
DALLAS/FORT WORTH INTERNATIONAL AIRPORT

**AMENDED AND RESTATED
FIFTY-FIFTH SUPPLEMENTAL CONCURRENT BOND ORDINANCE**

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

**DALLAS/FORT WORTH INTERNATIONAL AIRPORT
SUBORDINATE LIEN OBLIGATIONS**

Passed by the City Council of the City of Dallas _____, 20__

Passed by the City Council of the City of Fort Worth _____, 20__

Effective _____, 20__

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CITY OF DALLAS ORDINANCE
CITY OF FORT WORTH ORDINANCE

**AN AMENDED AND RESTATED FIFTY-FIFTH SUPPLEMENTAL
CONCURRENT BOND ORDINANCE, CONFIRMING THE
SECURITY FOR SUBORDINATE LIEN OBLIGATIONS, AND
PRESCRIBING OTHER MATTERS WITH RESPECT THERETO**

WHEREAS, terms set forth in these recitals shall have the meanings set forth in Section 1.2 herein;
and

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 Cities adopted the Master Bond Ordinance, effective September 22, 2010 (as amended, the “Master Bond Ordinance”); and

WHEREAS, the Master Bond Ordinance authorizes the issuance of, among other forms of debt, Obligations, Parity Credit Agreement Obligations and Subordinate Lien Obligations; 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 Cities and the Board desire to institute a program for issuing Subordinate Lien Obligations; and

WHEREAS, the respective City Councils for the Cities previously passed a Fifty-Fifth Supplemental Concurrent Bond Ordinance effective September 10, 2019 (the “Prior Fifty-Fifth Supplement”), in furtherance of the foregoing; and

WHEREAS, pursuant to Sections 8.3 and 8.4 of the Prior Fifty-Fifth Supplement, the Prior Fifty-Fifth Supplement may be amended with the consent of the Subordinate Lien Holders of a majority of the combined principal amount of the Subordinate Lien Obligations then Outstanding and each Credit Provider, if applicable; and

WHEREAS, upon the satisfaction of Sections 8.3 and 8.4 of the Prior Fifty-Fifth Supplement, 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 Fifty-Fifth Supplemental Concurrent Bond Ordinance (this “Fifty-Fifth Supplement”) be passed concurrently in order to amend and restate the Prior Fifty-Fifth Supplement, and that this Fifty-Fifth Supplement shall be effective immediately upon its passage by each of the Cities and receipt of the requisite consents; and

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 Amended and Restated Fifty-Fifth Supplemental Concurrent Bond Ordinance may hereafter be cited in other documents and without further description as the “Fifty-Fifth Supplement.”

Section 1.2 **Definitions.** (i) For all purposes of this Fifty-Fifth Supplement and all Additional Supplemental Ordinances related to Subordinate Lien Obligations, the following terms and definitions shall apply, shall be controlling, and shall have the following meanings and terms not otherwise defined herein shall have the meanings set forth in the Master Bond Ordinance, to-wit:

Additional Subordinate Lien Obligations – means, other than the Subordinate Lien Initial Interim Obligations, 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 as to the Pledged Revenues and Pledged Funds with the Subordinate Lien Obligations for lawful purposes as permitted by Section 3.1.

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

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

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

(ii) Subordinate Lien 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 5.7 of this Fifty-Fifth Supplement or Section 9.1 of the 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) Subordinate Lien Obligations in lieu of or in substitution for which other Subordinate Lien Obligations have been authenticated and delivered pursuant to this Fifty-Fifth Supplement or an Additional Supplemental Ordinance; and

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

Outstanding Subordinate Lien Obligations - mean any Additional Subordinate Lien Obligations, while, when, after, to the extent, and for so long as any of the same are Outstanding.

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

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

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.

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

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

Standard Assumptions - means the assumptions that are applicable to Subordinate Lien Interim Obligations, Subordinate Lien Variable Interest Rate Obligations, and Subordinate Lien Balloon Obligations, as set forth and described in subsections (a), (b) and (c), respectively, of Section 1.4 of this Fifty-Fifth Supplement.

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

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

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

Subordinate Lien Accrued Aggregate Principal - means that portion of Subordinate Lien Accrued Aggregate Debt Service applicable to Subordinate Lien Principal Installments of Subordinate Lien Obligations and principal amounts owed under related Credit Agreement Obligations accruing during a Subordinate Lien Debt Service Accrual Period and transferred to the Subordinate Lien Debt Service Fund pursuant to Section 5.2(b)(v) of the Master Bond Ordinance.

Subordinate Lien Aggregate Debt Service - means, for any period and as of any date of calculation, the sum of the interest and Subordinate Lien Principal Installments payable with respect to Subordinate Lien Obligations and the principal amount of and interest on any related Credit Agreement Obligations payable, in each case, during such period. The calculation of Subordinate Lien Principal Installments accruing shall be determined as provided in paragraph (ii) of the definition of Subordinate Lien Debt Service in this

Section 1.2, except that the period for the calculation shall be substituted for the Subordinate Lien Debt Service Accrual Period.

Subordinate Lien Balloon Obligations – means any series of Subordinate Lien 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 Subordinate Lien 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.

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

(i) interest accruing on each series of Outstanding Subordinate Lien Obligations, including as to Subordinate Lien Interim Obligations, Subordinate Lien Balloon Obligations, and to each series of Subordinate Lien Variable Interest Rate Obligations, if any, the amount estimated by an Authorized Officer that will accrue during the Subordinate Lien 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 Subordinate Lien Obligations; and

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

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

Subordinate Lien Debt Service requirements shall be calculated on the assumption that no Subordinate Lien Obligations Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Subordinate Lien Principal Installments or Subordinate Lien Sinking Fund Installments thereon when due, except as provided herein for Subordinate Lien Interim Obligations and Subordinate Lien Balloon Obligations. Such Subordinate Lien Debt Service requirements shall not include termination fees or other similar charges with respect to related Credit Agreement Obligations.

When calculating Subordinate Lien Debt Service or Subordinate Lien 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 Subordinate Lien 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 Subordinate Lien Debt Service or Subordinate Lien Accrued Aggregate Debt Service for purposes of Section 3.3 or Section 6.3 hereof.

Subordinate Lien Debt Service Accrual Period - means the period commencing, as applicable, on the date of issuance of a series or issue of Subordinate Lien Obligations or the execution of related Credit

Agreements or on the day following the most recent Subordinate Lien Interest Payment Date or Principal Payment Date, and ending on, but including, the last day of the calendar month prior to the next succeeding Subordinate Lien 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 Subordinate Lien Obligations or related Credit Agreement Obligations, such accrual period with respect to such Subordinate Lien Obligations or related Credit Agreement Obligations may be shortened to a period sufficient to provide for the payment of such Subordinate Lien Obligations or related Credit Agreement Obligations in full when due. The Board may adjust the Subordinate Lien Debt Service Accrual Period from time to time, by the terms of Additional Supplemental Ordinances or otherwise, in order to assure that all Subordinate Lien Obligations and related Credit Agreement Obligations are paid in full when due.

Subordinate Lien Debt Service Fund - means the fund so designated and created in Section 5.1.

Subordinate Lien Holder - means the registered owner of a Subordinate Lien Obligation according to an Obligation Register.

Subordinate Lien Initial Interim Obligations – means the Dallas Fort Worth International Airport Subordinate Lien Joint Revenue Commercial Paper Notes, Series I and Series II, each as authorized herein.

Subordinate Lien Interim Obligations - mean Subordinate Lien Obligations (i) for or with respect to which no Subordinate Lien 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 Subordinate Lien Obligations.

Subordinate Lien Interest Payment Date(s) - means the date or dates on which interest on Subordinate Lien Obligations or related Credit Agreement Obligations is payable, as said date or dates are specified in Additional Supplemental Ordinances.

Subordinate Lien Maximum Interest Rate - means, with respect to particular Subordinate Lien Variable Interest Rate Obligations or related 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 Subordinate Lien Obligations, or in a related Credit Agreement with respect to Credit Agreement Obligations, in each case being the maximum rate of interest such Subordinate Lien Obligations or related 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.

Subordinate Lien Minimum Interest Rate - means, with respect to any particular Subordinate Lien Variable Interest Rate Obligations, or related 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 Subordinate Lien Obligations that shall be the minimum rate of interest such Subordinate Lien Obligations will at any time bear.

Subordinate Lien Obligations – means the Subordinate Lien Initial Interim Obligations hereby authorized and bonds, notes, commercial paper obligations or other evidences of indebtedness issued pursuant to and in accordance with Section 3.5 of the Master Bond Ordinance.

Subordinate Lien Principal Installment - means, with respect to Subordinate Lien Obligations or related Credit Agreement Obligations, any amounts, other than interest payments, including any Subordinate

Lien Sinking Fund Installments, which are stated to be due or required to be made on or with respect to a Subordinate Lien Obligation or related Credit Agreement Obligation, which, when made, would reduce the amount of the Subordinate Lien Obligation or series of Subordinate Lien 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 Subordinate Lien Obligations.

Subordinate Lien Rebate Fund - means any fund established by an Additional Supplemental Ordinance in connection with the issuance of any Subordinate Lien 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 Fifty-Fifth Supplement, 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 Subordinate Lien 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.

Subordinate Lien Revenues - mean those Pledged Revenues that are deposited into the Subordinate Lien Debt Service Fund as directed by Section 5.2(b)(v) of the Master Bond Ordinance.

Subordinate Lien Sinking Fund Installment - means, with respect to any series of Subordinate Lien Obligations, the portion of the Subordinate Lien Accrued Aggregate Debt Service required by an Additional Supplemental Ordinance to be deposited to the Subordinate Lien 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 Subordinate Lien Obligations of said series having a stated maturity after said future date. Said future date is deemed to be the date when such Subordinate Lien Sinking Fund Installment is due and payable.

Subordinate Lien Variable Interest Rate Obligations - mean Subordinate Lien Obligations or related Credit Agreement Obligations which bear a Variable Interest Rate.

Swap Agreement – means, with respect to a series of Subordinate Lien 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 Subordinate Lien Obligations, to convert any element of any Subordinate Lien 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 Subordinate Lien 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 Subordinate Lien

Obligations or related Credit Agreement Obligations, all as specified in an Additional Supplemental Ordinance or Credit Agreement.

Section 1.3 Findings. (a) The declarations, determinations and findings declared, made and found in the preambles to this Fifty-Fifth Supplement 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 Fifty-Fifth Supplement 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 of Subordinate Lien Ordinances. (a) Subject to the provisions of this Section, wherever in this Fifty-Fifth Supplement a calculation of Subordinate Lien Debt Service during any current or future Subordinate Lien Debt Service Accrual Period with respect to Subordinate Lien Interim Obligations is required by application of the Standard Assumptions, the Subordinate Lien Debt Service shall be computed by assuming that the principal amount of the Subordinate Lien Interim Obligations, excluding the Subordinate Lien Initial Interim Obligations, will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Subordinate Lien 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 such Subordinate Lien Interim Obligations will be refinanced with a series of Additional Subordinate Lien Obligations that will be amortized over a period not to exceed 30 years in such manner as will cause the maximum Subordinate Lien Debt Service Requirement applicable to such series in any twelve (12) month period not to exceed 110% of the minimum Subordinate Lien Debt Service Requirements applicable to such series for any other twelve (12) month period, and (B) that the series of Additional Subordinate Lien 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 Subordinate Lien Obligations would bear if issued on such terms on the date of such estimate. Notwithstanding anything herein 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 rate over the last twelve months plus 50 basis points. With respect to Subordinate Lien Initial Interim Obligations, the Subordinate Lien Debt Service shall be computed using the reasonable assumptions established by an Authorized Officer. Additionally, such Subordinate Lien Initial Interim Obligations shall not be subject to the requirements of Article III of this Fifty-Fifth Supplement.

(b) Subject to the last sentence of this Section, wherever in this Fifty-Fifth Supplement a calculation of Subordinate Lien Debt Service during any current or future Subordinate Lien Debt Service Accrual Period with respect to each series of Subordinate Lien Variable Interest Rate Obligations that are not Subordinate Lien Interim Obligations is required by application of the Standard Assumptions, the Subordinate Lien Debt Service shall be computed by assuming that such Subordinate Lien Obligations will bear interest at an interest rate which, in the judgment of an Authorized Officer, is the average rate anticipated to be in effect with respect to such Subordinate Lien 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) of the Fifty-Fifth Supplement, such Subordinate Lien Obligations shall be deemed to bear interest at the actual rate borne during any prior test period. Notwithstanding anything herein 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 rate over the last twelve months plus 50 basis points.

(c) Subject to the last sentence of this Section, wherever in this Fifty-Fifth Supplement a calculation of Subordinate Lien Debt Service during any current or future Subordinate Lien Debt Service Accrual Period with respect to Subordinate Lien Balloon Obligations is required by application of the Standard Assumptions, the Subordinate Lien Debt Service shall be computed by assuming that (A) the principal amount

of such Subordinate Lien 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 Subordinate Lien Balloon Obligations were originally issued, and (B) such Subordinate Lien 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 Subordinate Lien 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 rate over the last twelve months plus 50 basis points.

ARTICLE II

PURPOSES, PLEDGE AND SECURITY

Section 2.1 Purposes of Fifty-Fifth Supplement and Contract with Subordinate Lien Holders. The purposes of this Fifty-Fifth Supplement are (i) to amend and restate the Prior Fifty-Fifth Supplement (as defined in the recitals hereof), relating to the issuance of Subordinate Lien Obligations, and (ii) to prescribe other matters and the general rights of the Subordinate Lien Holders, the Cities, the Board, and Credit Providers in relation to such obligations and related Credit Agreement Obligations.

Section 2.2 Pledge and Security for Subordinate Lien Obligations and Related 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 Subordinate Lien Obligations which are or may be Outstanding from time to time, (B) to the payment of all Credit Agreement Obligations related to Subordinate Lien Obligations, (C) to the payment of all Administrative Expenses related thereto, and (D) to the establishment and maintenance of the Subordinate Lien Debt Service Fund, and any other special trust funds or accounts which are ordered to be created by an Additional Supplemental Ordinance related to Subordinate Lien Obligations, at the times and for the periods and purposes provided in this Fifty-Fifth Supplement, in an Additional Supplemental Ordinance related to Subordinate Lien Obligations, and in any Credit Agreement with regard to Credit Agreement Obligations related thereto.

(b) The provisions, covenants, subordinate 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 Subordinate Lien Holders, the Credit Providers holding Credit Agreement Obligations related thereto, and the Persons to whom Administrative Expenses are owed, due and payable, without distinction as to priority and rights under this Fifty-Fifth Supplement.

(c) The Subordinate Lien Obligations, all related Credit Agreement Obligations and all Administrative Expenses related thereto shall constitute special obligations of the Cities, payable solely from, and secured solely by, a subordinate 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 related thereto, and associated Administrative Expenses related thereto shall not constitute debts or obligations of the State or of the Cities, and the Subordinate Lien 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) Subordinate Lien Obligations and related 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) of

the Master Bond Ordinance and shall be junior and subordinate to the superior pledge of and lien on Pledged Funds and Pledged Revenues in favor of the Prior Obligations, Outstanding Obligations, Additional 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) of the Master Bond Ordinance, 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 Fifty-Fifth Supplement is and shall continuously be and constitute a security agreement establishing a subordinate lien on and security interest in the Pledged Revenues and Pledged Funds in favor of the Subordinate Lien Holders and the Credit Providers holding Credit Agreement Obligations related thereto 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 the Subordinate Lien Initial Interim Obligations, Additional Subordinate Lien Obligations and Credit Agreement Obligations related thereto, and the same shall be continuously effective for so long as any Subordinate Lien Obligations are Outstanding, and any Credit Agreement Obligation and Administrative Expenses related thereto 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.

ARTICLE III

PERMITTED AIRPORT INDEBTEDNESS

Section 3.1 **Right to Issue Additional Subordinate Lien Obligations.** (a) In addition to the Subordinate Lien Initial Interim Obligations which are hereby authorized, 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 hereof, and with the provisions of any Additional Supplemental Ordinance imposing additional restrictions thereon, they shall constitute “Additional Subordinate Lien Obligations” and will be on a parity and of equal quality and dignity as to the subordinate lien and right to the Pledged Revenues and Pledged Funds under this Fifty-Fifth Supplement with any Subordinate Lien Obligations that will remain Outstanding, and any Credit Agreement Obligations related thereto that will remain unpaid, after their issuance.

(b) Additional Subordinate Lien 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 Subordinate Lien 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 Subordinate Lien Obligations and related Credit Agreements may be issued, created, or executed.

Section 3.2 **Terms of Additional Subordinate Lien Obligations.** Additional Subordinate Lien Obligations shall be authorized in Additional Supplemental Ordinances. The Additional Supplemental Ordinances shall specify the details and terms of the Additional Subordinate Lien Obligations, and may contain such provisions as the Cities deem appropriate and not in conflict with the Master Bond Ordinance, this Fifty-Fifth Supplement or with earlier Additional Supplemental Ordinances. This Fifty-Fifth Supplement does hereby authorize the issuance of the Subordinate Lien Initial Interim Obligations.

Section 3.3 **Conditions Precedent to Issuance of Additional Subordinate Lien Obligations.** (a) No Additional Subordinate Lien Obligations shall be issued under this Fifty-Fifth Supplement unless the following instruments shall be executed:

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

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

(B) No Event of Default has occurred and is then continuing under this Fifty-Fifth Supplement or under any Additional Supplemental Ordinances that will not be cured by the issuance of the Additional Subordinate Lien Obligations; and

(ii) A written order, executed by an Authorized Officer, directing that the Additional Subordinate Lien 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, except in the case of (A) below, in which case an Airport Consultant's report shall be sufficient, certifying that the Cities have received at least one of the following:

(A) Either an Airport Consultant's written report or certificate executed by an Authorized Officer setting forth projections of Gross Revenues and Operation and Maintenance Expenses, and the report indicates that (I) the estimated Subordinate Lien Revenues for each of three (3) consecutive Fiscal Years beginning with the first Fiscal Year in which Subordinate Lien Debt Service is due on or with respect to the Additional Subordinate Lien

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 the certificate of the Authorized Officer from the proceeds of such Additional Subordinate Lien Obligations and/or from interest that has been capitalized from the proceeds of previously issued Subordinate Lien Obligations, are equal to at least 110% of the Subordinate Lien 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 Subordinate Lien Debt Service to be paid during such period on or with respect to the Additional Subordinate Lien Obligations then proposed to be issued and any reduction in Subordinate Lien Debt Service that may result from the issuance thereof, and after applying the Standard Assumptions with respect to Outstanding or proposed Subordinate Lien Interim Obligations, Subordinate Lien Balloon Obligations or Subordinate Lien 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 an Authorized Officer 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 Subordinate Lien Revenues were equal to at least 110% of the maximum Subordinate Lien Debt Service on or with respect to all Outstanding Subordinate Lien Obligations and Credit Agreement Obligations related thereto scheduled to be paid during the then current or any future Fiscal Year after taking into consideration the issuance of the Additional Subordinate Lien Obligations then proposed to be issued, and after applying the Standard Assumptions with respect to Outstanding or proposed Subordinate Lien Interim Obligations, Subordinate Lien Balloon Obligations or Subordinate Lien 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 Subordinate Lien Obligations are being only used to refund Outstanding Subordinate Lien Obligations, fund any required deposit to a debt service reserve fund, or pay related costs of issuance, (II) as of the date of delivery of such Additional Subordinate Lien Obligations, after giving effect to the application of the proceeds

thereof and the refunding of the Outstanding Subordinate Lien Obligations to be refunded thereby, the Subordinate Lien Accrued Aggregate Debt Service on all Outstanding Subordinate Lien Obligations and Credit Agreement Obligations related thereto for each Fiscal Year will not exceed the Subordinate Lien Accrued Aggregate Debt Service that would have been payable in such Fiscal Year had the refunded Subordinate Lien Obligations remained Outstanding, applying the Standard Assumptions for any Subordinate Lien Interim Obligations, Subordinate Lien Balloon Obligations and Subordinate Lien Variable Interest Rate Obligations, and (III) the Stated Maturity Date of such Additional Subordinate Lien Obligations is not later than the Stated Maturity Date of the Outstanding Subordinate Lien Obligations being refunded thereby.

(b) The Cities may include in each Additional Supplemental Ordinance authorizing the issuance of Additional Subordinate Lien Obligations minimum reserve requirements and other terms related thereto.

Section 3.4 **Subordination of Subordinate Lien Obligations.** The pledge of the Pledged Revenues and the Pledged Funds to the payment of and as security for the Subordinate Lien Obligations and Credit Agreement Obligations related thereto are subordinate in every respect to Prior Obligations, Outstanding Obligations, Additional Obligations, and Parity Credit Agreement Obligations. Subordinate Lien Obligations and Credit Agreement Obligations related thereto are payable solely from the money on deposit from time to time in the special fund or account created pursuant to and in the priority of Section 5.2(b)(v) of the Master Bond Ordinance. Unless expressly set forth herein, all rights of Subordinate Lien Holders are subordinate to the rights of Holders of Prior Obligations, Outstanding Obligations and Additional Obligations and of Credit Providers holding Parity Credit Agreement Obligations.

ARTICLE IV

TERMS, PROVISIONS AND AUTHENTICATION OF SUBORDINATE LIEN OBLIGATIONS

Section 4.1 **Terms of Subordinate Lien Obligations.** Subordinate Lien 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 Ordinance.

Section 4.2 **Additional Subordinate Lien Obligations.** Each Additional Subordinate Lien 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 this Fifty-Fifth Supplement 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 Subordinate Lien 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 Subordinate Lien Obligations of every other series. Additional Subordinate Lien 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 Subordinate Lien 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 Subordinate Lien Obligation Details. (a) Subject to the provisions hereof, Subordinate Lien 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 Subordinate Lien 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 Subordinate Lien Maximum Interest Rate and may be subject to a Subordinate Lien Minimum Interest Rate. The Additional Supplemental Ordinance may contain such other details as may be permitted by Applicable Law.

Section 4.5 Additional Subordinate Lien Obligation Registrars and Registers. (a) Each Additional Supplemental Ordinance related to Subordinate Lien Obligations 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 Subordinate Lien Holders 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 Subordinate Lien 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 Subordinate Lien 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 Subordinate Lien Obligations shall designate a Paying Agent for that series. The duties of the Paying Agent are as described in this Fifty-Fifth Supplement 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 Subordinate Lien Obligation shall be registered as the absolute owner of such Subordinate Lien Obligation, whether such Subordinate Lien 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 Subordinate Lien Obligation, interest on, such Subordinate Lien 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 Subordinate Lien Obligations. The proceeds derived from the sale and delivery of each series of Additional Subordinate Lien Obligations shall be deposited as and to the extent directed in any applicable Additional Supplemental Ordinance.

Section 4.8 **Execution and Authentication of Subordinate Lien Obligations.** (a) Each Additional Subordinate Lien 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 Subordinate Lien Obligations shall cease to be such officer before the Subordinate Lien Obligations so signed, sealed or attested shall have been authenticated and delivered, such Subordinate Lien Obligations may nevertheless be authenticated and delivered as if the person who so signed, sealed or attested such Subordinate Lien Obligations had not ceased to be such officer. Any Subordinate Lien 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 Subordinate Lien Obligation such person may not have held such office.

(c) The manner and method of authenticating the Additional Subordinate Lien 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 **Subordinate Lien 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 Subordinate Lien Obligations to the extent so provided in an Additional Supplemental Ordinance. The rights and duties of the Cities and the Subordinate Lien Holders 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 **Creation of Subordinate Lien Debt Service Fund and Subordinate Lien Debt Service Account.** (a) Pursuant to Sections 3.5 and 5.2(b)(v) of the Master Bond Ordinance, the Cities hereby establish and create the Subordinate Lien Debt Service Fund. Within such fund, there is hereby created the Subordinate Lien Debt Service Account.

The Cities may authorize the creation of special or general accounts within the Subordinate Lien Debt Service Fund in addition to the Subordinate Lien Debt Service Account and may prescribe the terms applicable thereto in Additional Supplemental Ordinances; provided however, that the Board may authorize special or general accounts within the Subordinate Lien Debt Service Fund for accounting purposes.

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

Section 5.2 **Adjustments in Transfer Requirements.** (a) Amounts required to be transferred to the Subordinate Lien Debt Service Fund by subsection 5.2(b)(v) of the Master Bond Ordinance for such monthly period shall be reduced by an amount equal to the total of any moneys already on deposit in the

Subordinate Lien Debt Service Fund and in any account created therein, 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 Subordinate Lien Variable Interest Rate Obligations and the assumed interest rates thereof, and money deposited therein from the proceeds of Subordinate Lien 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 Subordinate Lien Obligations and Credit Agreement Obligations related thereto when due and payable.

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

Section 5.3 Uses of Subordinate Lien Debt Service Fund. (a) The Board shall pay, out of the Subordinate Lien Debt Service Fund, to the respective Paying Agents for any of the Subordinate Lien Obligations from time to time Outstanding, or directly to a Credit Provider holding a Credit Agreement Obligation related thereto, as applicable (i) on the date specified in the Additional Supplemental Ordinances or Credit Agreements related to Subordinate Lien Obligations pursuant to which Credit Agreement Obligations are created, but in no event later than each Subordinate Lien 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 Subordinate Lien Obligations or Credit Agreement Obligations related thereto due on such Subordinate Lien Interest Payment Date, and (ii) on the date specified in the Additional Supplemental Ordinances or Credit Agreements related thereto pursuant to which Credit Agreement Obligations are created, but in no event later than the redemption date, the amount required for the payment of accrued interest on Subordinate Lien Obligations or Credit Agreement Obligations related thereto 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 5.7.

(b) The Board shall pay, out of the Subordinate Lien Debt Service Fund, to the respective Paying Agents, on the dates specified in each related Additional Supplemental Ordinance, but in no event later than each Principal Payment Date for any of the Subordinate Lien Obligations from time to time Outstanding or Credit Agreement Obligations related thereto 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 Subordinate Lien Principal Installments and any Redemption Price that are due on Subordinate Lien Obligations, and similar amounts that are due and payable on Credit Agreement Obligations related thereto 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 Subordinate Lien Debt Service Fund for each Subordinate Lien 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 Subordinate Lien Sinking Fund Installment, as fixed in the Additional Supplemental Ordinance, to:

(i) the purchase of Subordinate Lien Obligations of the series and maturity for which such Subordinate Lien Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable from Subordinate Lien Sinking Fund Installments for such Subordinate Lien Obligations when such Subordinate Lien 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 Subordinate Lien Obligations pursuant to the provisions of the applicable Additional Supplemental Ordinance authorizing such Subordinate Lien Obligations, if then redeemable by their terms, at a price not exceeding the Redemption Price.

(d) If a stated Subordinate Lien Interest Payment Date or a Principal Payment Date, or a date fixed for redemption of Subordinate Lien Obligations or Credit Agreement Obligations related thereto, shall not be a Business Day, then the Subordinate Lien 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 5.4 **Debt Service Reserve Fund.** The Cities may create and establish a Subordinate Lien debt service reserve fund in Additional Supplemental Ordinances. The Additional Supplemental Ordinance can establish terms, deposit and disbursement requirements and other terms related thereto.

Section 5.5 **Restoration of Deficiencies.** Should the Subordinate Lien Debt Service Fund or any related reserve fund, or any other fund or account of any of the types described in subsection 5.2(b) of the Master Bond Ordinance, including subsection 5.2(b)(v) thereof, 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) of the Master Bond Ordinance shall be suspended until such deficiency has been restored; provided, however, that the restoration of deficiencies related to Subordinate Lien Obligations shall continue to be subordinate in priority.

Section 5.6 **Investment of Funds and Accounts.** (a) Subject to restrictions set forth in a Credit Agreement relating to Subordinate Lien Obligations, 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 Fifty-Fifth Supplement, obligations purchased as an investment of moneys in any fund or account created in or confirmed by this Fifty-Fifth Supplement 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 an Additional Supplemental Ordinance or as may be directed by an Authorized Officer.

(c) Except as otherwise provided in this Fifty-Fifth Supplement, 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 Fifty-Fifth Supplement 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 5.7 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 Subordinate Lien Obligations with respect to which the deposits and transfers were made. The Subordinate Lien Holders 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 Subordinate Lien 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 Subordinate Lien Obligations with respect to which such transfers were made and upon demand for such payment by the proper Subordinate Lien 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) Subordinate Lien 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 Subordinate Lien Holders.

Section 5.8 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 5.9 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 Fund shall be accounted for and recorded in the appropriate records of the Airport.

Section 5.10 Completion. When improvements made with Subordinate Lien 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 Subordinate Lien Obligations.** The Cities agree promptly to pay the principal of and the interest on every Subordinate Lien 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 1.10 times the amount of Subordinate Lien Accrued Aggregate Debt Service, 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 Subordinate Lien Obligations or Credit Agreements related thereto 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 Subordinate Lien Holder and any Credit Provider holding Credit Agreement Obligations related thereto.

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 Fifty-Fifth Supplement and to pledge on a subordinate basis the Pledged Funds and Pledged Revenues in the manner and to the extent provided in the Master Bond Ordinance and this Fifty-Fifth Supplement.

(b) The Subordinate Lien Obligations and the provisions of this Fifty-Fifth Supplement are and will be the valid and legally enforceable special obligations of the Cities in accordance with their terms and the terms of this Fifty-Fifth Supplement and the 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 Subordinate Lien Holders and the Credit Providers under this Fifty-Fifth Supplement and all Credit Agreements related thereto against all claims and demands of all persons whomsoever. Notwithstanding anything to the contrary, it is acknowledged that all right of the Subordinate Lien Holders and Credit Providers holding Credit Agreement Obligations related thereto are junior and subordinate to the Holders of Prior Obligations, Outstanding Obligations and Additional Obligations and any Credit Providers holding Parity Credit Agreement Obligations.

Section 6.6. Transfers of Airport and Facilities. (a) So long as any Subordinate Lien 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 the Master Bond Ordinance and all ordinances supplemental hereto or adopted in connection with the issuance of any future issues of Subordinate Lien 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 herein to be made to or on account of any Subordinate Lien 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 Subordinate Lien Holders 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 Subordinate Lien Holders; 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. Land Title and Rights. No funds from the proceeds of Subordinate Lien 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 Subordinate Lien 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.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1 Description. Each of the following occurrences or events for the purposes of this Fifty-Fifth Supplement shall be and is hereby declared to be an “Event of Default,” to-wit:

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

(ii) The failure to pay any installment of interest on Subordinate Lien 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 Credit Agreement Obligations related to Subordinate Lien 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 Subordinate Lien Holders, including, but not limited to, their prospect or ability to be repaid in accordance with the terms and provisions of this Fifty-Fifth Supplement, 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 Subordinate Lien 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 Subordinate Lien Obligations, or a Credit Agreement Obligation related to Subordinate Lien Obligations, or in this Fifty-Fifth Supplement, or in an Additional Supplemental Ordinance related to Subordinate Lien Obligations, 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 Subordinate Lien Holders of at least 25% in aggregate principal amount of the Subordinate Lien 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 related to Subordinate Lien Obligations.

Section 7.2 Remedies for Defaults. Only to the extent (1) Obligations, Additional Obligations and Parity Credit Agreement Obligations are no longer Outstanding or (2) Subordinate Lien Holders have received the written consent of a majority of the Holders, can any of the below remedies be enforced or exercised. Subject to the previous sentence, upon the happening and continuance of any of the Events of Default as provided in Section 7.1, then and in every case any Subordinate Lien Holder and any Credit Provider holding Credit Agreement Obligations related thereto, 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 Subordinate Lien Holders and Credit Providers holding Credit Agreement Obligations related thereto under this Fifty-Fifth Supplement and any Additional Supplemental Ordinance related to Subordinate Lien Obligations, 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 Fifty-Fifth Supplement or in any Additional Supplemental Ordinance related to Subordinate Lien Obligations, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Subordinate Lien Holders or of Credit Providers holding Credit Agreement Obligations related to Subordinate Lien Obligations 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 Fifty-Fifth Supplement, and shall be had and maintained for the equal benefit of all Subordinate Lien Holders, and, as applicable, the Credit Providers holding Credit Agreement Obligations related to Subordinate Lien Obligations. Each right or privilege of any Subordinate Lien Holders and of any Credit Provider holding a Credit Agreement Obligation (or trustee therefor) related to Subordinate Lien Obligations 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 Subordinate Lien Holders or Credit Provider holding Credit Agreement Obligations related to Subordinate Lien 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 Fifty-Fifth Supplement 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. Notwithstanding anything to the contrary, Subordinate Lien Holders acknowledge that their rights,

including the ability to modify this Fifty-Fifth Supplement, are subordinate to the rights and powers of Holders and Credit Providers holding Parity Credit Agreement Obligations. Moreover, any rights and powers set forth in this Article VIII are subordinate to and cannot conflict with the rights of Holders and Credit Providers holding Parity Credit Agreement Obligations as set forth in the Master Bond Ordinance.

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

(i) To cure any formal defect, omission or ambiguity in this Fifty-Fifth Supplement if such action is not adverse to the interest of the Holders or to the Credit Providers holding Parity Credit Agreement Obligations or Subordinate Lien Holders or Credit Providers holding Credit Agreement Obligations related to Subordinate Lien Obligations;

(ii) To grant to or confer upon the Subordinate Lien Holders of any series of Subordinate Lien 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 Fifty-Fifth Supplement or the Master Bond Ordinance as theretofore in effect and is not adverse to the interest of the Holders or to the Credit Providers holding Parity Credit Agreement Obligations or Subordinate Lien Holders or Credit Providers holding Credit Agreement Obligations related to Subordinate Lien Obligations;

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

(iv) To add to the limitations and restrictions in this Fifty-Fifth Supplement, other limitations and restrictions to be observed by the Cities which are not contrary to or inconsistent with this Fifty-Fifth Supplement or the Master Bond Ordinance as theretofore in effect and are not adverse to the interest of the Holders or to the Credit Providers holding Parity Credit Agreement Obligations or Subordinate Lien Holders or Credit Providers holding Credit Agreement Obligations related to Subordinate Lien Obligations;

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

(vi) To authorize the issuance of the Additional Subordinate Lien Obligations and to prescribe the terms, forms and details thereof not

inconsistent with this Fifty-Fifth Supplement and the Master Bond Ordinance and, in connection therewith, to create such additional funds and accounts, and to effect such amendments of the Master Bond Ordinance or this Fifty-Fifth Supplement as may be necessary for such issuance, provided that no Additional Supplemental Ordinance related to Subordinate Lien Obligations shall be inconsistent with the limitations set forth in Section 8.3; or

(vii) To make modifications in this Fifty-Fifth Supplement or in an Additional Supplemental Ordinance related to Subordinate Lien Obligations 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 Subordinate Lien Holders or Credit Providers holding related Credit Agreements to be paid in full when due.

(b) Additional Supplemental Ordinances adopted related to Subordinate Lien Obligations 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 related to Subordinate Lien Obligations and Credit Agreements related thereto shall be filed with each Credit Provider and the Paying Agent.

Section 8.3 Powers of Amendment. Any modification or amendment of this Fifty-Fifth Supplement and of the rights and obligations of the Cities and the Board and of the Subordinate Lien Holders may be made by an Additional Supplemental Ordinance, with the written consent (i) of the Subordinate Lien Holders of a majority of the combined principal amount of the Subordinate Lien Obligations then Outstanding, or (ii) in case less than all of the several series of Subordinate Lien Obligations then Outstanding are affected by the modification or amendment, of the Subordinate Lien Holders of a majority in principal amount of the Subordinate Lien 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 Subordinate Lien 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 such Subordinate Lien Holder, 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 must obtain and receive an opinion of bond counsel selected by the Cities as conclusive evidence as to whether Subordinate Lien Obligations of any particular series or maturity would be so affected by any such modification or amendment of this Fifty-Fifth Supplement. The Cities must obtain and receive an opinion of bond counsel selected by the Cities that, to the extent majority Holder consent is not sought, for whatever reason, the amendments, whether pursuant to Section 8.2 or 8.4 herein, do not adversely affect Holders or Credit Providers holding Parity Credit Agreement Obligations. To the extent any amendment will have a material adverse effect on Holders or Credit Providers holding Parity Credit Agreement Obligations, such amendment will require the written consent of a majority of Holders and the consent of all Credit Providers holding Parity Credit Agreement Obligations.

Section 8.4 Consent of Holders or Credit Providers. (a) The Cities may at any time adopt an Additional Supplemental Ordinance related to Subordinate Lien Obligations making a modification or amendment permitted by the provisions of Section 8.3 of this Fifty-Fifth Supplement, 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 Subordinate Lien Holders whose consent is required, shall promptly after adoption be mailed by the Board to the appropriate Subordinate Lien 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 Board shall have received the written consents of the proper Subordinate Lien Holders having the percentages specified in Section 8.3. Any such consent shall be continuously binding upon the Subordinate Lien Holder giving such consent and upon any subsequent Subordinate Lien Holder thereof and of any Subordinate Lien Obligations issued in exchange therefor (whether or not such subsequent Subordinate Lien Holder thereof has notice thereof), unless such consent is revoked in writing by the Subordinate Lien Holder giving such consent or a subsequent Subordinate Lien Holder thereof by filing with the Board, 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 Subordinate Lien Holders of the required percentages of Subordinate Lien Obligations and will be effective as hereinafter provided, shall be given to the Subordinate Lien Holders (whose consent was required) by the Board by mailing such notice to such Subordinate Lien 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 Subordinate Lien Holders, and all Credit Providers holding Credit Agreement Obligations related to Subordinate Lien Obligations at the expiration of 30 days after the mailing by the Board 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, the Board 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 Fifty-Fifth Supplement under Section 8.3 and this Section, without the consent of or notice to the Subordinate Lien Holders under subsection (a) of this Section, if such amendment is approved by each Credit Provider holding Credit Agreement Obligations related to Subordinate Lien Obligations 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 Subordinate Lien Holders or Holders under this Article is sufficient if: (i) it is mailed first class postage prepaid to each registered owner of Subordinate Lien Holders or Holders at the address, if any, appearing upon the Obligation Registers, or (ii) for any Obligations or Subordinate Lien 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, Subordinate Lien 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 Subordinate Lien Obligations.** Subordinate Lien 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 Subordinate Lien Obligations provided for in this Fifty-Fifth Supplement, and the Cities shall not be entitled with respect to such Subordinate Lien Obligations to give any consent or take any other action provided for in this Fifty-Fifth Supplement.

ARTICLE IX
DISCHARGE OF ORDINANCE

Section 9.1 **Reserved.**

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 related to Subordinate Lien Obligations, 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 Subordinate Lien Obligations, and their obligation to pay all Administrative Expenses and all Credit Agreement Obligations related thereto and thereby to obtain a release of the terms, provisions, pledges and liens of this Fifty-Fifth Supplement and any applicable Additional Supplemental Ordinances as to all or any part of the Subordinate Lien Obligations and related 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 Subordinate Lien 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 Subordinate Lien Obligations to maturity, or to a date fixed by the Cities for the redemption of such Subordinate Lien 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 Subordinate Lien Obligations being discharged by defeasance, and to pay all Credit Agreement Obligations relating to the Subordinate Lien 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)(i), (b)(ii), and (b)(iii) 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 Subordinate Lien Obligations or related 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 Fifty-Fifth Supplement 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 Subordinate Lien Holders of the Subordinate Lien Obligations being defeased, or to Credit Providers with respect to applicable Credit Agreement Obligations, at their dates of maturity, or at the dates fixed for redemption, of the full amount to which such Subordinate Lien Holders and Credit Providers with respect to 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 Subordinate Lien 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 Subordinate Lien 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 Subordinate Lien Variable Interest Rate Obligations are to be defeased, the Subordinate Lien 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 Subordinate Lien Obligations and Credit Agreement Obligations related thereto, 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 Fifty-Fifth Supplement shall be automatically released as to such Subordinate Lien Obligations and 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 Subordinate Lien Obligations or related 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 Subordinate Lien Obligations or related 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 Subordinate Lien Obligations or related Credit Agreement Obligations under the then applicable laws of the State of Texas.

ARTICLE X

Section 10.1 Effective Date of Fifty-Fifth Supplement. This Fifty-Fifth Supplement 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 10.2 Severability. If any Section, paragraph, clause or provision of this Fifty-Fifth Supplement 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 Fifty-Fifth Supplement. 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 Fifty-Fifth Supplement 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

[SEAL]

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 Bizor 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 Fifty-Fifth Supplemental Concurrent Bond Ordinance, 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)