve, keep, and operate the Airport in such manner as will qualify the Airport to receive maximum financial aid from Federal or State sources, which aid may be sought and procured if available on fair and reasonable terms (in the sole opinion of the Board) which are not inconsistent with the provisions of this Master Bond Ordinance and when in the best interests of the overall financial and operating conditions of the Airport and the Joint Airport Fund.

**Section 6.11. Casualty Insurance.**

(a) Except to the extent provided by others, the Board will at all times maintain insurance for such of the Facilities, in such amounts (including deductible amounts) and against such losses or damages, as are customarily insured by the owners of publicly-owned properties, including airports, having similar properties and operations as the Airport. All such insurance maintained by the Board shall be: (a) obtained from a responsible insurance company or companies authorized to do business in the State, to the extent such insurance is obtainable at commercially reasonable rates, (b) provided through a program of self-insurance, or (c) effected through capital-markets risk transfer arrangements, including insurance-linked securities such as catastrophe bonds, collateralized reinsurance, industry loss warranties, or parametric risk-transfer instruments, whether issued by or through a special purpose insurer or transformer, provided such arrangements are fully collateralized or otherwise appropriately secured and comply with applicable law.

(b) The Board shall annually determine, following consultation with an Independent Insurance Consultant or the Risk Manager, the Facilities to be insured and the type and amount (including deductible amounts) of insurance to be obtained by the Board.

**Section 6.12. Use and Occupancy, Liability, and Other Insurance.**

(a) The Board, subject to the approval of the City Attorneys of the Cities, may carry with a responsible insurance company or companies authorized and qualified under the laws of the State of Texas insurance covering the risk of loss of revenues during necessary interruptions, total or partial, due to damage or destruction of the Airport, however caused, upon and subject to the following conditions, to-wit:

(i) Such requirement shall be only to the extent not provided for in leases and agreements with the Board, and in any event shall be in such amount as the Chief Executive Officer shall estimate as being sufficient to provide a full normal income during the period of interruption.

(ii) Such insurance shall cover a reasonable period of reconstruction, as estimated by the Chief Executive Officer; and the same may exclude losses sustained by the Cities during the first fourteen (14) days of any total or partial interruption of use.

(iii) If at any time the Board shall be unable to obtain such insurance to the extent above required, at reasonable prices, it shall carry such insurance to the extent reasonably obtainable.

In ascertaining a full normal income for such insurance, the Chief Executive Officer shall give consideration to the expected, as well as current and prior revenues, from the leasing or other operation or use of such facilities or from other sources, and may also make allowances for any probable decrease in operation and maintenance costs while use is interrupted. Any proceeds of such insurance shall be deposited to the credit of the Operating Revenue and Expense Fund and shall be subject to the uses and shall be applied as provided for moneys in said Fund.

(b) Insurance in the form and amount recommended by the City Attorneys of the Cities shall be obtained insuring against liability to any person sustaining death, bodily injury or property damage by reason of material defects or want of repair in or about the Airport, or by reason of the

negligence of any employee, and against such other liability to persons and property to the extent attributed to the ownership and operation of the Airport.

**Section 6.13. Land Title and Rights.** No funds from the proceeds of Obligations shall be paid for labor or to contractors, builders or material men on account of the construction, improvement or enlargement of the Airport unless such improvements or enlargements are located on lands good and marketable title to which shall be owned or can be acquired by the Cities in fee simple, or over which the Cities shall have acquired or can acquire easements or rights sufficient for the purposes of such improvements and enlargements. Additionally, no payments shall ever be made from the proceeds of any Obligations for the acquisition of real property or any interest therein unless and until the Cities shall have received an opinion of the City Attorneys of the Cities to the effect that upon acquisition all necessary and good and sufficient title to such property or the interest therein to be acquired, free and clear of encumbrances, will be vested in the Cities and shall be subject to the control and jurisdiction of the Board pursuant to the terms of the Contract and Agreement.

**Section 6.14. Encumbrances by Cities, Board, or Others.** The Cities shall not hereafter issue any bonds or other obligations payable from the Gross Revenues and having a lien on a parity with or senior to the Obligations, except as provided in Article III hereof, and it is covenanted and agreed that no mortgages or other liens of any kind shall be permitted to be attached or imposed upon any lands constituting a part of the Airport, except as expressly provided otherwise herein. Additionally the Board shall require the inclusion in all Net Rent Leases and Ground Leases provisions to the effect that the same are taken subject to the terms and provisions of this Master Bond Ordinance; that the lessee shall not enter into any contracts of a nature such that liens of any nature or kind are permitted to become attached to the remainder interests of the Board and the Cities thereunder; that the holders of such leasehold interests, when rendering or otherwise declaring the fair market value thereof, within the taxing jurisdictions in which situated and when required by law, shall render the fair market value of the lessee's interest, irrespective of the term thereof, based upon the value of a comparable facility situated on private property. All or other interest in the Board as Airport and publicly owned property, including the remainder or other interest, shall be and remain always exempt from and not subject to ad valorem taxation. The holders of such leases shall never suffer or permit to be imposed or attached to any such leasehold interests any liens for taxes. No action or default on the part of such lessees shall be construed to create a lien on the interests of the Cities in such Facilities or land.

**Section 6.15. Successor Covenant.** In the event of a transfer of the Airport to another political body or political sub-division, as permitted by Section 6.6(b) hereof, the governing board of such political body, when operating the Airport under and subject to the provisions of this Master Bond Ordinance, shall be obligated to perform all of the covenants and duties hereof imposed upon the Cities themselves or upon the Cities acting through the Board, and shall be authorized to exercise the rights reserved herein to the Cities or to the Board in such manner as may be appropriate consistent with its usual and customary methods of exercising similar rights in other instances so long as the method or methods utilized do not impair or defeat the substantive purposes of this Master Bond Ordinance.

## ARTICLE VII

### EVENTS OF DEFAULT

**Section 7.1 Description.** Each of the following occurrences or events for the purposes of this Master Bond Ordinance shall be and is hereby declared to be an "Event of Default," to-wit:

(i) The failure to make payment of the Principal Installment of any of the Obligations when the same shall become due and payable;

(ii) The failure to pay any installment of interest on Obligations when the same shall become due and payable;

(iii) The failure to pay when due any amounts, whether principal, interest, or other payment, that are due and owing on any Parity Credit Agreement Obligations and such failure shall continue for a period of sixty (60) days after the due date thereof;

(iv) Default in any covenant, undertaking, or commitment contained in the Contract and Agreement, the failure to perform which materially affects the rights of the Holders, including, but not limited to, their prospect or ability to be repaid in accordance with the terms and provisions of this Master Bond Ordinance, and the continuation thereof for a period of ninety (90) days (or 180 days if such default cannot be cured in 90 days and if corrective action is instituted and diligently pursued) after written notice of such default by any Holder.

(v) An order or decree shall be entered by a court of competent jurisdiction with the consent and acquiescence of the Cities appointing a receiver or receivers for the Airport or of the rentals, rates, revenues, fees or charges derived therefrom; or if any order or decree having been entered without the consent and acquiescence of the Cities shall not be vacated or discharged or stayed on appeal within ninety (90) days after entry;

(vi) The Cities shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Obligations, or a Parity Credit Agreement Obligation, or in this Master Bond Ordinance, or in an Additional Supplemental Ordinance, and if such default shall continue for ninety (90) days (or 180 days if such default cannot be cured in 90 days and if corrective action is instituted and diligently pursued) after written notice specifying such default and requiring the same to be remedied shall have been given to the Cities or to the Board by the Holders of at least 25% in aggregate principal amount of the Obligations then Outstanding, or by a Credit Provider that is granted the authority to give and to withdraw such notices under the terms of an Additional Supplemental Ordinance.

**Section 7.2 Remedies for Defaults.** Upon the happening and continuance of any of the Events of Default as provided in Section 7.1, then and in every case any Holder and any Credit Provider holding Parity Credit Agreement Obligations, including, but not limited to, a trustee or trustees therefor, may proceed against the Cities and the Board, for the purpose of protecting and enforcing the rights of the Holders and Credit Providers holding Parity Credit Agreement Obligations under this Master Bond Ordinance and any Additional Supplemental Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement

contained in this Master Bond Ordinance, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Holders or of Credit Providers holding Parity Credit Agreement Obligations hereunder or any combination of such remedies. It is provided, however, that all of such proceedings at law or in equity shall be instituted, strictly subject to the provisions of this Master Bond Ordinance, and shall be had and maintained for the equal benefit of all Holders, and, as applicable, the Credit Providers holding Parity Credit Agreement Obligations. Each right or privilege of any Holders and of any Credit Provider holding a Parity Credit Agreement Obligation (or trustee therefor) shall be in addition to and cumulative of any other right or privilege and the exercise of any right or privilege by or on behalf of any Holders or Credit Provider holding Parity Credit Agreement Obligations shall not be deemed a waiver of any other right or privilege thereof.

## ARTICLE VIII

### AMENDMENTS TO ORDINANCE

**Section 8.1 Limitations on Modifications.** This Master Bond Ordinance shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article.

**Section 8.2 Additional Supplemental Ordinances Without Holders' Consent.** (a) Subject to any limitations contained in an Additional Supplemental Ordinance, the Cities may, from time to time and at any time, adopt and implement Additional Supplemental Ordinances without consent of or notice to the Holders, for the following purposes:

(i) To cure any formal defect, omission or ambiguity in this Master Bond Ordinance if such action is not adverse to the interest of the Holders or to the Credit Providers holding Parity Credit Agreement Obligations;

(ii) To grant to or confer upon the Holders of any series of Obligations any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Master Bond Ordinance as theretofore in effect;

(iii) To add to the covenants and agreements of the Cities and the Board in this Master Bond Ordinance, other covenants and agreements to be observed by the Cities and the Board which are not contrary to or inconsistent with this Master Bond Ordinance as theretofore in effect;

(iv) To add to the limitations and restrictions in this Master Bond Ordinance, other limitations and restrictions to be observed by the Cities which are not contrary to or inconsistent with this Master Bond Ordinance as theretofore in effect;

(v) To confirm, as further assurance, any pledge or lien created or to be created by this Master Bond Ordinance, of the Pledged Funds and Pledged Revenues, or to subject to the lien or pledge of this Master Bond Ordinance additional revenues, properties or collateral;

(vi) To authorize the issuance of the Additional Obligations and Subordinate Lien Obligations and to prescribe the terms, forms and

details thereof not inconsistent with this Master Bond Ordinance and, in connection therewith, to create such additional funds and accounts, and to effect such amendments of this Master Bond Ordinance as may be necessary for such issuance, provided that no Additional Supplemental Ordinance shall be inconsistent with the limitations set forth in Section 8.3; or

(vii) To make modifications in this Master Bond Ordinance or in an Additional Supplemental Ordinance that are necessary in the opinion of bond counsel selected by the Cities to conform to requirements of federal tax or securities law or other Applicable Law and that do not, in the opinion of such counsel, adversely affect the rights and security of the Holders to be paid in full when due.

(b) Additional Supplemental Ordinances adopted for any of the purposes permitted by this Section need not, in order to be valid, be signed or accepted by any other Person. Copies of all Additional Supplemental Ordinances and Credit Agreements shall be filed with each Credit Provider and the Paying Agent.

**Section 8.3 Powers of Amendment.** Any modification or amendment of this Master Bond Ordinance and of the rights and obligations of the Cities and the Board and of the Holders may be made by an Additional Supplemental Ordinance, with the written consent (i) of the Holders of a majority of the combined principal amount of the Obligations then Outstanding, or (ii) in case less than all of the several series of Obligations then Outstanding are affected by the modification or amendment, of the Holders of a majority in principal amount of the Obligations of each series so affected and Outstanding at the time such consent is given; provided, however, no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation, or of any installment of interest thereon, or a reduction in the principal amount of the Redemption Price thereof, or in the rate of interest thereon, without the consent of the Holder of such Obligation, and provided further that no such modification or amendment may be made without the prior written consent of such of the Credit Providers as are granted the right of such consent under the provisions of an Additional Supplemental Ordinance. The Cities may obtain and receive an opinion of counsel selected by the Cities as conclusive evidence as to whether Obligations of any particular series or maturity would be so affected by any such modification or amendment of this Master Bond Ordinance.

**Section 8.4 Consent of Holders or Credit Providers.** (a) The Cities may at any time adopt an Additional Supplemental Ordinance making a modification or amendment permitted by the provisions of Section 8.3, to take effect when and as provided in this subsection (a) or in subsection (b) of this Section. A copy of such Additional Supplemental Ordinance (or brief summary thereof or reference thereto) together with a request for consent addressed to the Holders whose consent is required, shall promptly after adoption be mailed by the Board to the appropriate Holders (but failure to mail such copy and request shall not affect the validity of the Additional Supplemental Ordinance when consented to as herein provided). Such Additional Supplemental Ordinance shall not be effective unless and until the Cities shall have received the written consents of the proper Holders having the percentages specified in Section 8.3. Any such consent shall be continuously binding upon the Holder giving such consent and upon any subsequent Holder thereof and of any Obligations issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder giving such consent or a subsequent Holder thereof by filing with the Cities, prior to the time action is taken in response to such consents. At any

time thereafter notice, stating in substance that the Additional Supplemental Ordinance (which may be referred to as an Additional Supplemental Ordinance adopted by the Cities on a stated date) has been consented to by the Holders of the required percentages of Obligations and will be effective as hereinafter provided, shall be given to the Holders (whose consent was required) by the Cities by mailing such notice to such Holders (but failure to mail such notice shall not prevent such Additional Supplemental Ordinance from becoming effective and binding). The Additional Supplemental Ordinance making such amendment or modification shall be conclusively binding upon the Cities, the Board, each Paying Agent, all Holders, and all Credit Providers at the expiration of 30 days after the mailing by the City of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Additional Supplemental Ordinance in a legal action or equitable proceeding for such purpose commenced within such 30 day period; provided, however, that the Cities and any Paying Agent during such 30 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Additional Supplemental Ordinance as they may deem expedient.

(b) Unless the right is limited by the terms of an Additional Supplemental Ordinance, the Cities reserve and shall have the continuing right to amend this Master Bond Ordinance under Section 8.3 and this Section, without the consent of or notice to the Holders under subsection (a) of this Section, if such amendment is approved by each Credit Provider which is existing at the time the amendment is proposed by the Cities. Such right is hereby granted to such Credit Providers and the exercise of such right shall require no further action.

**Section 8.5** **Mailing of Notice.** Any notice to Holders under this Article is sufficient if: (i) it is mailed first class postage prepaid to each registered owner of Holders at the address, if any, appearing upon the Obligation Registers, or (ii) for any Obligations held in book-entry-only form, delivery to the securities depository (or its nominee) in accordance with the depository's procedures, which constitutes notice to all beneficial owners. Notice to each Credit Provider may be given by any of the foregoing methods or as provided in the applicable Credit Agreement. The failure of any Holder or beneficial owner to receive notice, or any defect in a notice, does not affect the validity of the action if the notice was sent as provided above.

**Section 8.6** **Exclusion of Obligations.** Obligations owned or held by or for the account of the Cities will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations provided for in this Master Bond Ordinance, and the Cities shall not be entitled with respect to such Obligations to give any consent or take any other action provided for in this Master Bond Ordinance.

## ARTICLE IX

### DISCHARGE OF ORDINANCE

**Section 9.1** **Discharge by Payment.** (a) When all Obligations and Subordinate Lien Obligations have been paid in full as to principal, interest and premium, if any, and all Credit Agreement Obligations and Administrative Expenses have been paid in full, or when all Obligations, Subordinate Lien Obligations and all Credit Agreement Obligations become due and payable, whether at maturity or by prior redemption and the Cities shall have provided for the payment of the whole amount due or to become due thereon by depositing with the Paying Agents the entire amount due and to become due thereon, and the Cities shall also have paid or caused to be paid all

Administrative Expenses, then all of the terms, provisions, pledges and liens of this Master Bond Ordinance and any applicable Additional Supplemental Ordinances shall be released.

(b) The terms, provisions, pledges and liens of this Master Bond Ordinance and any applicable Additional Supplemental Ordinances shall be released on less than all of the Obligations as and to the extent funds are provided to the Paying Agents under Section 5.10.

**Section 9.2 Discharge by Defeasance.** (a) Subject to compliance with the requirements of subsection (b) of this Section, and of any Additional Supplemental Ordinance, the Cities reserve the right to discharge their obligations to pay the principal of, premium, if any, and interest and the purchase price (if tender provisions are applicable), on all or any portion of the Obligations, and their obligation to pay all Administrative Expenses and all Parity Credit Agreement Obligations and thereby to obtain a release of the terms, provisions, pledges and liens of this Master Bond Ordinance and any applicable Additional Supplemental Ordinances as to all or any part of the Obligations and related Parity Credit Agreement Obligations (i) by depositing or causing to be deposited with a trustee or escrow agent moneys derived from any lawful source, expressly including the issuance of Additional Obligations, which, together with the interest earned on or capital gains or profits to be realized from the investment of such moneys in “Government Securities,” as defined in this Section, or in other investments authorized in subsection (b)(iii) of this Section, will be, as determined by a firm of independent and nationally recognized certified public accountants selected by the Cities, sufficient to pay the principal of, purchase price, if applicable, premium, if any, and interest on such Obligations to maturity, or to a date fixed by the Cities for the redemption of such Obligations, and to pay interest thereon to maturity or to the date fixed for redemption, and to pay all Administrative Expenses as may be reasonably estimated by the Cities to become payable hereunder on account of the Obligations being discharged by defeasance, and to pay all Parity Credit Agreement Obligations relating to the Obligations being discharged and estimated to become due and payable , and (ii) by delivering to said trustee or escrow agent irrevocable instructions of the Cities to make the payments described in subsections (b)(ii), (b)(iii), and (b)(iv) of this Section by delivery to said trustee or escrow agent of a Certificate and an opinion of counsel selected by the Cities that all conditions precedent with respect to such defeasance have been complied with.

(b) To implement a defeasance of all or a part of the Obligations or related Parity Credit Agreement Obligations under subsection (a) above, the Cities shall make provision with said trustee or escrow agent for:

(i) the establishment of an irrevocable trust pursuant to a trust agreement creating a trust separate and apart from this Master Bond Ordinance and each applicable Additional Supplemental Ordinance, and shall therein deposit and maintain such moneys, Government Securities or other investments, interest earnings, profits and capital gains;

(ii) the payment, out of such moneys, Government Securities, and other investments to the Holders of the Obligations being defeased, or to Credit Providers with respect to Parity Credit Agreement Obligations, at their dates of maturity, or at the dates fixed for redemption, of the full amount to which the Holders of such Obligations and Credit Providers with respect to Parity Credit Agreement Obligations would be entitled in payment of principal, premium and interest to the dates of such maturity or redemption; and

(iii) the investment of such moneys at the direction of the Cities in either (a) Government Securities, or (b) if the Obligations being defeased are insured by a Credit Provider that has issued and maintains in effect a policy of municipal bond insurance with respect to such Obligations, either in Government Securities or in such other investments as are authorized by Applicable Law and are approved by the Credit Provider issuing such policy, or with all of such investments maturing in sufficient amounts and at such times as are necessary to make available the moneys required for the purposes stated in paragraph (ii), above, as determined by a firm of independent and nationally recognized certified public accountants selected by the Cities and acceptable to the Trustee.

(c) If Variable Interest Rate Obligations are to be defeased, the Maximum Interest Rate must be assumed unless a lesser, actual rate to maturity or applicable redemption date is ascertainable or unless a Credit Provider guarantees a lesser rate.

(d) After compliance with the requirements of subsections (a) and (b) of this Section, the Obligations and Parity Credit Agreement Obligations, with respect to which moneys have been provided and investments have been made, shall no longer be Outstanding, and the terms, provisions, pledges and liens of this Master Bond Ordinance shall be automatically released as to such Obligations and Parity Credit Agreement Obligations.

(e) For the purposes of this Section, "Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Cities adopt or approve the proceedings authorizing the issuance of refunding bonds or, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Cities provide for the funding of an escrow to effect the defeasance of Obligations or related Parity Credit Agreement Obligations, are rated as to investment quality by a nationally-recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Cities adopt or approve the proceedings authorizing the issuance of refunding bonds or, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Cities provide for the funding of an escrow to effect the defeasance of Obligations or related Parity Credit Agreement Obligations, are rated as to investment quality by a nationally-recognized investment rating firm not less than "AAA" or its equivalent, or (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Obligations or related Parity Credit Agreement Obligations under the then applicable laws of the State of Texas.

## ARTICLE X

**Section 10.1 Master Bond Ordinance Irrepealable.** This Master Bond Ordinance shall be and remain irrepealable until all Obligations and Credit Agreement Obligations shall be fully paid, canceled, refunded, or discharged or provision for the payment thereof shall be made.

**Section 10.2 Effective Date of Master Bond Ordinance.** This Master Bond Ordinance shall be in full force and effect on and after the date on which it is duly passed by the City Council of each of the Cities.

**Section 10.3 Severability.** If any Section, paragraph, clause or provision of this Master Bond Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Master Bond Ordinance. If any Section, paragraph, clause or provision of the Contract and Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of the Contract and Agreement, or of any other provisions of this Master Bond Ordinance not dependent directly for effectiveness upon the provision of the Contract and Agreement thus declared to be invalid and unenforceable.

*[Signature Pages Follow]*

PASSED BY THE FORT WORTH CITY COUNCIL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2026.

**ATTEST:**

\_\_\_\_\_  
Mayor  
City of Fort Worth, Texas

\_\_\_\_\_  
City Secretary  
City of Fort Worth

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
City Attorney  
City of Fort Worth, Texas

THE STATE OF TEXAS     §  
COUNTY OF TARRANT   §  
CITY OF FORT WORTH    §

I, Jannette Goodall, City Secretary of the City of Fort Worth, Texas, do hereby certify:

1. That the above and foregoing is a true and correct copy of an Ordinance, duly presented and passed by the City Council of the City of Fort Worth, Texas, at a regular meeting held on \_\_\_\_\_, 2026, as same appears of record in the Office of the City Secretary.

2. That said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

WITNESS MY HAND and the Official Seal of the City of Fort Worth, Texas, this \_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
City Secretary,  
City of Fort Worth, Texas

(SEAL)

APPROVED AND ADOPTED BY THE DALLAS CITY COUNCIL THIS \_\_\_\_\_, 2026.

**CITY OF DALLAS:**  
Kimberly Bizzor Tolbert,  
City Manager

**APPROVED AS TO FORM:**  
Tammy L. Palomino,  
City Attorney

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
City Attorney

THE STATE OF TEXAS           §  
COUNTY OF DALLAS           §  
CITY OF DALLAS               §

I, Bilierae Johnson, City Secretary of the City of Dallas, Texas, do hereby certify:

1. That the above and foregoing is a true and correct copy of an excerpt from the minutes of the City Council of the City of Dallas, had in regular meeting, \_\_\_\_\_, 2026, confirming the passage of an Amended and Restated Master Bond Ordinance with respect to the issuance of Dallas Fort Worth International Airport Joint Revenue Bonds which ordinance is duly of record in the minutes of said City Council.

2. That said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

WITNESS MY HAND and seal of the City of Dallas, Texas, this \_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
City Secretary,  
City of Dallas, Texas

(SEAL)