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INDENTURE OF TRUST

between

AUSTIN-BERGSTROM LANDHOST ENTERPRISES, INC.

and

\_\_\_\_\_,  
as Trustee

Relating to

\$\_\_\_\_\_

Austin-Bergstrom Landhost Enterprises, Inc.  
Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017

Dated as of \_\_\_\_\_, 2017

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of \_\_\_\_\_, 2017 (the "Indenture"), by and between AUSTIN-BERGSTROM LANDHOST ENTERPRISES, INC., a nonprofit public facility corporation (the "Issuer"), and \_\_\_\_\_, national banking association having a corporate trust office in \_\_\_\_\_, Texas, which is authorized by law to accept and exercise the trust powers set forth herein, and its successors in trust and assigns (the "Trustee").

### WITNESSETH:

WHEREAS, the Issuer is a nonprofit public facility corporation created and existing under Chapter 303, Texas Local Government Code, as amended (the "Act"), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, improving and equipping one or more projects; and

WHEREAS, the Act and the corporate proceedings creating the Issuer authorize the Issuer to issue revenue bonds on behalf of the City of Austin, Texas (the "City"), to finance the cost of a "Public Facility" within the meaning of the Act; and

WHEREAS, the City, through its Department of Aviation, is the owner and operator of, the Austin-Bergstrom International Airport (the "Airport"); and

WHEREAS, in order to provide for a full-service hotel facility (the "Project") operated by a major hotel chain, functionally related and subordinate to the Airport, and functionally related to the needs and convenience of the general public, the City has entered into a Facilities Lease Agreement dated as of June 4, 1998, as amended (the "Original Facilities Lease"), by and between the City and Landmark Hospitality, LP., as lessee and the developer of the Project (the "Developer"); and

WHEREAS, pursuant to the terms of an Assignment and Assumption Agreement, dated as of February 1, 1999 (the "Assignment Agreement"), the Developer assigned to the Issuer, and the Issuer assumed, all of the rights, duties and obligations of the Developer contained in the Original Facilities Lease; and

WHEREAS, the Issuer and the trustee named therein entered into an Indenture of Trust, dated as of February 1, 1999 (the "1999 Indenture"), pursuant to which the Issuer sold two series of bonds, the \$38,785,000 Austin-Bergstrom Landhost Enterprises, Inc. Airport Hotel Senior Revenue Bonds, Series 1999A (the "Series 1999A Bonds"), and the \$3,730,000 Austin-Bergstrom Landhost Enterprises, Inc. Airport Hotel Subordinate Revenue Bonds, Series 1999B (the "Series 1999B Bonds", and together with the Series 1999A Bonds, the "Series 1999 Bonds"), the net proceeds of which were used to finance the design, development and equipping of the Project; and

WHEREAS, the Project was completed and opened to the public on \_\_\_\_\_, 2001; and

WHEREAS, the Issuer desires to refund the Series 1999 Bonds in order to address funding deficiencies relating to the payment of current debt service on the Series 1999 Bonds; and

WHEREAS, Austin-Bergstrom Acquisition LLC ("ABA") owns 95.61% of the outstanding Series 1999A Bonds and all of the outstanding Series 1999B Bonds; and

WHEREAS, pursuant to a letter of intent between the City, the Issuer and ABA, dated July 28, 2016 (the "Letter of Intent"), ABA has agreed to receive in consideration of retiring all of the outstanding Series 1999 Bonds \$30,000,000, which will be appropriated (a) to pay all of the owners of the Series 1999A Bonds other than ABA (the "Minority Bondholders") the amount of par plus accrued interest to the date of redemption of the Series 1999A Bonds owned by the Minority Bondholders, (b) to retire all of the remaining Series 1999A Bonds on their date of redemption, and all of the Series 1999B Bonds owned by ABA on their date of redemption and (c) to repay ABA for costs incurred with respect to repairs of and maintenance to the Project;

WHEREAS, UMB Bank, N.A., as trustee for the Series 1999 Bonds (the "1999 Bond Trustee"), has provided confirmation to the Issuer that ABA owns all of the Series 1999B Bonds and the percentage of the Series 1999A Bonds stated in the recitals to this Indenture; and

WHEREAS, the Issuer and \_\_\_\_\_ (the "Trustee") desire to enter into this Indenture to authorize the issuance of the bonds hereinafter described (the "Bonds") to (a) enable the Series 1999 Bonds to be redeemed and retired on the redemption date, (b) facilitate the release of the lien securing the assets described herein as the "Trust Estate" and pledge the Trust Estate to the payment of the Bonds, (c) provide funds for the improvement of the Project, and (d) memorialize covenants relating to the issuance of the Bonds; and

WHEREAS, the Trustee has the power to enter into this Indenture and to execute the trusts hereby created and has accepted the trusts created herein; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, valid and binding special limited obligations of the Issuer and to constitute this Indenture a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the Bonds have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

## GRANTING CLAUSES

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the Debt Service (as hereinafter defined) and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does

hereby grant, convey, mortgage, create a security interest in, pledge and assign to the Trustee, the following (the "Trust Estate"):

#### FIRST GRANTING CLAUSE

Subject to the proviso below, all of the Issuer's right, title and interest in and to all amounts on deposit in or required from time to time to be deposited in or credited to the funds to be held by the Trustee hereunder in accordance with the Bond Documents (as hereinafter defined), together with any investments and reinvestments made with such amounts and the proceeds thereof (except the Rebate Fund); and

#### SECOND GRANTING CLAUSE

Subject to the proviso below, all of the Issuer's right, title and interest in and to the revenues derived from the Project, together with all rights, powers, privileges, options and other benefits of the Issuer contained therein, and all rights, titles, interests, liens, privileges, claims, demands and equities held by the Issuer existing and to exist in connection with or as security for the payment of the Debt Service on the Bonds when due and all amounts. if any (other than amounts in, or required to be deposited in, the Rebate Fund), to be received from the Project other than any money or rights to which the Issuer and the City may be entitled under the Bond Documents for the purposes set forth in this Indenture; and

#### THIRD GRANTING CLAUSE

Subject to the proviso below, any and all property (other than amounts in, or required to be deposited in, the Rebate Fund) of every kind or description which may hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with, the Trustee by or on behalf of the Issuer or the City as additional security hereunder, or which pursuant to any of the provisions of the Bond Documents may come into the possession or control of the Trustee, or of a receiver lawfully appointed pursuant to this Indenture, as such additional security; and the Trustee is hereby authorized to receive all such property as additional security for the payment of the Bonds and to hold and apply all such property subject to the terms of this Indenture.

TO HAVE AND TO HOLD the Trust Estate, whether now owned or held or hereafter acquired, unto the Trustee, its successors and assigns, forever;

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of all present and future Bondholders without preference of any Bond of a Series over any other, but with such preferences, privileges, priorities and distinctions between the Senior Bonds and the Subordinate Bonds as are herein set forth, and for enforcement of the payment of the Bonds in accordance with their terms, and all other sums payable hereunder or on the Bonds and for the performance of and compliance with the provisions of this Indenture, as if all the Bonds at any time outstanding had been authenticated, executed and delivered simultaneously with the execution and delivery of this Indenture, all as herein set forth; provided, however, that if the Issuer, its successors or assigns shall well and truly pay or cause to be paid fully and promptly



when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event this Indenture shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect, subject to the provisions respecting the priority of the Senior Bonds over the Subordinate Bonds and except as otherwise expressly provided in or permitted by the Indenture;

PROVIDED, HOWEVER, that the grant, conveyance, pledge and assignment made in the Second and Third Granting Clauses of this Indenture are intended for the aforesaid security purposes only, and, except as otherwise provided in the remaining provisions of this Indenture, nothing in the Granting Clauses of this Indenture shall prohibit the Trustee from bringing any actions or proceedings for the enforcement of the obligations of the Issuer hereunder except the obligations of the Issuer with respect to the amounts referred to in the First Granting Clause of this Indenture and except that nothing in this provision shall prejudice the rights of the Trustee under Articles X and XI hereof;

IT IS HEREBY COVENANTED, DECLARED AND AGREED that this Indenture creates a continuing lien on the Trust Estate (except as to the items described in the First Granting Clause, as to which an absolute assignment is made) equally and ratably to secure the payment in full of the Debt Service on all Bonds which may, from time to time, be Outstanding hereunder, and that the Bonds are to be issued, authenticated and delivered, and that the Trust Estate is to be held, dealt with and disposed of by the Trustee, upon and subject to the express terms, covenants, conditions, uses, agreements and trusts set forth in this Indenture, subject to the provisions respecting the priority of the Senior Bonds over the Subordinate Bonds and except as otherwise expressly provided in or permitted by this Indenture.

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. For purposes of this Indenture capitalized terms defined in the recitals hereto have the meanings set forth therein and, except as otherwise expressly provided or unless the context otherwise requires, additional capitalized terms have the meanings assigned below:

"2017 Project Account" means the Account within the Construction Fund established and designated as such in Section 5.02 hereof.

"Account" or "Accounts" means any one or more of the accounts from time to time created in any of the Funds established hereby or by any Supplemental Indenture.

"Accountant" means any nationally recognized certified public accountant or firm of certified public accountants or accounting corporation of recognized experience and qualifications, selected by the Issuer, and may be the accountants or firm of accountants that regularly audits the books of the Issuer.

"Accountant's Certificate" means a certificate or opinion signed by the Accountant.

"Act" means Chapter 303, Texas Local Government Code, as amended.

"Additional Bonds" means any additional Bonds issued by the Issuer pursuant to Section 3.02 hereto to refund any Bonds previously issued hereunder or to add additional improvements and/or renovations to the Project.

"Administrative Fees and Expenses" means the reasonable and necessary expenses of the Issuer related to the Bonds, the reasonable and necessary fees and expenses of the Trustee, any Consultant including without limitation the Consulting Engineer, any Bond Registrar and any Paying Agent, and all other administrative costs and expenses, including legal and financial advisory fees, incurred in connection with the administration of the Bonds under this Indenture.

"Administrative Fee Fund" means the Airport Hotel Revenue Bond Administrative Fee Fund of that name established pursuant to Section 5.02 herein.

"Aggregate Debt Service" means, for any Fiscal Year or other 12-month period, as of the date of calculation, the sum of the amounts of Debt Service for such Fiscal Year or other 12-month period.

"Amortized Value" means the value of an Investment Security calculated by adding the amount of the premium paid upon acquisition to the par value of the Investment Security or deducting the amount of the discount received upon acquisition from the par value of the Investment Security, as the case may be, after such premium or discount has been amortized according to Generally Accepted Accounting Principles for the number of days since the acquisition of the Investment Security.

"Authorized Denominations" means \$5,000 principal amount and integral multiples of \$5,000.

"Authorized Issuer Representative" means (a) the President of the Issuer; (b) any Vice President of the Issuer; or (c) any other officer or employee of the Issuer authorized by resolution of the Board to act as an Authorized Issuer Representative under this Indenture or any Supplemental Indenture or otherwise with respect to the Bonds or the Project.

"Beneficial Owner" or "beneficial owner" shall mean any Person who acquires a beneficial ownership interest in a Bond held by DTC or any successor Securities Depository hereunder. In determining the Beneficial Owner of the Bond, the Trustee may rely conclusively upon written representations made and written information given to the Trustee by DTC or any successor Securities Depository hereunder or their respective participants with respect to any Bond held by DTC or any successor Securities Depository hereunder in which a beneficial interest is claimed.

"Board" means the board of directors of the Issuer, or any successor in function.

"Bond" or "Bonds" means the Series 2017 Bonds and any Additional Bonds of the Issuer, authenticated and delivered under and pursuant to this Indenture or under any Supplemental Indenture.

"Bond Counsel" means McCall, Parkhurst & Horton L.L.P., or another firm of attorneys, selected by the Issuer and approved by the City, whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

"Bond Documents" means this Indenture, the Grant Agreement and the Management Agreement.

"Bondowner", "Owner of Bonds" or "Owner" means, when used with respect to Bonds, the registered owner of any Bond.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated \_\_\_\_\_, 2017 pursuant to which the Underwriters have agreed to purchase the Series 2017 Bonds from the Issuer.

"Business Day" means any day other than a Saturday, Sunday or other day on which The New York Stock Exchange or banks are authorized or required to close in New York, New York or Austin, Texas.

"Calculation Date" means October 1, 20\_\_\_\_, and each fifth anniversary thereafter while the Senior Bonds are Outstanding.

"City" means the City of Austin, Texas, acting through its Department of Aviation, and its successors.

"City Fee" means the amount of \$120,000 per calendar year.

"Closing Date" means \_\_\_\_\_, 2017.

"Code" means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations proposed or in effect with respect thereto.

"Construction Fund" means the Airport Hotel Revenue Bond Construction Fund established by Section 5.02 hereof, and includes any separate Accounts or Subaccounts established pursuant thereto.

"Consultant" means any Person at the time employed by or on behalf of the Issuer (or, to the extent specifically provided herein or in any Supplemental Indenture, by or on behalf of the Trustee) to carry out the duties imposed by or pursuant to this Indenture or a Supplemental Indenture, which Person shall be experienced, have a national and favorable reputation in the matters for which such Person is so employed, and be independent of the Issuer and the City.

"Consulting Engineer" means \_\_\_\_\_, or any Consultant with expertise in engineering approved by the City.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of \_\_\_\_\_ 1, 2017, by and between the Trustee and the Issuer relating to the obligation of the Issuer to provide certain continuing disclosure information as required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission.

"Costs" or "Costs of the Project" means all costs of acquisition, design, construction and equipping of the Project. Such costs shall include, without limitation:

(a) contractors' fees and charges, the cost of labor, services, materials and supplies used or furnished in site improvement and construction, training and testing costs, the cost of purchasing and installing machinery, equipment, facilities, rolling stock and ancillary items, and the cost of utility services;

(b) the cost of acquiring by purchase, and the amount of any deposit in court or award or final judgment in, or any settlement or compromise of, any proceeding to acquire by eminent domain, such lands, property, property rights, rights of way, easements, franchises and other interest as may be deemed necessary or convenient, options and partial payments thereon, the cost of demolishing or removing or relocating any buildings or structures or land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the amount of any incidental or consequent damages and the amount of any legal costs associated with such acquisition;

(c) the costs of preparing surveys, cost estimates, appraisals, plans and specifications (including any preliminary study or planning or any aspect thereof), fees for architectural, engineering, supervisory and consulting services, planning and development costs, the costs of obtaining governmental or regulatory permits, licenses, franchises and approvals, and any other fees or expenses necessary to establishing feasibility or practicability;

(d) to the extent not paid by the Manager, premiums of all insurance and surety and payment bonds required to be maintained, all claims and expenses relating to injury and damage, and casualty and liability insurance premiums in connection with insurance against loss from such claims;

(e) interest to accrue on the Bonds during construction of the Project and for a reasonable start-up period of the Project after the completion date of the construction (but in no event later than one year thereafter) to the extent such amounts are on deposit in any capitalized interest account created within the Senior Debt Service Fund;

(f) any amount required to fund the Senior Debt Service Reserve Fund;

(g) repayment of all temporary borrowings incurred by or on behalf of, or advances made by or on behalf of, the Issuer in connection with the Project;

- (h) Costs of Issuance, to the extent not otherwise described in this definition;
- (i) all items of expense relating to any guarantee or bond insurance policy, to the extent not otherwise described in this definition; and
- (j) all other costs and expenses relating to the acquisition, design, construction and equipping of the Project, including, but not limited to, costs of environmental mitigation and remediation.

"Costs of Issuance" means the items of expense relating to the authorization, sale and issuance of Bonds, which items of expense may include, without limitation: travel expenses; printing costs; costs of reproducing documents; computer fees and expenses; filing and recording fees; initial fees and charges of the Trustee, Consultants, Registrar, Paying Agent, and other Fiduciaries; initial fees and charges of banks, insurers or other parties pursuant to guarantees or bond insurance policies; bond discounts; legal fees and charges; consulting fees and charges; auditing fees and expense; financial advisor's fees and charges; costs of credit ratings; insurance premiums; fees and charges for the execution, transportation and safekeeping of Bonds; and any other administrative or other costs of issuing, carrying and repaying such Bonds and investing the Bond proceeds.

"Costs of Issuance Account" means the Account within the Construction Fund established and designated as such in Section 5.02 hereof.

"Debt Service" means, with respect to any particular Fiscal Year or other 12-month period, and as of any calculation date, an amount equal to the sum of (a) all principal of and interest on all Outstanding Bonds that is payable during such period; and (b) the Redemption Price of Outstanding Bonds payable during such period with respect to any Outstanding Bonds that are to be redeemed during such period pursuant to mandatory redemption provisions or pursuant to optional redemption provisions that have been exercised by the Issuer as of the calculation date.

For purposes of this definition Debt Service shall not include the principal and Redemption Price of and interest on Outstanding Bonds to the extent the same is to be paid from proceeds of Bonds or other funds held by the Trustee or an escrow agent for the benefit of the Owners of Outstanding Bonds and investment earnings on such proceeds or other funds.

"Defeasance Investment Securities" means, if and to the extent the same are, at the time acquired, (i) direct, noncallable obligations of the United States of America, including obligations that 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 Issuer adopts or approves 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 Issuer provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than

AAA or its equivalent, and (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 Issuer adopts or approves 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 Issuer provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

"DTC" means The Depository Trust Company, New York, New York.

"Event of Default" means an Event of Default as such term is defined in Section 9.02 hereof.

"Facilities Lease" means the Facilities Lease Agreement dated as of \_\_\_\_\_, 2017, between the Issuer and the City, and thereafter as may be amended from time to time.

"Fair Market Value" means, as of any particular time: (a) as to Investment Securities the bid and asked prices of which are published on a regular basis in a financial journal or publication of general circulation in the United States of America, the bid price for such Investment Securities so published on or most recently prior to the date of valuation by the Trustee, or (b) as to Investment Securities the bid and asked prices of which are not published on a regular basis in a financial journal or publication of general circulation in the United States of America, the average bid price for such Investment Securities at the date of valuation by the Trustee, as reported to the Trustee by any three nationally recognized dealers in such Investment Securities.

"Fiduciary " or "Fiduciaries" means the Trustee, the Registrar, the Paying Agent, and any escrow, authentication or other agent of the Issuer or of any other Fiduciary, or any or all of them, as the context may require.

"Fiscal Year" means the fiscal year of the Issuer, currently the 12-month period ending September 30.

"Fitch" means Fitch Ratings, and its successors and assigns.

"Fund" or "Funds" means any one or more, as the case may be, of the separate special funds established hereby or by any Supplemental Indenture.

"Generally Accepted Accounting Principles" means such accepted accounting practice as, in the opinion of the Accountant, conforms at the time to a body of generally accepted accounting principles.

"Grant Agreement" means the Grant Agreement dated as of \_\_\_\_\_, 2017, between the Issuer and the City.

"Indenture" means this Indenture of Trust dated as of \_\_\_\_\_, 2017, by and between the Issuer and the Trustee, as it may be amended or supplemented from time to time by any Supplemental Indenture.

"Initial Bonds" means the Series 2017 Bonds initially registered by the State Comptroller of Public Accounts and delivered to the Underwriters.

"Interest Payment Date" means, with respect to the Series 2017 Bonds, \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, 201\_, and with respect to any other Series of Bonds, the date on which interest is due and payable thereon.

"Investment Security" or "Investment Securities" means any investment set forth below which is an authorized investment for the Issuer under State law, and which matures (or is redeemable at the option of the Trustee or is marketable prior to maturity) at such time or times as to enable disbursements to be made from the Fund in which such investment is held in accordance with the terms of this Indenture:

- (a) direct obligations of, or unconditionally guaranteed by, the United States;
- (b) FDIC-insured certificates of deposit issued by any bank or trust company (including the Trustee or any of its affiliates), organized under the laws of the United States of America which is a member of the Federal Reserve System, and which has combined capital, surplus and retained earnings as indicated on its most recent report of condition of not less than \$100,000,000;
- (c) commercial paper rated "A-1" or better by S&P and "P1" by Moody's (including variable rate demand notes);
- (d) banker's acceptances of any bank or trust company (including the Trustee or any of its affiliates) with a short-term credit rating of "A-1 " or better by S&P and "P1" or better by Moody's which mature not later than 270 days;
- (e) any cash sweep or similar account arrangement of the Trustee, the entire investments of which are limited to investments described in (a), (b) and (c) of this definition;
- (f) any money market fund maintained by the Trustee or any of its affiliates or any money market fund, the entire investments of which are limited to investments described in (a), (b) and (c) of this definition;
- (g) obligations of states and their political subdivisions the interest on which is excluded from gross income for Federal income tax purposes under section 103(a) of the Code, which are within the two highest full (i.e., without regard to numerical qualifiers) rating categories of any Rating Agency and any funds or pooling arrangements consisting exclusively of such obligations;

(h) any investment agreement that is collateralized with securities listed in (a) above and shall meet all of the requirements with respect to securities collateralizing repurchase agreements as provided in clause (i) below;

(i) a repurchase agreement providing for the purchase of securities listed in (a) above with any bank, including an affiliate of the Trustee, and any primary securities dealer within or without the State having a combined capital, surplus and undivided profits of not less than \$100,000,000. Such repurchase agreement shall be considered a purchase of such securities even if title to and/or possession of such securities is not transferred to the Trustee so long as (i) the repurchase obligation of the bank is collateralized by the securities themselves, (ii) the securities have on the date of the repurchase agreement, and on each date such securities are revalued as provided in (v) below, a fair market value equal to at least 102% of the amount of the repurchase obligation of the bank, including principal and interest, (iii) (A) the securities are held by the Trustee or a third-party agent for the Trustee and segregated from securities owned generally by such third party or the bank or (B) a perfected security interest in such securities is created for the benefit of the Trustee on behalf of the Bondholders under the U.C.C. or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq., (iv) the agreement provides for repurchases whenever withdrawals are needed from the fund or account that is being invested in such agreement, (v) the agreement provides that the securities be marked to market no less frequently than weekly, (vi) the agreement provides that the Trustee will liquidate the repurchase agreement within two business days of the occurrence of an event of default by the provider, including without limitation a failure to collateralize the agreement at the required level, and (vii) the agreement has a defined termination date; and

(j) any other investment authorized under Chapter 2256, Texas Government Code and approved by the City's investment policy adopted under said Chapter 2256.

"Issuer" means the Austin-Bergstrom Landhost Enterprises, Inc., a nonprofit public facilities corporation, its successors and permitted assigns.

"Lease Payment Fund" means the Airport Hotel Revenue Bond Lease Payment Fund established by Section 5.02 herein.

"Lease Payments" means all amounts payable by the Issuer to the City under the Facilities Lease as consideration for the lease of the Project by the City and the right granted by the City to operate, manage, and maintain the Project.

"Letter of Instructions" means a written directive and authorization executed by an Authorized Issuer Representative.

"License Agreement" means the License Agreement dated February 26, 1999, attached to this Indenture as Exhibit C.



"Management Agreement" means the Management Agreement dated \_\_\_\_\_, 2017, by and between the Issuer and the Manager, and any other management agreement entered into by the Issuer with respect to the operation and management of the Project which, in the written opinion of Bond Counsel, meets the requirements of a Qualified Management Contract; provided that any amendment or extension of the Management Agreement shall require the written opinion of Bond Counsel that the Management Agreement, as amended or extended, meets the requirements of a Qualified Management Contract.

"Management Fee" means the amounts paid to the Manager pursuant to the Management Agreement.

"Manager" means the Person who enters into a Management Agreement with the Issuer.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Revenues" means Total Revenues less (a) Operating and Maintenance Expenses, (b) Administrative Fees and Expenses and (c) R&R Fund Expenses.

"Operating and Maintenance Expenses" means the expenses incurred in connection with the operation and maintenance of the Project. Such expenses shall include, but shall not be limited to all amounts payable under the Management Agreements then in effect (but excluding all amounts any Manager is obligated to pay thereunder to third parties solely from its Management Fee or such Manager's own funds), accounting, auditing, advertising, franchise fees and fees payable to any Operator (to the extent any Manager is not otherwise obligated to pay for such fees from its Management Fee or such Manager's own funds), utilities, water, gas, sewer, electric, telephone or other communications charges, waste disposal charges, salaries, wages, bonuses, and other benefits for hotel personnel, insurance expenses, expenses for office equipment, furniture, fixtures, supplies, and materials, maintenance, repair and replacement of buildings, improvements, equipment, and fixtures which do not constitute capital expenditures or any administrative facilities, rents, vehicle expenses for authorized travel and similar expenses related to the operation of the Project. Such expenses shall exclude Lease Payments.

"Operator" means any Person who is contractually obligated (to the Manager if the Manager is not the Operator) to provide for the day-to-day operations and management of the Project.

"Outstanding" means, with respect to any Bonds as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

- (a) Bonds canceled or delivered for cancellation at or prior to such date;
- (b) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Indenture; and

(c) Bonds deemed to have been paid, redeemed, purchased or defeased as provided in this Indenture, in any Supplemental Indenture, as applicable, or as provided by law.

"Paying Agent" means initially the Trustee, and its successor or successors, appointed in accordance with and meeting the requirements of Article X hereof.

"Person" means any individual, public or private corporation, county, district, authority, municipality, political subdivision or other entity of the State or the United States of America, and any partnership, association, firm, trust, estate or any other entity whatsoever.

"Principal Installment" means as of any particular date of calculation and with respect to Bonds of a particular Series, an amount of money equal to the aggregate of (a) the principal amount of Outstanding Bonds of such Series which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds of such Series which would before said future date be retired as a result of Sinking Fund Installments applied in accordance with this Indenture or a Supplemental Indenture plus (b) the amount of any Sinking Fund Installment payable on said future date for the retirement of any Outstanding Bonds of such Series.

"Principal Office" with respect to the Trustee means the designated corporate trust office of the Trustee located at the address set forth in Section 13.10 hereof, or at such other place as the Trustee shall designate by notice given under said Section 13.10, or such other office designated by the Trustee from time to time.

"Project" means the 265-room, full service hotel located at Austin-Bergstrom International Airport on property being leased to the Issuer by the City pursuant to the Facilities Lease.

"Qualified Management Contract" shall have the meaning set forth in the Tax Certificate.

"R&R Fund Expenses" means amounts deposited in the Renewal and Replacement Fund pursuant to Section 5.05 hereof

"R&R Plan" has the meaning assigned to said term in Section 5.09 hereof.

"Rating Agency" means Fitch, Moody's or S&P.

"Rebate Analyst" means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to section 148 of the Code and retained by the Issuer to make the computations required under this Indenture or any Supplemental Indenture.

"Rebate Fund" means the Airport Hotel Revenue Bond Rebate Fund established by Section 5.02 hereof and includes any separate accounts or subaccounts established by the terms of any Supplemental Indentures or any agreement pursuant thereto.

"Record Date" means the close of business on the fifteenth day of the calendar month, with respect to the Series 2017 Bonds, and any date for any Series of Additional Bonds, if different, designated in any Supplemental Indenture as the record date for the payment of interest on such Series of Additional Bonds.

"Redemption Date" means the date upon which any Bonds are to be redeemed prior to their respective fixed maturities pursuant to the mandatory or optional redemption provision of this Indenture or any Supplemental Indenture.

"Redemption Price" means, with respect to any Bond, the amount, including any applicable premium, payable upon the mandatory or optional redemption thereof, as provided in this Indenture or any Supplemental Indenture.

"Refunding Bonds" means all Bonds, whether issued in one or more Series, issued for the purpose of refunding a like or different principal amount of Bonds, and hereafter authenticated and delivered pursuant to this Indenture.

"Register" means the register maintained by the Registrar for each Series of Bonds which shows ownership of Bonds in accordance with Section 3.08 hereof.

"Registrar" means, with respect to the Series 2017 Bonds, the Trustee, and the successor or successors appointed pursuant to and meeting the requirements of Article X hereof.

"Renewal and Replacement Fund" means the Airport Hotel Revenue Bond Renewal and Replacement Fund established by Section 5.02 hereof.

"Responsible Officer" means, when used with respect to the Trustee, the chairman or vice chairman of the board of directors of the Trustee, the chairman or vice chairman of the executive committee of said board, the president or any vice president, the secretary or any assistant secretary, the treasurer or any assistant treasurer, the cashier or any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Revenue Covenant" means the revenue covenant set forth in Section 7.17 hereof

"Revenue Fund" means the Airport Hotel Revenue Bond Revenue Fund established by Section 5.02 hereof.

"Revenues" means all amounts received by or on behalf of the Issuer from (a) Total Revenues; (b) proceeds from insurance, condemnation awards with respect to the Issuer's interest in the Project, and liquidated damages under contracts to the extent the same relate to the Project;

(c) all amounts payable to the Issuer as liquidated damages under contracts, in each case, to the extent the same relate to the Project; (d) all amounts derived from the sale or other disposition of the Issuer's interest in the Project; (e) amounts derived as grants, loans or otherwise from the United States of America, the State or any other Person which may be available for, and which the Issuer determines to, deposit in the Revenue Fund; (f) all investment earnings not included in Total Revenues that are transferred to or maintained in any Fund, Account or subaccount therein; (g) all moneys released from another Fund or Account and transferred to the Revenue Fund pursuant to subsection (b) of Section 5.05 hereof; and (h) all other amounts derived from or in respect of the operation of the Project which do not constitute Total Revenues but constitute revenues in accordance with Generally Accepted Accounting Principles.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, and its successors and assigns.

"Securities Depository" means DTC, and any other nationally recognized municipal securities depository selected by the Issuer.

"Senior Bonds" means the Series 2017 Bonds and all Additional Bonds issued on a parity with the Series 2017 Bonds.

"Senior Debt Service Fund" means the Airport Hotel Revenue Bond Senior Debt Service Fund established by Section 5.02 hereof.

"Senior Debt Service Reserve Fund" means the Airport Hotel Revenue Bond Senior Debt Service Reserve Fund established by Section 5.02 hereof.

"Senior Debt Service Reserve Fund Requirement" means (a) on the Closing Date, the average annual principal and interest requirements for the Series 2017 Bonds and (b) on each Calculation Date, the maximum annual principal and interest requirements for the Senior Bonds during the next five Fiscal Years following such Calculation Date.

"Series" means Bonds identified as a separate series which are authenticated and delivered on original issuance and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture, or any Supplemental Indenture. All Bonds of a particular Series shall be of the same Tier.

"Series 1999 Bonds" has the meaning assigned to said term in the preamble to this Indenture.

"Series 2017 Bonds" means the \$\_\_\_\_\_ aggregate principal amount of the Austin Bergstrom Landhost Enterprises, Inc. Airport Hotel Revenue Refunding and Improvement Bonds, Series 2017.

"Sinking Fund Installment" means, as of any particular date of calculation and with respect to any Series of Bonds, the amount of money to be applied as the Redemption Price of Bonds subject to mandatory sinking fund redemption in any Fiscal Year prior to maturity

pursuant to this Indenture or the Supplemental Indenture for such Series, as such Sinking Fund Installment shall have been previously reduced by the principal amount of any Bonds of such Series of the maturity in respect of which such Sinking Fund Installment is payable which are purchased or redeemed by the Trustee in accordance with the provisions of Section 4.03 hereof or of any Supplemental Indenture, other than by the prior payment of a Sinking Fund Installment.

"State" means the State of Texas.

"Subaccount" means any one or more of the subaccounts from time to time created in any of the Accounts established by Section 5.02 of this Indenture or by any Supplemental Indenture.

"Subordinate Bonds" means bonds or other obligations secured by a lien on and pledge of Net Revenues inferior to the lien on and pledge of Net Revenues securing the Bonds.

"Surplus Airport System Revenues" has the meaning assigned to said term in Section 5.08(d) hereof.

"Supplemental Indenture" means any Indenture supplemental to or amendatory of this Indenture, entered into by the Issuer and the Trustee in accordance with Article XI hereof.

"Tax Certificate" means the Tax Compliance Certificate, dated as of \_\_\_\_\_, 2017, executed by the Issuer, as such Tax Compliance Certificate may be amended from time to time.

"Tier" means all Bonds of one or more Series the principal and Redemption Price of and interest on which are payable from the same lien on, whether "senior" or "subordinate", and pledge of Net Revenues.

"Total Revenues" means "Gross Revenues" as defined in the Facilities Lease, including, but not limited to, all receipts, revenues, income, investment earnings on funds which are deposited in the Revenue Fund and other money received by or on behalf of the Issuer in respect of the operation of the Project, including, but without limiting the generality of the foregoing, the proceeds of any receipts from advertisements appearing in the right of way for the Project, all amounts paid in respect of the use of any portion of the facilities or rights in the Project, including, without limitation, lease payments for the use of real, personal or intangible property developed as a part of the Project, and all rights to receive the same, whether in the form of accounts, accounts receivable, chattel paper, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided, however, that the following shall be excluded from Total Revenues: (i) gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Bonds) and the income derived therefrom to the extent required by such designation or specification; (ii) applicable excise, sales, occupancy and use taxes, or similar government taxes, duties, levies or charges collected directly from patrons or guests, or as a part of the sales price of any goods, services or displays; (iii) all gratuities collected for the benefit of

and paid to any personnel of the Project; (iv) the value of any complementary rooms, goods or services; and (v) any sums or credit for lost or damaged items.

"Trust Estate" is defined in the Granting Clauses of this Indenture.

"Trustee" means \_\_\_\_\_, a national banking association organized and existing under and by virtue of the laws of the United States of America, or any successor as trustee hereunder as provided in Article X.

"Underwriters" means Citigroup Global Markets Inc., serving as senior managing underwriter and as representative of any other investment banking firm or firms named in the Bond Purchase Agreement for the Series 2017 Bonds.

Section 1.02. Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.03. Interpretation and Construction. For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Indenture to designated "Articles," "Sections," "subsections," "paragraphs," "clauses" and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Indenture. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) The terms defined in Section 1.01 hereof have the meanings assigned to them in that Section and include the plural as well as the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Generally Accepted Accounting Principles as in effect from time to time.

(d) The term "money" includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(e) Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent" or similar action hereunder by the Issuer, the Trustee, or any other Fiduciary shall, unless otherwise specifically provided, be in writing signed by an officer or other agent of such party authorized to sign the same.

(f) In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

(g) This Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

## ARTICLE II

### SECURITY FOR THE BONDS

#### Section 2.01. Pledge of Trust Estate.

(a) In order to secure the payment of the principal and Redemption Price of and interest on the Bonds as the same become due and payable (whether at maturity, by prior redemption, or otherwise) and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the purchase and acceptance of the Bonds by the Owners thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer does hereby grant to the Trustee and its successors in trust hereunder a pledge of and lien on the Trust Estate, with all rights and privileges appurtenant thereto, subject, however, to the terms and provisions hereof.

(b) Such pledge and lien shall be for the equal and proportionate benefit and security of the Owners from time to time of the Bonds issued and to be issued hereunder, or any of them, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond, except that, as further provided herein and subject to the further terms hereof, (i) the Owners of the Senior Bonds shall have an exclusive lien on all amounts held in the Senior Debt Service Fund, the Senior Capitalized Interest Account, the Senior Debt Service Reserve Fund, and all amounts held in any other funds and accounts established pursuant to a Supplemental Indenture which are for the sole benefit of such Senior Bonds, (ii) the lien on the Trust Estate of the Owners of the Bonds of each Tier is subordinate or superior, as the case may be, to the lien of the Owners of such Bonds of other Tiers, and (iii) there are various differences in the rights of, and priorities for the benefit of the Owners of the Bonds of different Tiers with respect to various other matters, including but not limited to remedies following Events of Default.

Section 2.02. Time of Pledge. The pledge of the Trust Estate pursuant to the provisions of this Indenture shall be effective from and after the payment for and delivery of any Bonds hereunder.

Section 2.03. Declaration. It is hereby expressly declared that the Trust Estate hereby pledged is to be applied, disbursed, dealt with and disposed of under, upon and subject to the terms, conditions, covenants, agreements, uses and purposes set forth in this Indenture.

Section 2.04. Special Limited Obligations. Notwithstanding any other provision hereof, Bonds issued hereunder and any other obligations of the Issuer under this Indenture shall be special, limited obligations of the Issuer payable solely from the Trust Estate in accordance with this Indenture and any applicable Supplemental Indenture. On each Bond there shall appear the following statement:

NONE OF THE STATE, THE CITY OR ANY POLITICAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, OTHER THAN THE ISSUER BUT SOLELY FROM THE TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR THE INTEREST ON SUCH BONDS. THE ISSUER HAS NO TAXING POWER.

### ARTICLE III

#### AUTHORIZATION AND ISSUANCE OF BONDS, GENERAL TERMS AND PROVISIONS OF THE BONDS

##### Section 3.01. Authorization of Bonds.

(a) The Issuer hereby authorizes the issuance of Bonds, to be designated as its "Airport Hotel Revenue Bonds," for the purpose of financing and refinancing the acquisition, design, construction, equipping, operation and maintenance of the Project. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Indenture is not limited except as may be provided herein or in any Supplemental Indenture.

(b) The Bonds may, as provided herein and in one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to the name "Airport Hotel Revenue Bonds" and an identification, if applicable, of the Tier in which such Series is included, shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series, as the Issuer may and, if applicable, the Tier to which it belongs.

(c) The Bonds shall be issued in such form as may be provided herein or by Supplemental Indenture, and each Bond issued hereunder shall contain on its face a statement to the effect set forth in Section 2.04 hereof.

(d) There is hereby authorized to be issued and shall be issued under and secured by this Indenture a series of Bonds, issued as Senior Bonds, designated as "Austin-Bergstrom Landhost Enterprises, Inc. Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017" in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of refunding the Outstanding Series 1999 Bonds,



financing costs of the Project, including funding the Senior Debt Service Reserve Fund, and paying Costs of Issuance.

Section 3.02. Provisions for Issuance of Bonds.

(a) All (but not less than all) the Bonds of each Series shall be executed by the Issuer for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee or an Authenticating Agent and by it delivered upon the order of the Issuer, but only upon the receipt by the Trustee of:

(i) an opinion of Bond Counsel in customary form to the effect that, as of its date: (A) this Indenture and, with respect to Additional Bonds, the Supplemental Indenture authorizing the Additional Bonds of such Series have been duly authorized, executed and delivered by the Issuer, are in full force and effect and constitute legal, valid and binding special, limited obligations of the Issuer; (B) this Indenture and, with respect to Additional Bonds, such Supplemental Indenture create the valid pledge of and lien on the Trust Estate which they purport to create, subject only to the provisions of this Indenture and, with respect to Additional Bonds, such Supplemental Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture and, with respect to Additional Bonds, such Supplemental Indenture; and (C) the Bonds of such Series are valid and binding special, limited obligations of the Issuer, payable solely from the sources provided therefor in this Indenture and, with respect to Additional Bonds, such Supplemental Indenture; provided, however, that such opinion may include exceptions for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally, matters relating to equitable or governmental principles and other exceptions or qualifications appropriate in the circumstances;

(ii) a letter, signed by an Authorized Issuer Representative, instructing the Trustee as to the delivery of such Bonds;

(iii) in the case of each Series of Additional Bonds, an executed copy of the Supplemental Indenture authorizing such Bonds which shall specify;

(A) the authorized principal amount, designation, Tier (if applicable) and Series of such Bonds;

(B) the maturity date or dates of the Bonds of such Series;

(C) the interest rate or rates, if any, or the manner of determining such interest rate or rates, on the Bonds of such Series and the Interest Payment Date or Dates thereof;

(D) the denominations of and the manner of dating, numbering and lettering the Bonds of such Series;

(E) any capitalized interest requirements (or the method of determining the same) for the Bonds of such Series;

(F) any Paying Agent, Registrar, or other Fiduciary required in respect of the Bonds of such Series;

(G) the Redemption Prices, if any, and the redemption or purchase terms, for the Bonds of such Series;

(H) the amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series;

(I) the form of the Bonds of such Series; and

(J) any other provisions deemed advisable by the Issuer and not in conflict with the provisions of this Indenture;

(iv) if required by State law on their date of issuance, the written opinion of the Attorney General of the State of Texas with respect to the validity of the Bonds of such Series;

(v) such further opinions and instruments as are required by or pursuant to the provisions of this Indenture or any Supplemental Indenture;

(vi) a certified copy of the resolution adopted by the Board of the Issuer authorizing the issuance and delivery of such Bonds; and

(vii) a certified copy of the resolution adopted by the City Council of the City approving the issuance of such Bonds by the Issuer.

(b) All Refunding Bonds of each Series shall be executed by the Issuer for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee or any Authenticating Agent and by it delivered upon the order of the Issuer, but only upon the receipt by the Trustee of:

(i) the opinions and instruments referred to in subsection (a) of this Section 3.02;

(ii) if any Bonds or portions thereof to be refunded are to be called for redemption, a Letter of Instructions containing irrevocable instructions to the Trustee, satisfactory to it, requiring that due notice be given of the redemption of the Bonds or portions thereof to be refunded on a Redemption Date specified in such instructions;

(iii) a Letter of Instructions containing irrevocable instructions to the Trustee, satisfactory to it, requiring that such other notice be given to the Owners of the Bonds being refunded as may be required by this Indenture;

(iv) evidence satisfactory to the Trustee that the deposit of moneys or Investment Securities required by Section 8.02 hereof has been made; and

(v) such further opinions and instruments as are required by the provisions of Articles XI or XII hereof or by the provisions of any Supplemental Indenture.

(c) No Additional Bonds (including Refunding Bonds) shall be issued unless the following additional requirements are satisfied by delivery to the Trustee:

(i) for all Additional Bonds not permitted pursuant to paragraph (ii) below, the following conditions are met:

(A) a certificate or report of an Accountant to the effect that:

(1) if such Additional Bonds (including Refunding Bonds) constitute Senior Bonds, the delivery of a certificate or report to the effect that Net Revenues will be generated such that (i) the ratio of such Net Revenues to the projected Aggregate Debt Service for the Senior Bonds, taking into account the Additional Bonds proposed to be issued and all Outstanding Bonds (other than the Bonds proposed to be refunded with proceeds of such Additional Bonds), is not less than 1.25:1.00 for each fiscal year of the Issuer succeeding the date of issuance of such Additional Bonds and (ii) the ratio of such Net Revenues to projected Aggregate Debt Service for the Senior Bonds and the Subordinate Bonds, taking into account the Additional Bonds proposed to be issued and all Outstanding Bonds (other than Bonds proposed to be refunded with proceeds of such Additional Bonds), is not less than 1.10:1.00 for each fiscal year of the Issuer succeeding the date of issuance of such Additional Bonds; provided, however, that if the issuance of Refunding Bonds achieves a gross cash flow savings, the delivery of a certificate or report by an Accountant is not required as a condition to the issuance of such Refunding Bonds as Additional Bonds;

(2) if such Additional Bonds (including Refunding Bonds) constitute Subordinate Bonds, the delivery of a certificate or report to the effect that Net Revenues will be generated such that the ratio of such Net Revenues to projected Aggregate Debt Service for the Senior Bonds and Subordinate Bonds is not less than 1.10:1.00 for

each fiscal year of the Issuer following the date of issuance of such Additional Bonds; provided, however, that if the issuance of Refunding Bonds achieves a gross cash flow savings, the delivery of a certificate or report by an Accountant is not required as a condition to the issuance of such Refunding Bonds as Additional Bonds; and

(B) a certificate of an Authorized Issuer Representative dated as of the date of issuance of such Series of Additional Bonds, stating that there exists no Event of Default hereunder; and

(ii) without regard to the limitations of clause (i) above for any Refunding Bonds, a certificate executed by an Authorized Issuer Representative, dated as of the date of issuance of such Refunding Bonds, that the annual Debt Service during each Fiscal Year on the Refunding Bonds will not exceed the annual Debt Service during each Fiscal Year on Bonds refunded by the Refunding Bonds prior to the issuance of such Refunding Bonds, unless otherwise approved by the City.

Section 3.03. Application of Bond Proceeds.

(a) Proceeds from the sale of the Series 2017 Bonds shall be applied as follows:

(i) \$\_\_\_\_\_ shall be transferred to the 1999 Bond Trustee, to be used in consideration of retiring all of the outstanding Series 1999 Bonds;

(ii) \$\_\_\_\_\_ shall be deposited into the Senior Debt Service Reserve Fund;

(iii) \$\_\_\_\_\_ shall be deposited into the Costs of Issuance Account of the Construction Fund; and

(iv) the remainder shall be deposited into the 2017 Project Account of the Construction Fund and shall be used to pay Costs of the Project identified in a certificate executed by an Authorized Issuer Representative and delivered to the Trustee on or before the Closing Date.

(b) The proceeds, including accrued interest, if any, of Additional Bonds together with any other moneys provided by the Issuer, shall be applied simultaneously with the delivery of such Bonds in the manner provided in the Supplemental Indenture authorizing such Series of Additional Bonds.

Section 3.04. Medium of Payment; Form and Date; Letter and Numbers.

(a) The Bonds shall be payable, as to principal, Redemption Price, and interest in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on the Series 2017 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on any Series of Additional Bonds shall be computed as provided in the Supplemental Indenture authorizing such Series of Additional Bonds.

(b) Each Series 2017 Bond shall be issued only as a fully registered Bond. Each Series 2017 Bond shall be substantially in the form of Exhibit B hereto, with such changes therein which are not inconsistent with this Indenture, as are approved by the Authorized Issuer Representative executing the Series 2017 Bonds (whose manual or facsimile signature on such Series 2017 Bonds shall constitute conclusive evidence of his or her approval of any such changes appearing thereon). Additional Bonds may be issued in such form or forms as shall be provided in the Supplemental Indenture authorizing such Series of Additional Bonds.

(c) The Series 2017 Bonds shall be numbered consecutively from R-1 upward or in such other manner as the Issuer, with the concurrence of the Trustee, shall determine. Each Series 2017 Bond shall bear interest from (a) the Closing Date if such Bond is authenticated prior to \_\_\_\_\_, 201\_, or (b) otherwise from the Interest Payment Date that is, or immediately precedes, the date of registration or authentication thereof, or unless, as shown by the records of the Trustee, interest on the Series 2017 Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on the Series 2017 Bonds, in which event it shall bear interest from the Closing Date. The Trustee shall insert the date of authentication of each Series 2017 Bond (other than the Initial Bonds) in the place provided for such purpose in the form of certificate of authentication of the Trustee to be printed on each Series 2017 Bond (other than the Initial Bonds). If interest on the Series 2017 Bonds shall be in default, Bonds issued in exchange for Series 2017 Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Series 2017 Bonds surrendered. Each Additional Bond shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture authorizing the Series of which such Additional Bond is a part and so as to be distinguished from every other Bond.

(d) The Series 2017 Bonds shall be dated the Closing Date, shall be issued in Authorized Denominations, shall bear interest at rates, payable semiannually on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, beginning \_\_\_\_\_ 1, 201\_, shall mature on the dates, and shall bear interest at the rates per annum, set forth below:

MATURITY DATE

PRINCIPAL AMOUNT

INTEREST RATE

(e) The President of the Board of Directors is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their investigation, examination and approval by the Attorney General of the State of Texas, their registration by the Comptroller of Public Accounts of the State of Texas (the "Comptroller") and their delivery to the Underwriters. One Bond for each stated maturity of the Series 2017 Bonds, numbered consecutively from R-I and upward in the form of Exhibit B, shall be submitted to the Attorney General of Texas (the "Initial Bonds") for such purpose. Upon registration of the Initial Bonds, the Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate. The Initial Bonds thus registered shall remain in the custody of the President (or his or her designee) until delivered to the Underwriters. Except for the Initial Bonds, only such Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit B with respect to the Series 2017 Bonds, and duly authenticated by the Trustee shall be entitled to any right, security or benefit under this Indenture. All Bonds need not be authenticated by the same authorized officer of the Trustee. The Trustee's certificate of authentication on any Series 2017 Bond shall be deemed to have been duly executed by it if (i) signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Series 2017 Bonds or on all of the Series 2017 Bonds and (ii) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

Section 3.05. Legends. The Additional Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission, brokerage board, municipal securities rulemaking board or otherwise.

Section 3.06. Execution, Authentication and Registration. The Bonds shall be signed in the name of the Issuer by the President of the Board or by such other officer of the Issuer authorized to do so by resolution of the Board by his or her manual or facsimile signature, and the Issuer's corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the Secretary or Assistant Secretary of the Issuer. In case any such officer of the Issuer shall have signed any of the Bonds shall cease to hold such office before the Bonds so signed shall have been authenticated and delivered by the Trustee or a

duly authorized Authenticating Agent, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed on behalf of the Issuer by such persons who at the time of the execution of such Bonds shall be duly authorized or holds the designated office of the Issuer, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

The Bonds of each Series shall bear thereon a certificate of authentication, in substantially the form set forth in Exhibit B hereto with respect to the Series 2017 Bonds, and in substantially the form set forth in the Supplemental Indenture authorizing Additional Bonds with respect to Additional Bonds, dated as of the date of authentication, executed manually by an authorized signatory of the Trustee or by a duly authorized Authenticating Agent, or a certificate of registration of the Comptroller, in substantially the form set forth in Exhibit B hereto, and in substantially the form set forth in the Supplemental Indenture authorizing Additional Bonds with respect to Additional Bonds, dated as of the date of registration, executed manually by the Comptroller of Public Accounts of the State of Texas, or his duly authorized deputy. Only such Bonds as shall bear thereon such certificate of authentication or registration shall be entitled to any right or benefit under the Indenture and no Bond shall be valid or obligatory for any purpose until such certificate of authentication or registration shall have been duly executed. Such executed certificate of authentication or certificate of registration upon any Bond shall be conclusive evidence that the Bond so authenticated or registered has been duly authenticated or registered and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 3.07. Exchange of Bonds. Unless otherwise provided in any Supplemental Indenture, Bonds, upon surrender thereof at the principal operations center of the Registrar, when surrendered with a written request satisfactory to the Registrar duly executed by the Owner or the Owner's duly authorized attorney, may, at the option of the registered Owner thereof, and upon payment by such registered Owner of any charges which the Registrar or the Issuer may make as provided in Section 3.09 hereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity and in any Authorized Denomination.

Section 3.08. Negotiability, Transfer and Registry. Unless otherwise provided in any Supplemental Indenture, Bonds shall be transferable only upon the Register, which shall be kept for that purpose at the principal operations center of the Registrar for such Series of Bonds, by the Owner thereof, in person or by the Owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Owner or the Owner's duly authorized attorney.

The Registrar shall keep, or cause to be kept, on behalf of the Issuer at the principal operations center of the Registrar or such other location or locations as shall be provided in any Supplemental Indenture, the Register, in which, subject to such reasonable regulations as the Issuer, the Trustee, and the Registrar may prescribe, the Registrar shall cause Bonds to be registered and shall transfer Bonds as in this Article provided. Upon the transfer of any such Bond and payment of any required fees, the Registrar shall issue in the name of the transferee a

new fully registered Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond.

The Issuer, the Trustee, and any other Fiduciary may deem and treat the person in whose name any Bond shall be registered in the Register as the absolute Owner of such Bond, whether such Bond shall be overdue, for the purpose of receiving payment of, or on account of, the principal and Redemption Price of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the Issuer, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

Section 3.09. Regulations with Respect to Exchanges and Transfers. Except as otherwise provided in any Supplemental Indenture, in all cases in which the privilege of exchanging or transferring Bonds is exercised, the Issuer shall execute and the Trustee or the duly authorized Authenticating Agent shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All registered Bonds surrendered in any exchange or transfer shall forthwith be canceled by the Trustee or the duly authorized Authentication Agent. For every such transfer of Bonds pursuant to Section 3.08 hereof, whether temporary or definitive, the Issuer, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition for every exchange of Bonds (other than the exchange of temporary Bonds for definitive Bonds), the Issuer, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Bonds including any Trustee's, Registrar's, or Authenticating Agent's charges in connection therewith. The payment of the sum or sums provided in this Section shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Bonds for a period of 15 days next preceding the selection of Bonds for redemption or to transfer or exchange any Bonds called for redemption.

Section 3.10. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Trustee or duly authorized Authenticating Agent shall authenticate and deliver, a new Bond of like Series, maturity date, principal amount and interest rate as the Bond so mutilated, lost, stolen or destroyed; provided that (a) in the case of any mutilated Bond, such Bond is first surrendered to the Trustee or duly authorized Authenticating Agent, (b) in the case of any lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee or duly authorized Authenticating Agent together with indemnity satisfactory to the Issuer and the Trustee or duly authorized Authenticating Agent, (c) all other reasonable requirements of the Issuer and the Trustee or duly authorized Authenticating Agent are complied with, and (d) expenses in connection with such transaction are paid by the Owner. Except as provided in Section 3.09 hereof, all Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Issuer, whether or not the Bonds alleged to be destroyed, stolen or lost be at any time



enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits in the Trust Estate with all other Bonds issued under this Indenture, to the same extent provided herein. If, after the delivery of such new Bond, a bona fide purchaser of the original Bond in lieu of which such new Bond was issued presents for payment or registration such original Bond, the Trustee or Authenticating Agent shall be entitled to recover such new Bond from the Person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer, the Trustee or any Authenticating Agent in connection therewith.

Section 3.11. Temporary Bonds. Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 3.06 hereof, and, upon the request of the Issuer, the Trustee or any Authenticating Agent shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to denomination, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations as provided herein or in a Supplemental Indenture, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds, the Trustee or any Authenticating Agent shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

If the Issuer shall authorize the issuance of temporary Bonds in more than one denomination, the Owner of any temporary Bond or Bonds may, at said Owner's option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount and Series and maturity of any other Authorized Denomination or Authorized Denominations, and thereupon the Issuer shall execute and the Trustee or an Authenticating Agent shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges as provided for in Section 3.09 hereof, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other Authorized Denomination or Authorized Denominations as shall be requested by such Owner.

All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

Section 3.12. Cancellation and Destruction of Bonds. Except as otherwise provided in this Indenture or any Supplemental Indenture, all Bonds paid in full, either at or before maturity, or purchased pursuant to Section 5.07 hereof, shall be delivered to the Trustee when such payment or purchase is made, and such Bonds shall thereupon be promptly canceled. Bonds so canceled shall thereafter be treated in accordance with the Trustee's document retention policies.

Section 3.13. Book-Entry System. The Series 2017 Bonds are eligible to be maintained in the book-entry-only system of DTC, and will be initially delivered in book-entry-only form.

(a) So long as the Series 2017 Bonds are in book-entry form, the Trustee shall comply with the terms of the Issuer's blanket letter of representations to DTC (herein, the "Representation Letter"). References herein to Bondholders or registered Owners of the Series 2017 Bonds shall mean the registered Owner as set forth in the Representation Letter, and shall not mean the Beneficial Owners of the Series 2017 Bonds. However, the book-entry system through DTC may be terminated upon the happening of any of the following:

(i) DTC or the Issuer advises the Trustee that DTC is no longer willing or able to properly discharge its responsibilities under the Representation Letter and the Trustee or the Issuer is unable to locate a qualified successor clearing agency satisfactory to the Trustee and the Issuer.

(ii) The Issuer, in its sole discretion, but with the consent of the Trustee, elects to terminate the book-entry system by notice to DTC and the Trustee; or

(iii) After the occurrence of an Event of Default (at which time the Trustee promptly shall notify DTC of such Event of Default), the Beneficial Owners of a majority in aggregate principal amount of the Series 2017 Bonds advise the Trustee in writing, through DTC, that the continuation of a book-entry system through DTC, to the exclusion of any definitive Series 2017 Bond certificates being issued to any person other than DTC or its nominee is no longer in the best interest of the Beneficial Owners.

(b) Upon the occurrence of any event described in subsection (a) above, the Trustee shall notify DTC of the occurrence of such event and of the availability of definitive Series 2017 Bond certificates to Beneficial Owners requesting the same, in an aggregate outstanding amount representing the interest of each Owner, making such adjustments and allowances as it may find necessary or appropriate as to accrued interest. Definitive Series 2017 Bond certificates shall be issued only upon surrender to the Trustee of the Series 2017 Bond by DTC, accompanied by registration instructions from DTC for the definitive Series 2017 Bond certificates. Neither the Issuer nor the Trustee shall be liable for any delay in delivery of such instructions and conclusively may rely on, and shall be protected in relying on, such instructions. Upon issuance of definitive Series 2017 Bond certificates, the Representation Letter shall no longer be in force and effect, and the Trustee shall perform its obligations as required hereunder that were performed by DTC.

Whenever notice or other communication to the Owners of the Series 2017 Bonds is required by the Trustee under this Indenture, the Trustee shall give all such notices and communications specified herein or required by this Indenture to be given to the Owners of the Series 2017 Bonds to DTC.

## ARTICLE IV

### REDEMPTION OF BONDS

Section 4.01. Privilege of Redemption and Redemption Price. Series 2017 Bonds subject to redemption prior to maturity shall be redeemable, upon notice as provided in this Article unless a different notice provision is provided for in a Supplemental Indenture, at such Redemption Dates, at such Redemption Prices and upon such terms in addition to the terms contained in this Article, as may be specified herein with respect to the Series 2017 Bonds or in the Supplemental Indenture authorizing such Series of Additional Bonds.

Section 4.02. Redemption at the Option of the Issuer.

(a) The Series 2017 Bonds shall be subject to redemption at the option of the Issuer, in whole or in part at any time on or after \_\_\_\_\_ 1, 20\_\_, from any legally available funds, at a Redemption Price equal to the principal amount to be redeemed, together with interest accrued thereon to the Redemption Date.

(b) In the case of any redemption of Bonds at the option of the Issuer, an Authorized Issuer Representative shall give written notice to the City, the Trustee and any Paying Agent of its election or direction so to redeem, of the Redemption Date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities, and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect thereto as are contained in Section 4.04 of this Indenture). Such notice shall be given at least ten Business Days prior to the date on which notice of redemption is required to be given to the Owners of the Bonds to be redeemed or within such shorter period as shall be provided by Supplemental Indenture. In the event notice of redemption shall have been given as provided in Section 4.05 hereof, there shall be paid on or before the Redemption Date to the Trustee for transfer, to the Paying Agent an amount which, in addition to other moneys, if any, available therefor held by the Trustee or Paying Agent, will be sufficient to redeem on the Redemption Date at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, all of the Bonds to be redeemed.

(c) The redemption of Bonds at the option of the Issuer as described in clause (a) above may be made conditional upon the occurrence of certain events, as may be provided in the Form of Bond set forth in Exhibit B.

Section 4.03. Redemption Otherwise Than at the Option of the Issuer.

(a) The Series 2017 Bonds are subject to mandatory redemption, at a Redemption Price equal to the principal amount of the Series 2017 Bonds redeemed, together with accrued interest thereon to the Redemption Date, pursuant to Sinking Fund Installments on \_\_\_\_\_ 1 in each of the years and principal amounts set forth in the table below, except that the Sinking Fund Installments of Series 2017 Bonds shall be reduced in chronological order by the principal amount of any Series 2017 Bonds

redeemed pursuant to any other optional or mandatory redemption provision on or before the date on which any such Sinking Fund Installment is due:

<u>Year</u>	<u>Sinking Fund Installment</u>
-------------	---------------------------------

\*Final Maturity

(b) The Bonds shall be subject to extraordinary mandatory redemption at the direction of the Issuer, in whole or in part on the earliest date following the date for which notice of redemption can be given as provided in this Indenture, at a price equal to the principal amount of Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium, from proceeds of insurance or condemnation awards permitted or required to be applied to such redemption under Section 7.22 of this Indenture; provided, however, that no Subordinate Bonds shall be redeemed pursuant to this clause (b) until no Senior Bonds remain Outstanding.

(c) Whenever by the terms of this Indenture or any Supplemental Indenture the Trustee is required or authorized to redeem Bonds otherwise than at the option of the Issuer, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and transfer, out of moneys available therefor, the Redemption Price thereof, plus interest accrued and unpaid to the Redemption Date, to the Paying Agent in accordance with the terms of this Indenture and any Supplemental Indenture.

(d) In lieu of depositing cash with the Trustee as a mandatory sinking fund payment, the Issuer shall have the option to tender to the Trustee for cancellation at least 60 days prior to a sinking fund redemption date any amount of Bonds purchased by the Issuer, which Bonds may be purchased by the Issuer at public or private sale as and when and at such prices as the Issuer may in its discretion determine. The par amount of any Bonds so purchased by the Issuer and tendered to the Trustee in any 12-month period ending on \_\_\_\_\_ in any calendar year shall be credited towards and shall reduce the next mandatory sinking fund payments required to be made in the order in which they are required to be made pursuant to the Indenture.

Section 4.04. Selection of Bonds to be Redeemed. If less than all of the Bonds are to be redeemed, the Series and the maturities within any Series to be redeemed or their method of selection shall be determined by the Issuer. If less than all of the Bonds of a single maturity within the same Series are to be redeemed, the Bonds of such Series to be redeemed will be selected by lot or other random method by the Trustee in such a manner as the Trustee may determine unless otherwise provided by the Supplemental Indenture authorizing that Series of Additional Bonds.

Section 4.05. Notice of Redemption. Notice of redemption of Bonds shall be given in accordance with this Section. When the Trustee shall receive written notice from the Issuer of its election or direction to redeem Bonds pursuant to Section 4.02 hereof, and when redemption of

Bonds is authorized or required pursuant to Section 4.03 hereof, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such Redemption Date will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notices shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such Redemption Date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof, in the case of Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, first class mail postage prepaid, not less than 30 days nor more than 60 days before the Redemption Date (or such shorter period as shall be provided by Supplemental Indenture), to the Owners of any registered Bonds, or portions of registered Bonds which are to be redeemed, at their last addresses, if any, appearing upon the Register and to each Securities Depository and to the MSRB. The Trustee's obligation to give notice required by this Section shall not be conditioned upon the prior payment to the Trustee of funds sufficient to pay the Redemption Price on the Bonds to which such notice relates or interest thereon to the Redemption Date. The failure to give notice required by this Section to any Owner of any Bond or portion thereof to be redeemed shall not affect the validity of any proceedings for the redemption of any other Bond for which such notice has been duly given.

Section 4.06. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 4.05 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and upon presentation and surrender thereof at the office specified in such notice. If there shall be called for redemption less than all of the principal of any Bond, the Issuer shall execute and the Trustee or the Authenticating Agent shall authenticate, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series and maturity in any Authorized Denomination. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee or Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.07. Modification by Supplemental Indenture. The provisions of this Article may be modified by any Supplemental Indenture in respect of any Series of Additional Bonds authorized thereby, and in the event of any conflict with the provisions hereof the provisions of such Supplemental Indenture shall control in respect of any Series of Additional Bonds authorized thereby.

## ARTICLE V

### ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01. Security for Bonds. The Bonds are payable from and secured by the Trust Estate in accordance with the terms hereof.

Section 5.02. Establishment of Funds and Accounts. The following Funds and Accounts are hereby established, all of which shall be held by the Trustee and, with the exception of the Rebate Fund, shall constitute a part of the Trust Estate:

- (a) "Airport Hotel Revenue Bond Construction Fund," and within such Fund the "Costs of Issuance Account" and the "2017 Project Account" (and such Construction Fund may include such additional special Accounts and Subaccounts therein to be held by the Trustee or any other designated Fiduciary pursuant to Section 5.03 hereof);
- (b) "Airport Hotel Revenue Bond Revenue Fund";
- (c) "Airport Hotel Revenue Bond Senior Debt Service Fund";
- (d) "Airport Hotel Revenue Bond Senior Debt Service Reserve Fund";
- (e) "Airport Hotel Revenue Bond Renewal and Replacement Fund";
- (f) "Airport Hotel Revenue Bond Administrative Fee Fund";
- (g) "Airport Hotel Revenue Bond Lease Payment Fund"; and
- (h) "Airport Hotel Revenue Bond Rebate Fund."

Section 5.03. Construction Fund.

(a) There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Indenture and any Supplemental Indenture. There may also be paid into the Construction Fund, at the option of the Issuer, any moneys received by the Issuer from any source unless otherwise required to be applied by this Indenture or any Supplemental Indenture.

(b) Separate, segregated accounts and subaccounts may be created within the Construction Fund and held by the Trustee or any other Fiduciary in the manner provided herein or in any Supplemental Indenture. Money held in such accounts and subaccounts shall be held separately from other moneys in the Construction Fund and shall be disposed of only in the manner provided herein or in the Supplemental Indenture pursuant to which such accounts and subaccounts are created. Without limiting the generality of the foregoing, such separate, segregated accounts and subaccounts, and all

funds, investments thereof and investment income earned thereon, may be exclusively pledged to secure the payment of the Bonds under this Indenture.

(c) The Issuer hereby establishes, as a separate account within the Construction Fund, the "2017 Project Account". Except as otherwise provided herein, amounts in the 2017 Project Account of the Construction Fund shall be used to pay Costs of the Project, and shall be distributed to, or to the order of, the Issuer for such purpose at the written request of an Authorized Issuer Representative in the form of Exhibit A hereto, subject to the requirements of Section 5.13 hereof.

(d) Except as otherwise provided by Supplemental Indenture, amounts in the Construction Fund may, at the written direction of the Issuer, be transferred to the Senior Debt Service Fund for the Bonds and applied to the payment of principal and Redemption Price of and interest on the Bonds when due, to the extent that other funds established for such purposes are insufficient, in accordance with the provisions of Section 5.06 hereof.

(e) The Issuer hereby establishes, as a separate account within the Construction Fund, the "Costs of Issuance Account". Amounts in the Costs of Issuance Account shall be used to pay the Costs of Issuance for the Series 2017 Bonds and shall be distributed to, or to the order of, the Issuer for such purpose at the written request of an Authorized Issuer Representative. Upon the earlier to occur of (i) written request of an Authorized Issuer Representative stating that all Costs of Issuance for the Series 2017 Bonds have been paid or duly provided for or (ii) July 1, 2020, the Costs of Issuance Account shall be closed and all amounts remaining therein shall be transferred to the Construction Fund.

Section 5.04. Revenue Fund. Except as otherwise provided by Supplemental Indenture, all Revenues shall be delivered to the Trustee immediately upon receipt by or on behalf of the Issuer and shall be deposited by the Trustee in the Revenue Fund immediately upon receipt by the Trustee and amounts in the Revenue Fund shall be used for the purposes and in the order of priority set forth in Section 5.05 hereof.

Section 5.05. Flow of Funds.

(a) Amounts in the Revenue Fund shall be applied for the following purposes in the priority in which listed:

*First*, on or before the fifteenth day of each month, to the extent not paid from other sources, Operating and Maintenance Expenses budgeted by the Issuer for the next succeeding month shall be distributed to, or to the order of, the Issuer;

*Second*, when necessary, there shall be transferred to the Rebate Fund amounts which, when added to other amounts in the Rebate Fund, shall equal the amount required to be on deposit therein pursuant to the Tax Certificates delivered in connection with the issuance of each Series of Bonds;

*Third*, on or before the fifteenth day of each month, to the extent not paid from other sources, there shall be deposited into the Administrative Fee Fund the amount necessary to pay the Administrative Fees and Expenses due the following month, together with any accruals from prior periods, and the Trustee shall pay directly to the City an amount equal to \$10,000 each month as payment of one-twelfth of the City Fee;

*Fourth*, on or before the fifteenth day of each month there shall be transferred into the Renewal and Replacement Fund an amount equal to 4% of the Total Revenues received during such month, together with an amount necessary to replenish any draws therefrom to pay Debt Service on the Senior Bonds pursuant to Section 5.06 hereof or to pay a Lease Payment; provided that such percentage may be adjusted by the Issuer upon written notice to the Trustee after taking into consideration the amount set forth in each R&R Plan as provided in Section 5.09 herein; provided further that if the amount to be deposited therein is greater than 4% of Total Revenues during any month, then such excess amount over 4% shall be deposited into the Renewal and Replacement Fund only after any deposit required by clause *Eighth* below to any debt service fund hereafter created to secure the payment of Subordinate Bonds has been made;

*Fifth*, unless provision for such payments from the Construction Fund or otherwise has been made as contemplated by Section 5.03 hereof or otherwise, on or before the fifteenth day of each month, or at such other times as shall be set forth in any Supplemental Indenture, there shall be transferred to the Senior Debt Service Fund an amount equal to:

(A) one-sixth of any interest to become due and payable on each Series of Outstanding Senior Bonds on the next Interest Payment Date for such Series, plus an amount equal to any shortfall from a prior month to the extent not made up from another source; and

(B) one-twelfth of any Principal Installments to become due and payable on any Series of Outstanding Senior Bonds on or before the next date on which such Principal Installment is payable, plus an amount equal to any shortfall from a prior month.

*Sixth*, if the Senior Debt Service Reserve Fund contains less than the Senior Debt Service Reserve Fund Requirement due to (i) a withdrawal therefrom or (ii) a decrease therein due to a valuation of the investments on deposit therein pursuant to Section 6.04(b) herein, or (iii) an increase in the amount of the Senior Debt Service Reserve Fund Requirement, and the City DSRF Certificate required by Section 5.08(d) hereof provides that Surplus Airport System Revenues are insufficient to fund the deficiency in the Senior Debt Service Reserve Fund to the Senior Debt Service Reserve Fund Requirement, then on or before the fifteenth day of the month next succeeding the receipt of such certificate, an amount equal to the amount needed to replenish the Senior Debt Service Reserve Fund to the



Senior Debt Service Reserve Fund Requirement shall be deposited to the Senior Debt Service Reserve Fund, and if Revenues are insufficient at the time of such deposit to attain the Senior Debt Service Reserve Fund Requirement, such deposits shall continue each month from the next available Revenues until the Senior Debt Service Reserve Fund is funded at the Senior Debt Service Reserve Fund Requirement;

*Seventh*, on or before the fifteenth day of each month, to the extent not paid from other sources, there shall be deposited into the Lease Payment Fund the next Lease Payment estimated by the Manager to be due and owing to the City under the Facilities Lease, together with any shortfall from any prior month's deposit due to an adjustment in such estimate or an insufficiency during such prior month or months in the deposit made therein, which estimate and shortfall shall be provided in writing by the Manager to the Trustee each month;

*Eighth*, if Subordinate Bonds are issued and outstanding, there shall be transferred to the trustee or other agent holding the funds for the payment of debt service of Subordinate Bonds amounts to enable the timely payment of Subordinate Bonds in the manner described in the proceedings authorizing the issuance of Subordinate Bonds;

*Ninth*, any money remaining in the Revenue Fund at the end of any Fiscal Year after making the deposits required in clauses *First* through *Eighth* above shall be used to make or provide for all deposits, payments or transfers required by any agreement or other instrument creating or evidencing any obligation which is not a Senior Bond or Subordinate Bond, at the time and in the manner provided for in such instrument;

*Tenth*, any money remaining in the Revenue Fund at the end of any Fiscal Year after making the deposits required in clauses *First* through *Ninth* above may be transferred to the Issuer for any lawful purpose upon delivery of a certificate executed by an Authorized Issuer Representative and delivered to the City and the Trustee certifying that such transfer will not cause the Issuer to be in violation of the Revenue Covenant at the time such transfer is made.

(b) Whenever the amount on deposit in the Senior Debt Service Reserve Fund is in excess of the Senior Debt Service Reserve Fund Requirement and the other conditions set forth in Section 6.03(b)(ii) hereof have been complied with, the excess on deposit in such Fund shall be transferred to the Revenue Fund and applied as provided in subsection (a) of this Section.

#### Section 5.06. Other Transfers to Senior Debt Service Fund.

(a) Notwithstanding anything in this Article or elsewhere in this Indenture to the contrary, if on any Interest Payment Date there are not sufficient moneys in the Senior Debt Service Fund on such date to pay principal of and interest on the Senior Bonds then

due and owing, moneys shall be transferred to the Senior Debt Service Fund from the following sources in an amount which, together with the amount then on deposit in the Senior Debt Service Fund, will result in the Senior Debt Service Fund having the balance required to be on deposit therein pursuant to Section 5.05 hereof:

*First*, from the Senior Capitalized Interest Account, if any, created for such Series of Senior Bonds;

*Second*, from the Senior Debt Service Reserve Fund;

*Third*, subject to subsection (b) of this Section, from the Construction Fund; and

*Fourth*, from the Renewal and Replacement Fund;

(b) Any moneys transferred to the Senior Debt Service Fund from the Construction Fund pursuant to this Section shall be transferred thereto only at the direction of the City.

Section 5.07. Senior Debt Service Fund.

(a) There shall be paid out of the Senior Debt Service Fund on or before each Interest Payment Date for any of the Bonds, the amount required for the interest payment on such date, and there shall be paid out of the Senior Debt Service Fund on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; provided, however, that if any special fund, account or subaccount has been created for the payment of capitalized interest on the Bonds or any Series thereof (a "Senior Capitalized Interest Account"); any amounts transferred to the Senior Debt Service Fund from a Senior Capitalized Interest Account shall be used to pay such interest prior to the use of any amounts in the Senior Debt Service Fund for such purpose. On or before any Redemption Date for Bonds to be redeemed, there shall also be paid out of the Senior Debt Service Fund, from available amounts deposited therein from time to time, the Redemption Price of and interest on the Bonds then to be redeemed.

(b) Amounts in the Senior Debt Service Fund with respect to any Sinking Fund Installment (together with amounts in the Senior Debt Service Fund with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall be applied to the redemption of Bonds of the Series and maturity for which such Sinking Fund Installment was established in an amount not exceeding that necessary to complete the retirement of such Sinking Fund Installment as hereinafter provided. Unless otherwise provided in any Supplemental Indenture, as soon as practicable after the sixtieth day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 4.05 hereof, on such due date Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment Date) in

such amount as shall be necessary to complete the retirement of such Sinking Fund Installment; provided that for this purpose the principal amount of Bonds of such Series and maturity delivered by the Issuer to the Trustee for cancellation not less than 60 days prior to such due date, as provided in subsection (c) of this Section, shall be credited against the amount of such Sinking Fund Installment. Such notice shall be given regardless whether moneys therefor shall have been deposited in the Senior Debt Service Fund and without any instructions from the Issuer.

(c) Upon any purchase pursuant to subsection (d) of this Section, or any redemption pursuant to any redemption provision, other than a mandatory or anticipated sinking fund redemption provision, of this Indenture or any Supplemental Indenture, of Bonds of any Series and maturity for which Sinking Fund Installments have been established, the principal amount of such Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment or Installments.

(d) The Trustee shall, at any time at the direction of the Issuer, apply amounts available in the Senior Debt Service Fund for the payment of any Principal Installments to pay the principal portion of Bonds of any Series and maturity for which such Sinking Fund Installments has been established, which Bonds may be purchased on the open market at a price (excluding accrued interest to the purchase date but including any brokerage or other charges) no greater than the applicable Redemption Price of such Bonds.

(e) Notwithstanding any other provision of this Section or any other provision of this Indenture, amounts in the Senior Debt Service Fund shall be applied only to the payment of Debt Service on the Bonds of the same designation, in each case in the manner and at the times provided in subsections (a), (b), (c) and (d) of this Section.

#### Section 5.08. Senior Debt Service Reserve Fund.

(a) If on any date, after giving effect to all transfers pursuant to Section 5.05 and 5.06 hereof, and subject to the provisions of subsection (d) herein, the amount in the Senior Debt Service Fund shall be less than the amount required to make all payments of principal and Redemption Price of and interest on the Senior Bonds then due and payable, the Trustee shall transfer amounts from the Senior Debt Service Reserve Fund to the extent necessary to make such payments.

(b) When the amount in the Senior Debt Service Reserve Fund, together with the amounts in the Senior Debt Service Fund, is sufficient to fully pay all Outstanding Senior Bonds in accordance with their terms (including principal or Redemption Price and interest), the funds on deposit in the Senior Debt Service Reserve Fund may, at the direction of the Issuer, be applied, together with the amounts in the Senior Debt Service Fund, to pay the principal and Redemption Price of and interest on all Outstanding Senior Bonds.

(c) Except as otherwise provided herein, whenever the amount in the Senior Debt Service Reserve Fund exceeds the Senior Debt Service Reserve Fund Requirement, the Trustee shall transfer such excess to the Revenue Fund.

(d) Notwithstanding any other provision of this Section or any other provisions of this Indenture, if there occurs a deficiency in the Senior Debt Service Reserve Fund resulting from the events described in clause *Sixth* of Section 5.05(a) herein, the Trustee shall immediately notify the Issuer and the City of such event and the amount of the deficiency that exists in the Senior Debt Service Fund (the "DSRF Deficiency Notice"). Upon being so notified by the Trustee, the City shall determine whether surplus revenues held by the City under the terms of its ordinances authorizing the issuance of City general airport revenue bonds ("Surplus Airport System Revenues") are sufficient to replenish the Senior Debt Service Reserve Fund to the Senior Debt Service Reserve Fund Requirement, and provide a certificate to the Trustee (the "City DSRF Certificate") of such fact within 90 days of its receipt of the DSRF Deficiency Notice. If Surplus Airport System Revenues are sufficient, the City shall transfer Surplus Airport System Revenues to the Trustee within 120 days of its receipt of the DSRF Deficiency Notice, in accordance with the terms of the Grant Agreement, for deposit to the credit of the Senior Debt Service Reserve Fund in an amount equal to such deficiency. The Trustee agrees that immediately upon receipt of Surplus Airport System Revenues from the City delivered in accordance with the Grant Agreement, the Trustee shall deposit such amounts to the credit of the Senior Debt Service Reserve Fund, and will notify the City and the Issuer of such deposit. The parties recognize that the sole source of money available to the City to make such deposits is Surplus Airport System Revenues, and if the City delivers the City DSRF Certificate within 90 days of receipt of the DSRF Deficiency Notice, no Event of Default shall be deemed to have occurred under the terms of this Indenture. If the City DSRF Certificate provides that Surplus Airport System Revenues are insufficient to replenish the Senior Debt Service Reserve Fund to the Senior Debt Service Reserve Fund Requirement, the Senior Debt Service Reserve Fund deficiency will be funded with the next available Revenues pursuant to clause *Sixth* of Section 5.05(a) herein.

(e) Notwithstanding any other provision of this Section or any other provision of this Indenture, (i) the Senior Debt Service Reserve Fund shall be maintained and administered as a separate Fund for the purposes of securing, and shall be applied only to the payment of, the principal and Redemption Price of and interest on Senior Bonds and (ii) to the extent required to make such payments, moneys from such Fund shall be transferred to the Senior Debt Service Fund.

(f) Notwithstanding any other provision heretofore of any Supplemental Indenture, the Trustee, at the written direction of the Issuer at any time, and upon receipt of a written opinion of Bond Counsel to the effect that such substitution shall not cause the interest on the Bonds to become includable as gross income to the holders of such Bonds for federal income tax purposes, shall substitute for the cash deposit in the Senior Debt Service Reserve Fund or any Account or Subaccount thereof, a letter of credit, surety bond, insurance policy, agreement guaranteeing payment or other undertaking by a

financial institution to insure that cash in the amount otherwise required to be maintained therein will be available to the Trustee as needed. Upon any such substitution, the cash deposit in such Fund, Account or Subaccount shall be transferred to the Construction Fund or the Revenue Fund, as directed by the Issuer.

Section 5.09. Renewal and Replacement Fund. Moneys held in the Renewal and Replacement Fund shall be transferred to the Senior Debt Service Fund to the extent required by Section 5.06(a) hereof (provided that such transfer shall not cure an Event of Default under Section 9.02 herein) and otherwise shall be distributed to, or to the order of, the Issuer at the written request of an Authorized Issuer Representative which shall be used to provide all or part of the cost of reconstruction, renewal and replacement of the Project, as provided in the schedule included in the renewal and replacement plan submitted by the Consulting Engineer, and the reconstruction, renewal and replacement of other components of the Project not covered by the Consulting Engineer which may be identified by the Issuer, including the replacement of furniture, fixtures and equipment (the "R&R Plan"). The Renewal and Replacement Fund shall be funded with Revenues in accordance with Section 5.05(a) until the balance therein equals the amounts required at the times needed as set forth in the R&R Plan, or in such other amounts at such times as the Consulting Engineer for the Issuer determines is reasonably necessary to carry out the activities described in the R&R Plan. With the consent of or at the direction of the City moneys in the Renewal and Replacement Fund may be transferred to the Lease Payment Fund if the amount on deposit therein is insufficient to make a Lease Payment when due. A Consulting Engineer shall be retained by the Issuer at least once every five years after the Closing Date to deliver a report with recommendations on the funding of the Renewal and Replacement Fund, and the Issuer shall comply with such recommendation. Copies of such report shall be provided by the Issuer to the Trustee, the City each Owner of ten percent (10%) or more of the Outstanding Senior Bonds and any other Bond Owners requesting such report.

Section 5.10. Rebate Fund. Moneys shall be deposited into the Rebate Fund pursuant to Section 5.05 hereof in the amount required pursuant to the Tax Certificate and pursuant to any similar instrument or certificate delivered by the Issuer in connection with the issuance of any Additional Bonds (each, a "Tax Certificate," and collectively, the "Tax Certificates"). Notwithstanding any other provision hereof or of any other instrument, moneys on deposit in the Rebate Fund shall not be part of the Trust Estate and, except as otherwise provided in this Section, moneys on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due to the United States of America with respect to the Bonds pursuant to section 148(f) of the Code. Moneys on deposit in the Rebate Fund shall be forwarded to the United States Treasury at the times and in the amounts set forth in the Tax Certificates. If the moneys on deposit in the Rebate Fund are insufficient for the purpose thereof, the Issuer shall transfer moneys in the amount of the insufficiency to the Rebate Fund from moneys available therefor in the Trust Estate. Upon receipt by the Issuer of an opinion of Bond Counsel or a certificate of a Rebate Analyst to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess shall be transferred to the Revenue Fund

Section 5.11. Administrative Fee Fund. There shall be deposited in the Administrative Fee Fund such amounts as are required to pay the Administrative Fees and Expenses related to the administration of the Bonds and the Project, including specifically, but without limitation,

fees and expenses of the Consulting Engineer and any other Consultant. Upon the written requisition of an Authorized Issuer Representative, amounts deposited in the Administrative Fee Fund are to be withdrawn for payment for the Administrative Fees and Expenses of the Bonds then due and owing or to reimburse the Issuer for the payments of any Administrative Fees and Expenses previously paid by the Issuer; provided that the Trustee may debit its annual fee only which is then due and owing directly against the amount on deposit in the Administrative Fee Fund without the need for such requisition.

Section 5.12. Lease Payment Fund. There shall be deposited into the Lease Payment Fund in accordance with Section 5.05 such amounts as are required to pay the Lease Payments to the City when due under the terms of the Facilities Lease.

Section 5.13. Form of Requisition. Whenever any provision of this Indenture or any Supplemental Indenture requires a payment to be made or transfer to be made from any Fund or Account, other than from the Construction Fund, such payment or transfer may be authorized by a requisition signed by an Authorized Issuer Representative. Transfers from the Construction Fund shall be authorized by a requisition in the form of Exhibit A hereto, signed by an Authorized Issuer Representative.

Section 5.14. Modification by Supplemental Indenture. The provisions of this Article may be modified by any Supplemental Indenture in respect of any Series of Bonds authorized thereby, and in the event of any conflict with the provisions hereof, the provisions of such Supplemental Indenture shall control in respect of any Series of Bonds authorized thereby; provided, however, that no such modification may have the effect of creating a priority for payment of one Series of Bonds over any other Series of Bonds, subject to the terms and provisions hereof.

## ARTICLE VI

### MONEYS HELD IN TRUST, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01. Moneys Held in Trust. All moneys held by the Trustee under the provisions of this Indenture shall be deposited with the Trustee, and held in the name of the Trustee, in such capacity hereunder. All moneys deposited under the provisions of this Indenture with the Trustee shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds and Accounts established by this Indenture shall be a trust fund for the purpose of this Indenture.

Section 6.02. Deposits and Transfers.

(a) All moneys held by the Trustee under this Indenture may be placed on demand or time deposit, if and as directed by the Issuer, provided that such deposits shall permit the moneys so held to be available for use at the time when needed.

(b) All moneys held under this Indenture by the Trustee shall be continuously and fully secured for the benefit of the Issuer and the Owners of the Bonds by lodging

with a Federal Reserve Bank, the Trustee, or other Fiduciary as custodian, as collateral security, direct obligations of or obligations guaranteed by the United States of America having a Fair Market Value (exclusive of accrued interest) not less than the amount of such moneys, which securities may be substituted for one another from time to time, provided, however, that it shall not be necessary for the Trustee to give security for any moneys (i) to the extent that such moneys are insured by or through the Federal Deposit Insurance Corporation or (ii) which are represented by Investment Securities purchased as an investment of such moneys.

(c) All moneys deposited with the Trustee shall be credited to the particular Fund or Account to which such moneys belong.

(d) Except as otherwise provided by Supplemental Indenture, any transfer required to be made from one Fund or Account to another Fund or Account held by the same Person may be made by book transfer of any moneys or investments or portions of investments without liquidating any investments in order to make such transfer unless the funds required to be transferred are needed to make payments out of the Fund or Account to which such funds were transferred at the time of transfer. Investments may also be exchanged between Funds and Accounts if the Issuer and the Trustee determine such transfer to be the best way to preserve the Trust Estate.

#### Section 6.03. Investment of Funds.

(a) Moneys held in any Fund or Account to be held by the Trustee shall be invested and reinvested by the Trustee as promptly as practicable, in accordance with a Letter of Instructions executed by an Authorized Issuer Representative, in Investment Securities; provided that investments of moneys on deposit in the Senior Debt Service Reserve Fund shall be invested solely in Investment Securities described in clauses (h) and (i) of the definition thereof or in Investment Securities described in clause (a) which mature in five years or less. Notwithstanding anything herein to the contrary, Investment Securities in all Funds and Accounts shall mature, or the principal of and accrued interest on such Investment Securities shall be available for withdrawal without penalty, not later than such times as shall be necessary to provide moneys when needed for payment to be made from such Funds and Accounts. The Trustee shall not be responsible for determining whether any Investment Securities are legal investments under the laws of the State.

(b) Except as otherwise provided in this subsection or by Supplemental Indenture, interest earned or profits realized from investing any moneys deposited in the Funds and Accounts or any Subaccount thereof shall be transferred to the Revenue Fund and applied pursuant to subsection (a) of Section 5.05 hereof. Notwithstanding the foregoing:

(i) interest and profits from the Senior Debt Service Fund, Rebate Fund, Construction Fund (including specifically the Costs of Issuance Account and the 2017 Project Account) and the Renewal and Replacement Fund and any

Account or Subaccount of any of such Funds, Accounts or Subaccounts shall be retained in such Fund, Account or Subaccount; and

(ii) interest and profits from the Senior Debt Service Reserve Fund shall be retained in the Senior Debt Service Reserve Fund if and to the extent the amount on deposit in the Senior Debt Service Reserve Fund is not equal to the Debt Service Reserve Fund Requirement.

#### Section 6.04. Valuation and Sale of Investments.

(a) Investment Securities acquired as an investment of moneys in any Fund or Account created under the provisions of this Indenture shall be at all times a part of such Fund or Account and any profit or loss realized from the liquidation of such investment shall be applied as provided in subsection (b) of Section 6.03 hereof.

(b) In computing the amount in the Senior Debt Service Reserve Fund and the Renewal and Replacement Fund, Investment Securities shall be valued on the date of deposit therein, not less than every six months thereafter upon the receipt by the Trustee of such request, at their Fair Market Value including accrued interest (and shall retain the previously determined value until such value is required to be redetermined); provided that Investment Securities described in clauses (h) and (i) of the definition thereof shall be valued at the amount available to be drawn thereunder.

(c) Except as otherwise provided in this Indenture, the Trustee shall sell, or present for redemption, any Investment Security so purchased as an investment whenever it shall be requested in writing by an Authorized Issuer Representative to do so or whenever it shall be necessary in order to provided moneys to meet any payment or transfer from any Fund or Account held by it. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

## ARTICLE VII

### PARTICULAR COVENANTS OF THE ISSUER

Section 7.01. Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid, but solely from the Trust Estate pledged therefor by this Indenture, the principal and Redemption Price of and interest on the Bonds, at the date and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof.

#### Section 7.02. Deposits.

(a) The Issuer shall deposit or cause to be deposited, the amounts required to be deposited into the Senior Debt Service Fund each month as required by Section 5.05(a) *Fifth*. Failure to make such deposit from current Total Revenues for two consecutive months shall constitute an Event of Default.



(b) The Issuer shall cause the City to deposit with the Trustee, to the extent the City has funds available for such purpose, funds described in, and in accordance with the provisions of, the Grant Agreement.

Section 7.03. Money for Bond Payments to be Held in Trust.

(a) Except as otherwise provided by Supplemental Indenture, on or before each payment date of the principal and Redemption Price of or interest on any Bonds, the Issuer shall deposit with or cause the Trustee to make available to each Paying Agent a sum sufficient to pay the principal and Redemption Price of or interest on the Bonds so becoming due, such sum to be held in trust for the benefit of the Owners of the Bonds entitled to such principal, Redemption Price or interest.

(b) The Issuer will cause each Paying Agent other than the Trustee to execute and deliver an instrument in which such Paying Agent shall agree with the Issuer that, subject to the provisions of this Section, such Paying Agent will:

(i) hold all sums held by it for the payment of principal and Redemption Price, or interest on, Bonds in trust for the benefit of the Owners of the Bonds entitled thereto until such sums shall be paid to such Owners of the Bonds or otherwise disposed of as herein provided;

(ii) give the Trustee notice of any default in the making of any such payment of principal, Redemption Price, or interest; and

(iii) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

(c) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or direct any Paying Agent to pay, to the Trustee or an escrow agent all sums held in trust by the Issuer or such Paying Agent, such sums to be held by the Trustee or an escrow agent upon the same trusts as those upon which such sums were held by the Issuer or such Paying Agent; and upon such payment by any Paying Agent to the Trustee or an escrow agent, such Paying Agent shall be released from all further liabilities with respect to such money.

Section 7.04. Power to Enter Into Indenture, Issue Bonds and Pledge Trust Estate. The Issuer is duly authorized under all applicable laws to create and issue the Bonds, to enter into this Indenture, and to pledge the Trust Estate pledged by this Indenture in the manner and to the extent provided in this Indenture and no other authorization or consent is required thereof. The Trust Estate so pledged is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto except the pledge granted by this Indenture to the extent provided in this Indenture and all action on the part of the Issuer to that end has been and will be duly and validly taken. This Indenture has been duly and lawfully entered into by the Issuer, is in full

force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the Issuer in accordance with their terms and the terms of this Indenture subject only to the laws relating to bankruptcy, creditors' rights and principles of governmental law and equity. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect its title to the Trust Estate, the pledge of the Trust Estate under this Indenture and all the rights of the Bondowners under this Indenture against all claims and demands of all persons whomsoever.

Section 7.05. Construction Contracts. The Issuer covenants and agrees that the proceeds of any performance bond will forthwith, upon receipt of such proceeds, be deposited in the Construction Fund and applied toward the completion of the contract in connection with which such performance bond and a payment shall have been furnished.

Notwithstanding any other provisions of this Indenture or any Supplemental Indenture, all contracts of the Issuer for the Project shall be made, awarded and entered into in accordance with applicable law and the Facilities Lease.

Section 7.06. Tax Covenants.

(a) For the purpose of maintaining the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes, the Trustee agrees that it shall not take, or fail to take, any action that could adversely affect the tax exempt status of the Bonds, unless it receives an opinion of Bond Counsel that such action, or failure to take such action, does not adversely affect the tax exempt status of the Bonds. For such purpose the Trustee may rely upon the Tax Certificate and any other directions provided from time to time by the Issuer or by Bond Counsel.

(b) The Issuer shall not use or permit the use of any proceeds of the Bonds or any other funds of the Issuer pledged under this Indenture, directly or indirectly, to acquire any "higher yielding investments" when a "temporary period" is not applicable, as such terms are defined in section 148 of the Code. The Issuer shall not use, or permit the use of, any amounts held under this Indenture in any manner, and shall not take or permit to be taken any other action or actions, which would cause any of the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code or any successor provision, or which would otherwise cause interest on the Bonds to become includible in gross income of the owners thereof for federal income tax purposes.

(c) The Issuer covenants and agrees that it will take all necessary and appropriate actions reasonably within its control, including (i) rebating any excess investment earnings to the United States of America and (ii) taking all necessary steps to satisfy any exceptions to arbitrage rebate requirements contained in the Code under sections 148(f)(4)(B)(i) and 148(f)(4)(C), as hereafter may be required to assure the continuing exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. The Issuer further covenants and agrees not to act in any other manner which could adversely affect the exemption of interest on any

Bonds from gross income of the owners thereof for federal income tax purposes. The Issuer covenants to comply with the provisions of the Tax Certificate in the manner specified therein.

Section 7.07. General.

(a) The Issuer will at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it by the Act or otherwise.

(b) The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of this Indenture and any other law or regulation applicable to the Issuer, including, without limitation, the Act.

(c) The Issuer shall not, without the affirmative vote of all of the members of its Board, take any action as set forth in Section 9.02(e) herein.

Section 7.08. Further Assurances. At any and all times the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, granting, pledging, assigning and confirming the Trust Estate. Revenues, Funds, Accounts, Investment Securities held in any Fund or Account hereunder, and the Issuer's right, title and interest in and to the foregoing, and all other moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the Issuer may become bound to pledge or assign.

Section 7.09. Sale or Encumbrance of Project. The Issuer covenants that, as long as there are any Outstanding Bonds, and except as in this Indenture otherwise permits, it will not sell or otherwise dispose of or encumber the Issuer's interest in the Project or any part thereof unless it determines that such sale or other disposal or encumbrance is in the best interest of the Project and not materially adverse to the rights of the Owners of the Bonds. Nothing in this Section, however, shall limit the ability of the Issuer to dispose of obsolete property or replace property with property of similar or greater values and function or to enter into contracts with respect to the operation of all or any part of the Project.

Section 7.10. Consulting Engineer's Reports on Project. The Trustee will cause the Consulting Engineer to make an inspection of the Project and to submit not less than annually to the Issuer a report setting forth:

(a) the Consulting Engineer's findings as to whether the Project has been maintained in good repair, working order and condition;

(b) the Consulting Engineer's advice and recommendations as to the proper maintenance, repair, and operation of the Project during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes, including their

recommendations as to the total amounts and classifications of items and amounts that should be provided for Operating and Maintenance Expenses for the next ensuing Fiscal Year;

(c) the Consulting Engineer's advice and recommendation as to the insurance to be carried under the provisions of this Indenture. Copies of such reports shall be filed with the Trustee, the City, the Owners of ten percent (10%) or more of the aggregate principal amount of the Senior Bonds then Outstanding and any other Owner of the Bonds; and

(d) the R&R Plan.

Section 7.11. Annual Budget. After the Project is completed and operational, the Issuer shall file or cause to be filed with the Trustee and the City an annual budget for the Project for each Fiscal Year. Each such annual budget shall include the estimated Operating and Maintenance Expenses for such Fiscal Year, in addition to any amount required to be deposited during such Fiscal Year into any Fund or Account pursuant to Section 5.05 hereof and shall comply with the Revenue Covenant. Each such annual budget may set forth such additional material as the Issuer may determine. The Issuer may, at any time, adopt an amended annual budget for the remainder of the then current Fiscal Year and shall comply with the Revenue Covenant. Until a new annual budget is adopted, the prior Fiscal Year's annual budget shall be deemed to be the annual budget for that Fiscal Year. Copies of such annual budget and any amended annual budget shall be filed with the Trustee, the City, and any Owner of the Bonds making a written request for such reports

Section 7.12. Accounts and Reports.

(a) The Issuer shall maintain or cause to be maintained proper books of records and accounts in which complete and correct entries shall be made of its transactions in accordance with Generally Accepted Accounting Principles. The Funds and Accounts established by this Indenture, such books, and all other books and papers relating to the Project, shall, to the extent permitted by law, at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than 25% in principal amount of the Bonds Outstanding or their representatives duly authorized in writing. The Issuer will permit the Trustee, such Bondowners, the City and their respective agents, auditors, attorneys and counsel at all reasonable times, to take copies and extracts from the books of record and account, and will from time to time furnish, or cause to be furnished, to the Trustee, such information and statements as the Trustee may reasonably request, all as may be reasonably necessary for the purpose of determining performance or observance by the Issuer of the covenants, conditions and obligations contained in this Indenture. The Issuer shall file or cause to be filed with the Trustee, the City and each Owner submitting a written request: (i) audited financial statements within 120 days after the end of each Fiscal Year, together with a no default certificate and audited calculations demonstrating whether the Revenue Covenant was met, and (ii) monthly financial statements within 30 days after the end of each month until Net Revenues equals or exceeds 110% of Debt Service on the Senior Bonds for each month

commencing immediately after there are no moneys left in a Senior Capitalized Interest Account to pay interest on the Series 2017 Bonds, and thereafter quarterly financial statements within 45 days after the end of each quarter. In addition, the Issuer shall provide or cause to be provided to a Bondholder requesting such information such other data and information related to the Project as is reasonably requested by a Bondholder.

(b) The Trustee shall advise the Issuer, the City and any Bondholder upon written request within 15 days after the end of each month of its transactions during such month relating to the Funds and Accounts held by it under this Indenture.

(c) The Issuer shall create accounts within any Fund or Account created by this Indenture or any Supplemental Indenture when in the judgment of the Issuer the creation of such account will enable the Issuer to administer the Project or regulate investments or limit returns on such investments.

(d) The Issuer shall annually cause a Consultant to deliver to the Issuer, the City and the Trustee a report which specifies the amount of Revenues which need to be received in the Revenue Fund pursuant to Section 5.05 hereof for the future payment of Debt Service.

Section 7.13. Rules and Regulations; Maintenance of Project. The Issuer covenants that, subject to the terms of the Facilities Lease, and pursuant to the terms of the Management Agreement, (a) it will establish and enforce reasonable rules and regulations governing the use of the Project and the operation thereof, (b) it will maintain and operate, or cause to be maintained and operated, the Project in an efficient and economical manner, (c) from the Revenues of the Project or other funds available therefor in the Trust Estate, it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, and (d) it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project. The Issuer further covenants that any Management Agreement shall be a Qualified Management Contract.

Section 7.14. Payment of Lawful Claims. The Issuer covenants that, from the Trust Estate, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, all lawful claims and demands for labor, materials, supplies or other object which, if unpaid, might by law become a lien upon the Trust Estate; provided, however, that nothing in this Section contained shall require the Issuer to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings; provided, however, that if a judgment lien has been filed upon the Trust Estate, the Issuer shall only be able to contest such lien or charge if an amount equal to such lien or charge is deposited by the Issuer with the Trustee under an escrow agreement that permits the Trustee to apply such amount to discharge such judgment lien.

Section 7.15. Consulting Engineers. The Issuer covenants that, as long as there are any Outstanding Bonds, one or more Consulting Engineers selected by the Manager and approved by the City shall be employed as necessary to comply with this Indenture.

Section 7.16. Insurance. The Issuer covenants that it will maintain, or cause to be maintained, insurance covering such risks and in such amounts as is adequate to protect it and the Project and its operations, which shall be not less than the following:

(a) insurance against loss and/or damage to the Project covering such risk as are ordinarily and reasonably insured against by similar facilities, including, without limiting the generality of the foregoing, fire, earth settlement, flood (if applicable and available) and the risks covered under an "all risks" policy, including Extended Coverage and Special Extended Coverage Endorsements and "Umbrella" coverage, and against explosion of boilers, heating apparatus and other pressure vessels. Such insurance, together with the blanket earnings and extra expense insurance below mentioned, shall be in the amount required to pay the greater of (i) the principal of the Bonds or (ii) 100% of the replacement cost of the Project (and its contents to the extent owned by the Issuer), and, in any event, sufficient to prevent the Issuer from becoming a co-insurer with respect to any loss, said coverage to be endorsed with a "Replacement Cost Endorsement" (the amount to be reviewed annually and increased if necessary so as to provide coverage at all times in an amount necessary to restore the Project and such improvements and contents to the condition existing just before destruction or damage);

(b) blanket earnings and extra expense insurance, covering loss of revenues by reason of the total or partial suspension of, or interruption in, the operation of the Project caused by the damage to or destruction of any part of the Project, with such exceptions as are customarily imposed by insurers covering a period of suspension or interruption, and in such amount as will provide the cash portion of Revenues equal to the maximum annual Debt Service on the Bonds together with an amount sufficient to pay Operating and Maintenance Expenses during any 12-month period (as shown on the most recent budget) and any other unavoidable costs during any 12-month period of such suspension, interruption or destruction of the Project or its operation;

(c) comprehensive general liability insurance, protecting the Issuer, the Manager and the Trustee against liability for injuries to persons and/or property, occurring on, in or about the Project in the minimum amount of \$1,000,000 combined bodily injury and property damage liability as supplemented by general liability coverage under a \$1,000,000 umbrella policy, or as to any such coverage such greater amounts as determined to be necessary by an insurance consultant as provided below;

(d) workers' compensation insurance respecting all employees of the Issuer, the Manager and all persons engaged in work at the Project in such amount as is required by law;

(e) comprehensive automobile liability insurance with \$1,000,000 combined bodily injury and property damage per occurrence and \$1,000,000 aggregate coverage;

(f) flood hazard insurance or evidence that it is not required for the Project;

(g) such other insurance on the Project in such amounts as may be recommended by the insurance Consultant as hereinafter provided against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated;

(h) boiler and machinery coverage (direct damage and use and occupancy) on a replacement cost basis; and

(i) during the construction of any capital improvements to the Project, builder's completed value "all risk" insurance affording coverage against all risks of physical loss, including collapse and transit coverage, in non-reporting form, covering the total value of work to be performed and equipment, supplies and materials to be furnished.

On or before the Closing Date, the Issuer shall deliver, or shall cause to be delivered, to the Trustee a certificate of an independent insurance Consultant that evidences the Issuer is in compliance with its insurance obligations set forth in this Section. The insurance required to be maintained pursuant hereto shall be subject to a review and procurement of certificate of an independent insurance Consultant as aforesaid at least once every other year, commencing in calendar year 2019 and the Issuer agrees that it will follow any recommendations of the independent insurance Consultant. Each insurance policy provided for in this Section shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Trustee, without first giving written notice thereof to the Trustee at least 30 days in advance of such cancellation or modification. All insurance policies or certificates evidencing such insurance issued pursuant to this Section shall be deposited with the Trustee.

All such insurance shall be evidenced by valid and enforceable policies in form and substance approved by the independent insurance Consultant and acceptable to the Trustee, the City and the Issuer and shall be made payable to the Trustee by means of a standard noncontributory mortgagee clause in favor of the Trustee and approved by the independent insurance Consultant, and in the case of liability coverage, shall name the Trustee as additional insured and the Trustee as loss payee. All renewal or replacement policies shall be delivered to the Trustee not less than 30 days before the expiration date of the policy to be renewed or replaced, accompanied by evidence satisfactory to the Trustee that all premiums payable with respect to such policies have been paid in full by the Issuer.

The agent and insurer through or by which the insurance required hereunder is obtained shall be authorized to write such insurance in the State, have a licensed resident agent in the State and have at all times a general policyholder's rating of "A" or "A+" in Best's latest rating guide, and the Issuer shall furnish or cause to be furnished evidence of such ratings to the Trustee on the Closing Date and annually thereafter. Such insurance shall not be "blanketed" with any insurance carried on property other than the Project.

The Trustee shall have the right and is hereby constituted and appointed the true and lawful attorney-in-fact, irrevocable and coupled with an interest, of the Issuer, in the name and

stead of the Issuer, but in the uncontrolled discretion of said attorney, (a) to demand, adjust, sue for, compromise and collect any amounts due under such insurance policies in the event of loss, and (b) to give releases for any and all amounts received in settlement of losses under such policies; provided, however, that unless and until an Event of Default hereunder shall have occurred and be continuing, the Issuer reserves to itself the right to take any such action, without the consent or participation of the Trustee therein, to the extent the same involves a casualty or other loss having a value of \$100,000 or less.

If the Trustee in any manner acquires title to the Project, it shall then become the sole and absolute owner of all insurance policies held by or required hereunder to be delivered to the Trustee, with the sole right to collect and retain all unearned premiums and dividends thereon, and the Issuer shall only be entitled to a credit in the amount of the short rate cancellation refund.

#### Section 7.17. Revenue Covenant.

(a) There shall be fixed, charged and collected pursuant to the Facilities Lease and this Section 7.17 such fees or other charges in respect of the Project as shall be required to produce Net Revenues which, for 12 months beginning on the first day of the thirteenth month immediately following Closing Date, and for each Fiscal Year thereafter, shall be at least equal to \_\_\_\_ times the Aggregate Debt Service due on the Senior Bonds in such 12-month period or Fiscal Year.

(b) Before the beginning of such 12-month period or each such Fiscal Year, the Issuer will review or cause to be reviewed the financial status of the Project in order to estimate and determine whether Total Revenues for such 12-month period or the current Fiscal Year and for the following Fiscal Year will be sufficient to comply with the covenant set forth in subsection (a) of this Section. In connection with the preparation of the annual budget for each Fiscal Year, the Issuer will prepare and file or cause to be prepared and filed with the Trustee, the City, and any Owner submitting a request therefor, a copy of its estimate of Total Revenues, Operating and Maintenance Expenses, Debt Service and any transfers of Total Revenues required to be made to any other Fund or Account hereunder, together with a statement of the pertinent estimates and assumptions, which must take into consideration the cost of completing any uncompleted portion of the Project defined in Supplemental Indentures and the issuance of future Series of Additional Bonds, if necessary, to finance the completion. If the Issuer in adopting, or causing the adoption of, any annual budget determines that Total Revenues may be inadequate to meet such covenant, or if the audited financial reports regarding the Project prepared by the Issuer show that the Issuer did not satisfy such covenant for the prior Fiscal Year, the Issuer shall, within 60 days of such determination or the date such audit is final, engage or cause to be engaged a Consultant who shall conduct a study and, within 60 days of such engagement, recommend such actions as will provide sufficient Net Revenues in the next succeeding 12 months and thereafter each Fiscal Year to comply with the covenant in subsection (a) of this Section and that will provide additional Net Revenues in such next succeeding 12 months and thereafter each Fiscal Year to eliminate any deficiency at the earliest practicable time. A copy of such study and recommendations shall be filed with the Trustee, the City and any requesting such study.



The Issuer will take such recommended action no later than 60 days after the receipt of such recommendations from the Consultant.

(c) Failure to comply with the covenant described in subsection (a) above will not constitute an Event of Default if either (i) the Issuer complies or causes to be complied with the covenant described in subsection (b) above or (ii) the Consultant provides a written opinion to the Trustee that any action that attempts to comply with such covenant is impracticable at that time; provided, however, that failure to produce Net Revenues at least equal to \_\_\_\_ times the Aggregate Debt Service due on the Senior Bonds in a Fiscal Year will in all events constitute an Event of Default. For purposes of the preceding sentence, "impracticable" means (A) such action would not result in compliance with the covenant described in subsection (a) above, (B) the economic cost of taking such action exceeds the economic benefit resulting from such action or (C) the Issuer does not have sufficient available funds to pay the cost of taking such action.

(d) If the recommendation of the Consultant includes replacing the Operator of the Project, the Manager shall have 30 days from the date of issuance of the recommendation to retain a second Consultant to review the initial Consultant's study and recommendations. If the second Consultant concurs with the initial Consultant's recommendation to replace the Operator, the Issuer shall direct the Manager to do so under the Management Agreement or, if the Manager is the Operator, the Issuer shall replace the Manager. If the second Consultant recommends retaining the Operator, upon the City's direction, the Issuer shall direct the Manager to replace the Operator or, if the Manager is the Operator, the Issuer shall replace the Manager.

Section 7.18. Contracts with Other Persons. The Issuer reserves the right to enter into contracts with any Person providing for the acquisition, design, construction, operation and maintenance of the Project or any part thereof. Any contract entered into by the Issuer pursuant to the provisions of this Section shall comply with the provisions of Section 7.09 and may contain such provisions and be upon such terms and conditions consistent with the Facilities Lease as the Issuer deems advisable.

Section 7.19. License Agreement. The Issuer covenants to comply or, to the extent within the Issuer's control, cause the Manager to comply with the terms and provisions contained in the License Agreement. If the License Agreement is terminated for any reason, the Issuer covenants to (i) cooperate with the Trustee to replace Hilton with another hotel franchise meeting the requirements of the Management Agreement and (ii) if the Management Agreement has expired or terminated and no substitute Management Agreement has been entered into, use its best efforts to replace Hilton with another hotel franchise which has received the written approval of the City which, in the written opinion of Bond Counsel, will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 7.20. Issuer's Single Purpose. The Issuer covenants that, prior to the discharge of this Indenture and the Bonds, it will not engage in any activities other than the specific purposes of financing the acquisition, construction and equipping of the Project and of owning the Project.

Section 7.21. Maintenance of Legal Existence. During the term of this Indenture and so long as any Bonds remain Outstanding, the Issuer shall maintain its existence as a public facilities corporation and shall not (i) terminate, dissolve or dispose of all or substantially all of its assets, (ii) consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or (iii) transfer all or substantially all of its assets to another entity.

Section 7.22. Damage, Destruction or Condemnation.

(a) In the event of any damage, destruction, condemnation or taking under the threat of condemnation with respect to the Project, the Issuer, to the extent of funds held as part of the Trust Estate available therefor, shall promptly engage or cause to be engaged the services of a Consultant, which shall make a determination as to the amount of proceeds anticipated to result therefrom within 15 days of the occurrence of such damage, destruction, condemnation or taking (the "Proceeds").

(b) If the Proceeds of any damage, destruction, condemnation or taking under the threat of condemnation with respect to the Project as determined by the Consultant pursuant to paragraph (a) above are equal to or less than \$100,000, such Proceeds shall be deposited with the Trustee and shall be applied to repair, restore; modify, improve or replace the Project. The Trustee is hereby directed to make payments from such separate fund for such purposes or to reimburse the Issuer for costs paid by it in connection therewith upon receipt of a requisition signed by an Authorized Issuer Representative stating with respect to each payment to be made: (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal, which requisition shall be accompanied by copies of bills, invoices or receipts (as appropriate) for each payment made. Any balance of the Proceeds remaining after the Project has been repaired, restored or replaced to a state substantially like that prior to the event of damage, destruction or taking shall be deposited in the Senior Debt Service Fund.

(c) (i) If the Proceeds of any damage, destruction, condemnation or taking under the threat of condemnation with respect to the Project as determined by the Consultant pursuant to paragraph (a) above are greater than \$100,000 such Proceeds shall be deposited with the Trustee in an Account to be established within the Construction Fund, and the Issuer shall immediately request that the Consultant prepare a report to determine (i) if the repair, reconstruction, restoration or replacement of the Project or a portion thereof damaged or taken is economically feasible and will restore the Project to the physical and operating condition as existed before and (ii) if the Issuer will have sufficient funds from the Proceeds, business interruption insurance proceeds and other available funds to make the payments required hereunder when due, to pay the cost of repairing, reconstructing, restoring or replacing the portion of the Project affected by such loss, damage or condemnation (including without limitation architects' and attorneys' fees and expenses), to pay Operating and Maintenance Expenses until completion of the

repair, reconstruction or replacement of such portion of the Project, and to meet the Revenue Covenant for the first two Fiscal Years after completion of the repair, reconstruction or replacement, which report shall be delivered to the Trustee and the City, within 30 days of the occurrence of such damage, destruction, condemnation or taking. If the report determines the foregoing conditions are satisfied, then within 30 days after delivery thereof, the Issuer shall deliver or cause to be delivered to the Trustee and the City:

(A) the plans and specifications, prepared by an architect, necessary to effect such repair, reconstruction or replacement and an executed Construction Contract for such work;

(B) cash in an amount equal to the funds, if any, in excess of Proceeds and business interruption insurance proceeds required by the report delivered under clause (i) above; and

(C) such other documents and information as is required to be submitted in connection with the construction of the Project; and unless the City objects within 15 days after receipt of such report, the Issuer shall promptly proceed to repair, reconstruct and replace the affected portion of the Project, including all fixtures, furniture and equipment and effects, to its original condition to the extent possible. Each request for payment shall comply with the requirements of Section 5.13 hereof.

(ii) If (1) the report delivered does not determine that the conditions are satisfied or fails to meet the requirements relating to repair or reconstruction or replacement in clause (i) above, or (2) the City objects to such repair, reconstruction or replacement, the Issuer shall redeem the Bonds as set forth in Section 4.03(b) herein.

(d) If the Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement undertaken pursuant to this Section 7.22, the Issuer will nonetheless complete the work and will pay, but solely from the Trust Estate, any cost in excess of the amount of the Proceeds held by the Trustee. The Issuer agrees that if by reason of any such insufficiency of the Proceeds, the Issuer shall make any payments pursuant to the provisions of this Section, the Issuer shall not be entitled to any reimbursement therefor from the Trustee or any Holder, nor shall the Issuer be entitled to any diminution of the amount payable hereunder.

(e) Any balance of the Proceeds remaining after such replacement or repair has been completed shall be disbursed to redeem Bonds as provided in Section 4.03(b) hereof.

## ARTICLE VIII

### DISCHARGE AND DEFEASANCE

Section 8.01. Discharge of Indenture. If the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, all of the principal and Redemption Price of and interest on the Bonds, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Funds and Accounts established hereunder and in the amounts required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with or for the account of the Trustee an amount sufficient to provide for payment of the entire amount due or to become due thereon (including any amount due or to become due with respect to the Bonds under section 148 of the Code), and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon such payment and performance, this Indenture and the rights and liens hereby granted shall cease, determine and be void; provided, however, that the Issuer's obligations under Section 7.06 and the Issuer's indemnification obligations shall survive such discharge; otherwise, this Indenture is to be and shall remain in full force and effect. In the event that this Indenture is discharged as herein provided, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the City all moneys or securities held by them pursuant to this Indenture in respect of such Series which are not required for the payment of principal or Redemption Price, and interest on the Bonds of such Series not theretofore surrendered for such payment or redemption.

Section 8.02. Defeasance. Any Outstanding Bonds of any Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 8.01 if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it a Letter of Instructions containing irrevocable instructions to give notice of redemption of such Bonds on said date as provided in Article IV hereof, (b) there shall have been deposited with the Trustee, in trust, either money in an amount which shall be sufficient, or Defeasance Investment Securities the principal of and interest on which without any reinvestment thereof when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an independent certified public accountant, to pay when due the principal or Redemption Price of, and interest due and to become due on, such Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (c) in the event such Bonds are not to be redeemed within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it a Letter of Instructions containing irrevocable instructions to mail, as soon as practicable, notice to the Owners of all such Bonds that the deposit required by (b) above has been made with the Trustee or an escrow agent and that such Bonds are deemed to have been paid in accordance with this Section and stating such maturity or Redemption Date upon which money is to be made available for the payment of the principal or Redemption Price of and interest on such Bonds, (d) there shall be delivered to the Trustee evidence that the Bonds so defeased will be rated in the highest long-term rating category by a Rating Agency; and (e) there shall be delivered to the Trustee a written opinion of Bond Counsel to the effect that the provisions of this Section 8.02 have been complied with and such

defeasance will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Neither Defeasance Investment Securities nor money deposited with the Trustee or an escrow agent pursuant to this Section nor principal or interest payments on any such Defeasance Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price of and interest on said Bonds; provided that any cash received from such principal or interest payment on such Defeasance Investment Securities, (i) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received, free and clear of any trust, lien, security interest, pledge or assignment securing such Bonds or otherwise existing under this Indenture, if all Bonds have been redeemed or discharged, otherwise such cash shall be deposited as Revenues, and (ii) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in the Defeasance Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price of and interest to become due on such Bonds, on or prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Issuer, as received, free and clear of any trust, lien or pledge, if all Bonds have been redeemed or discharged, otherwise such cash shall be deposited as Revenues.

## ARTICLE IX

### DEFAULT AND REMEDIES

Section 9.01. Rights and Remedies, Generally. Subject to the provisions of this Indenture, the Owners of the Bonds and the Trustee acting for all of the Owners of the Bonds shall be entitled to all of the rights and remedies provided or permitted by law.

Section 9.02. Events of Default. Each of the following events is hereby declared an "Event of Default" under this Indenture:

(a) failure to make due and punctual payment of the principal or Redemption Price of any Senior Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(b) failure to make due and punctual payment of any installment of interest on any Senior Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) failure by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Indenture or any Supplemental Indenture or in the Bonds, and such failure shall continue for a period of 30 days after written notice thereof to the Issuer by the Trustee or to the Issuer and to the Trustee by the Owners of not less than 25% in principal amount of the Bonds Outstanding; provided, however, if the failure stated in the notice cannot be corrected

within the 30 days, then no Event of Default shall have occurred so long as corrective action is instituted or caused to be instituted by the Issuer within the 30-day period and diligently pursued until corrected; provided further that such correction shall occur within 180 days of such notice;

(d) if proceedings shall be commenced by or against the Issuer in bankruptcy or seeking reorganization, arrangement, readjustment or composition of its debts or for any other relief under the federal bankruptcy laws or under any other insolvency act or law, State or federal, now or hereafter existing, or seeking the appointment of a receiver or trustee of the Issuer or for all or a substantial part of its property, and, if not commenced by the Issuer, the same shall continue for 60 days undismissed or undischarged or shall result in the adjudication of bankruptcy or insolvency;

(e) the Issuer's failure to maintain the insurance required under Section 7.16;

(f) any of the Bond Documents or the License Agreement shall be terminated or declared unenforceable in whole or material part, or the Project shall cease to operate under a License Agreement with Hilton or another hotel franchise of comparable standing in the lodging industry;

(g) any event shall occur that entitles the holder or trustee for any indebtedness of the Issuer in an amount exceeding \$1,000,000 to accelerate such indebtedness which is not being contested in good faith and by appropriate legal proceedings by the Issuer; provided that during such contest period the power of acceleration is stayed and the amount involved is bonded for or deposited by the Issuer with the Trustee under an escrow agreement that permits the Trustee to apply such amount to pay such accelerated amount if the stay ceases to be in effect;

(h) the Issuer's failure to pay any insufficiency as described in Section 7.22(d) herein, regardless as to whether there are sufficient funds in the Trust Estate to make such payments; or

(i) an "Event of Default" shall occur under the Facilities Lease.

Section 9.03. Notice of Default. The Trustee shall not be required to give notice to the Issuer of any Event of Default hereunder; provided, however, that upon written request of the Owners of a majority in aggregate principal amount of the Bonds Outstanding (for purposes of this Article, the "Affected Bonds"), the Trustee shall give written notice to the Issuer of any default or breach constituting an Event of Default with respect to such Affected Bonds under Section 9.02(c) hereof.

Notwithstanding the foregoing, the Trustee shall give notice to the Bondholders of any Event of Default under Section 9.02(a), (b) or (c) hereunder and of any other Event of Default of which the Trustee has actual knowledge, including without limitation any Event of Default under the Facilities Lease Agreement.

Section 9.04. Specific Remedies.

(a) If an Event of Default with respect to the Bonds occurs and is continuing, then the Trustee may and, upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds and having been indemnified to its satisfaction, shall:

(i) accelerate the Bonds, whereupon all principal of and interest on the Bonds shall immediately become due;

(ii) by mandamus or other suit, action or proceeding at law or in equity require the Issuer to perform its covenants, representations and duties with respect to the Bonds under this Indenture;

(iii) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Owners of the Bonds;

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

(v) prohibit the Issuer from withdrawing moneys from any Funds or Accounts (except the Rebate Fund and the Renewal and Replacement Fund) without the Trustee's written consent;

(vi) request that a court of competent jurisdiction appoint, to the extent permitted by law, a receiver or receivers of the Trust Estate, and the income, revenues, profits and use thereof, it being the intent hereof that, to the extent permitted by law, the Trustee shall be entitled to appointment of such a receiver as a matter of right;

(vii) direct the Trustee to make Lease Payments from any available funds which are part of the Trust Estate in order to preserve the Trust Estate;

(viii) upon the occurrence of an Event of Default described in Section 9.02(a) or (b) hereof, transfer moneys from any Funds or Accounts (other than amounts on deposit in the Rebate Fund) to the Senior Debt Service Fund; and/or

(ix) take such other steps to protect and enforce its rights and the rights of the Owners of the Bonds, whether by action, suit or proceeding in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy, including, but not limited to, proceeding by suit or suits, at law or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the principal and Redemption Price of and interest then due on the Bonds.

(b) If the Issuer issues Subordinate Bonds, events of default shall be defined in the proceedings authorizing the issuance of any such Subordinate Bonds; provided, that in no event shall the events of default so defined give rights to the holders of Subordinate Bonds superior to those rights granted to Owners of the Bonds hereunder.

Section 9.05. Application of Proceeds. The proceeds received by the Trustee pursuant to the exercise of any right or remedy under this Article shall, together with all securities and other moneys which may then be held by the Trustee as a part of the Trust Estate, be applied in order, as follows:

(a) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee; and

(b) Subject to the limitations set forth in Section 5.06 hereof, to the payment of the interest and principal or Redemption Price then due on the Bonds with respect to which such remedy was exercised as follows:

*First*, to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installment, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

*Second*, to the payment to the Person entitled thereto of the unpaid principal or Redemption Price of the Bonds with respect to which such remedy was exercised which shall have become due, whether at maturity or by call for redemption. in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

Section 9.06. Trustee May Act Without Possession of Bonds. All rights of action under this Indenture or under any Bonds may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name, as Trustee for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 9.07. Trustee as Attorney-in-Fact. The Trustee is hereby appointed (and the Owners of the Bonds, by taking and holding same from time to time, shall be deemed to have so appointed the Trustee) the true and lawful attorney in fact of the Owners of the Bonds, or on behalf of all Owners of the Bonds as a class, with respect to any proof of debt, amendment to proof of debt, petition or other document, and to do and perform any and all acts and things for and in the name of the Owners of the Bonds against the Issuer allowed in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceedings to which



the Issuer shall be a party and to receive payment of or on account of such claims. Any such receiver, assignee, liquidator or trustee is hereby authorized by each of the Owners of the Bonds to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Owners of the Bonds, to pay to the Trustee any amount due for compensation and expenses of the Trustee, including counsel fees, incurred up to the date of such distribution, and the Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 9.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity or by statute.

Section 9.09. Limitation on Suits. All rights of action in respect of this Indenture shall be exercised only by the Trustee, and no Owner of any Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof, unless and until the Trustee shall have received a written request of the Owners of not less than a majority in aggregate principal amount of the Affected Bonds Outstanding and shall have been furnished reasonable indemnity and shall have refused or neglected for 10 days thereafter to institute such suit, action or proceedings and no direction inconsistent with such written request has been given to the Trustee during such 10-day period by the Owners of a majority in principal amount of the Affected Bonds Outstanding. The making of such request and the furnishing of such indemnity shall in each and every case be conditions precedent to the execution and enforcement by any Owner of any Affected Bond of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any such Owner of any action or cause of action for the appointment of a receiver or for any other remedy hereunder, but the Trustee may, in its discretion, and when thereunto duly requested in writing by the Owners of not less than 25% in aggregate principal amount of the Affected Bonds Outstanding and when furnished indemnity satisfactory to protect it against expenses, charges and liability, shall forthwith take such appropriate action by judicial proceedings otherwise in respect of any existing default on the part of the Issuer as the Trustee may deem expedient in the interest of the Owners of the Affected Bonds.

Nothing contained in this Article, however, shall affect or impair the right of any Owner of Affected Bonds, which shall be absolute and unconditional, to enforce the payment of the principal of, premium, if any, and interest on the Affected Bonds of such Owner, but only out of the moneys for such payment as herein provided, or the obligation of the Issuer, which shall also be absolute and unconditional, to make payment of the principal of, premium, if any, and interest on the Affected Bonds, but only out of the funds provided herein for such payment, to the respective Owners thereof at the time and place stated herein.

Section 9.10. Right of Owners of the Bonds to Direct Proceedings. Notwithstanding any provisions of this Indenture to the contrary, the Owner or Owners of more than 66 2/3% in aggregate principal amount of the Affected Bonds Outstanding with respect to which an Event of Default shall have occurred and be continuing shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and

place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the pursuit or exercise of any remedy available to the Trustee or any trust or power conferred on the Trustee or any other proceedings hereunder, provided, however, that the Trustee shall have been satisfactorily indemnified and that such direction shall not be contrary to law or the provisions of this Indenture.

Section 9.11. Restoration of Rights and Remedies. If the Trustee or any Owner of a Bond has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Owner of a Bond, then and in every such case, the Issuer, the Trustee and the Owners of the Bonds shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Owners of the Bonds shall continue as though no such proceeding had been instituted.

Section 9.12. Waiver of Stay or Extension Laws. To the extent that it may lawfully do so, the Issuer covenants that it will not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of any stay or extension law, whenever or wherever enacted, which may affect the covenants or the performance of this Indenture. The Issuer also covenants that it will not otherwise hinder, delay or impede the execution of any power herein granted to the Trustee.

Section 9.13. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Owner of any Bond to exercise any right or remedy accruing upon any Event of Default hereunder shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Owners of the Bonds may be executed from time to time, and as often as may be deemed expedient, by the Trustee or by the Owners of the Bonds, as the case may be.

Section 9.14. Notice to Owners of the Bonds of Default. The Trustee shall promptly mail to registered Owners of Bonds and to the City written notice of the occurrence of any Event of Default of which it has notice pursuant to this Indenture.

## ARTICLE X

### CONCERNING THE FIDUCIARIES

Section 10.01. Trustee; Appointment and Acceptance of Duties. \_\_\_\_\_ is hereby appointed as Trustee. The Trustee hereby accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article X, to all of which the Issuer agrees and the respective Owners of the Bonds agree by their acceptance of delivery of any of the Bonds. The Trustee shall be deemed to have accepted such trusts with respect to all the Bonds hereafter to be issued, but only, however, upon the terms and conditions set forth in this Indenture.

Section 10.02. Paying Agents, Registrars and Other Agents; Appointment and Acceptance of Duties.

(a) The Issuer may appoint one or more Paying Agents, Registrars, or other Fiduciaries to perform any of the duties and obligations imposed under this Indenture or any Supplemental Indenture, and separate appointments may be made for the Bonds of each Series.

(b) Each Paying Agent, Registrar or other Fiduciary, other than the Trustee, shall signify its acceptance of the duties and obligations imposed upon it by this Indenture or any Supplemental Indenture by executing and delivering to the Issuer and to the Trustee a written acceptance thereof.

Section 10.03. Responsibilities of the Trustee.

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Issuer and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds issued thereunder or as to the security afforded by this Indenture, and the Trustee shall not incur any liability in respect thereof. The Trustee shall, however, be responsible for its representations contained in any certificate on the Bonds. The Trustee shall not be under any responsibility or duty with respect to the application of any money paid to the Issuer or money collected by the issuer prior to the delivery thereof to the Trustee. The Trustee shall not be under any obligation or duty to perform any act, whether requested by the Owners or otherwise, which would involve it in liability or to institute or defend any suit in respect hereof, or to advance any of its own money, unless it has been satisfactorily indemnified against such liability except liability resulting from its negligence or willful misconduct. Subject to the provisions of subsection (b) of this Section, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of said person's own affairs. The Trustee shall not be required to take notice or be deemed to have notice or knowledge of any default hereunder except an Event of Default under Subsection (a), (b) or (c) of Section 9.02, or any other default or Event of Default of which the Trustee has actual knowledge, unless a Responsible Officer of the Trustee shall be specifically notified in writing of the default by the Issuer or by the Owners of not less than a majority in principal amount of the Senior Bonds Outstanding. All notices or other instruments required by this Indenture to

be delivered to the Trustee must, to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of the notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Any provision of this Indenture relating to action taken or to be taken by the Trustee or the evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(c) The Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document (other than to establish facial compliance with the requirements of the Indenture) but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Issuer, in person or by agent or attorney.

(d) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Bonds.

(e) The permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

(f) Promptly after receiving appropriate notification thereof, the Trustee shall be responsible for sending notifications required to be sent to Bondowners hereunder and soliciting consents of the requisite percentage of Owners when required hereunder.

(g) Except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

#### Section 10.04. Evidence on Which the Trustee May Act.

(a) The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Indenture, shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Issuer or any Consultant, and the opinion of such counsel or Consultant, if selected with due care, shall be full and complete protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Issuer Representative, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable)

(c) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Issuer to the Trustee shall be sufficiently executed if executed in the name of the Issuer by an Authorized Issuer Representative.

(d) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, receivers, agents or employees but shall not be answerable for the conduct of attorneys and receivers who have been selected by it with reasonable care, and may in all cases pay reasonable compensation to all attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof, and the Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by it.

(e) Except as otherwise provided in Section 6.02, the Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

Section 10.05. Compensation. The Issuer shall pay to the Trustee from time to time, from amounts rightfully on deposit in the Administrative Fee Fund, reasonable compensation for all services rendered under this Indenture, including reasonable default fees of the Trustee upon the occurrence of an Event of Default hereunder, and also all reasonable expenses, costs, charges, counsel fees, Consultant fees and other disbursements, including those of its attorneys, agents, Consultants and employees, incurred in and about the execution of the trusts created by this Indenture, and in and about the exercise and performance of the powers and duties of the Trustee hereunder and for the reasonably necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee) under this Indenture. In the event the Trustee incurs expenses or renders services in any proceedings which result from the occurrence or continuance of an Event of Default under Section 9.02(i) hereof, or from the occurrence of any event which, by virtue of the passage of time, would become such Event of Default, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 10.06. Certain Permitted Acts. The Trustee may become the Owner of any Bonds, with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for, and may permit any of its officers or directors to act

as a member of; or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether any such committee shall represent the Owners of a majority in principal amount of the Bonds Outstanding. The provisions of this Section shall extend to affiliates of the Trustee.

Section 10.07. Resignation of Trustee. Except as otherwise provided by a Supplemental Indenture, the Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture, effective immediately upon the appointment of a successor Trustee pursuant to Section 10.09 hereof, by giving not less than 60 days' written notice to the Issuer of the date it desires to resign and mailing written notice to the Owners of all Bonds and such resignation shall take effect immediately on the appointment of a successor Trustee pursuant to Section 10.09 hereof.

Section 10.08. Removal of Trustee. The Trustee may be removed, with or without cause, at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Bonds Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Issuer. The Trustee may be removed by an instrument in writing, which may be executed by the Issuer, appointing a successor Trustee filed with the Trustee so removed; provided that the Issuer may not remove the Trustee during the occurrence and continuance of an Event of Default. Notwithstanding the foregoing, any removal of the Trustee shall not be effective until a successor Trustee has been appointed and has assumed the duties and responsibilities of successor Trustee under this Indenture.

Section 10.09. Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Senior Bonds Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondowners or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Issuer and the predecessor Trustee; provided, nevertheless, that unless a successor Trustee shall have been appointed by the Bondowners as aforesaid, the Issuer by duly executed written instrument signed by an Authorized Issuer Representative shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondowners as authorized in this Section. The successor Trustee shall mail notice of the Issuer's appointment of the successor Trustee to the Owners of all Bonds. Any successor Trustee appointed by the Issuer shall, immediately and without further act, be superseded by a Trustee appointed by the Bondowners as authorized in this Section.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Issuer written notice as provided in Section 10.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, its removal, or for any other reason whatsoever, the Trustee (in the case of a resignation under Section 10.07) or the Owner of any Bond, may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national or state banking association, having (or whose parent holding company shall have) capital stock and surplus aggregating at least \$100,000,000.

Section 10.10. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge, and deliver to its predecessor Trustee and to the Issuer an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties, and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer or of the successor Trustee, execute, acknowledge, and deliver such instruments of assignment and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all rights, powers, duties and obligation in and to any property held by it under this Indenture, and shall pay over, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers, and duties, any and all such instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged, and delivered by the Issuer. Any such successor Trustee shall promptly notify any Paying Agents and Registrars of its appointment as Trustee.

Section 10.11. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such entity shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all duties imposed upon it by this Indenture, shall be the successor Trustee without the execution or filing of any paper or the performance of any further act. The successor Trustee shall mail notice to the Owners of all Bonds of the successor Trustee.

Section 10.12. Adoption of Authentication. In case of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee or Authenticating Agent may adopt the certificate of authentication of any predecessor Trustee or Authenticating Agent so authenticating such Bonds and deliver such Bonds so

authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee or Authenticating Agent may authenticate such Bonds in the name of the predecessor Trustee or Authenticating Agent, or in the name of the successor Trustee or Authenticating Agent, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee or Authenticating Agent shall have.

Section 10.13. Resignation or Removal of Fiduciaries and Appointment of Successors.

(a) Any Paying Agent, Registrar or other Fiduciary may at any time resign and be discharged of the duties and obligations created by this Indenture or any Supplemental Indenture by giving at least 60 days' written notice to the Issuer the Trustee, and the other Fiduciaries, if any. Any such Fiduciary may be removed at any time by an instrument filed with such Fiduciary and the Trustee and signed by the Authorized Issuer Representative. Any successor Fiduciary shall be appointed by the Issuer with the approval of the Trustee and shall be willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it in such capacity by this Indenture.

(b) In the event of the resignation or removal of any Fiduciary, such Fiduciary shall pay over, assign and deliver any money held by it to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent or Registrar appointed by the Issuer, the Trustee shall act as such Paying Agent or Registrar.

(c) The provision of this Section may be modified by Supplemental Indenture in respect of any Series of Bonds, authorized thereby, and in the event of any conflict with the provisions hereof the provisions of such Supplemental Indenture shall control in respect of any Series of Bonds authorized thereby.

Section 10.14. License Agreement. Pursuant to a letter dated \_\_\_\_\_, \_\_\_\_\_, from Hilton Inns, Inc. to the Trustee (the "Hilton Letter"), a copy of which is attached hereto as Exhibit C, Hilton Inns, Inc. ("Hilton") has agreed that it will give the Trustee notice of, and an opportunity to cure, defaults under the License Agreement, but that the Trustee shall be under no obligation to do so unless it desires to assure continuation of the Project as part of Hilton's franchise system. The Trustee shall notify the Bondholders promptly upon receipt of any such notice from Hilton, but shall not be obligated to exercise its right to cure under the Hilton Letter unless it shall have received instructions to do so from a majority in principal amount of Owners of the Bonds and shall have been satisfactorily indemnified against any liability that may be incurred by Trustee in connection with such exercise. The Hilton Letter also permits the Trustee to elect, after a default under the License Agreement or a termination of the Management Agreement, to have the Project operated by a management company selected by the Trustee, pursuant to a management agreement negotiated between the Issuer, the Trustee or the City. The Trustee shall not be obligated to exercise its right to have the Project operated by a manager selected by the Trustee, or to enter into any management agreement in connection therewith, unless it shall have received instructions to do so from the Owners of a majority in aggregate



principal amount of Bonds then Outstanding and shall have been satisfactorily indemnified against any liability that may be incurred by Trustee in connection with such action.

## ARTICLE XI

### SUPPLEMENTAL INDENTURES AND AMENDMENT OF BOND DOCUMENTS

Section 11.01. Supplemental Indentures and Amendments of Bond Documents Effective Without Consent of Bondowners. The Issuer and the Trustee may, as appropriate, from time to time and at any time, without the consent of but with notice to Bondowners, enter into Supplemental Indentures or any amendments to the Bond Documents as follows:

- (a) to authorize Bonds of a Series and, in connection therewith, to specify and determine the matters and things referred to in Article III hereof and also any other matters and things relative to such Bonds which are not in conflict with this Indenture as theretofore in effect, or to amend, modify, or rescind any such authorization, specification, or determination at any time prior to the first delivery of such Bonds;
- (b) to conform this Indenture or the other Bond Documents to any amendment of any Supplemental Indenture in accordance with its terms;
- (c) to provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture or any Supplemental Indenture or the other Bond Documents on the delivery of Bonds or the issuance of other evidences of indebtedness;
- (d) to add to the covenants and agreements of the Issuer in this Indenture or any Supplemental Indenture or the other Bond Documents, other covenants and agreements to be observed by the Issuer or the other parties thereto which are not in conflict with this Indenture or the applicable Supplemental Indentures or in the applicable Bond Document as theretofore in effect;
- (e) to add to the limitations and restrictions in this Indenture or any Supplemental Indenture or the other Bond Documents other limitations and restrictions to be observed by the Issuer or the other parties thereto which are not in conflict with this Indenture or the applicable Supplemental Indenture as theretofore in effect;
- (f) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture or any Supplemental Indenture of the Trust Estate;
- (g) to provide for additional duties of the Trustee in connection with the Trust Estate or the Project;
- (h) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit, if presented, the qualification hereof and thereof

under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state blue sky law;

(i) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Indenture, provided that the surrender of such right, power or privilege is not in conflict with the covenants and agreements of the Issuer contained in this Indenture;

(j) to increase the Senior Debt Service Reserve Fund Requirement and any capitalized interest requirements;

(k) to establish or increase the required balance to be accumulated or maintained in the Renewal and Replacement Fund;

(l) to designate Paying Agents, Registrars, and other Fiduciaries for the Bonds of any Series;

(m) to modify, amend or supplement this Indenture or any Supplemental Indenture in order to provide for or eliminate book-entry registration of all or any of the Bonds to the extent not inconsistent with the provisions hereof; and

(n) to amend a prior Supplemental Indenture in accordance with the provisions thereof.

Section 11.02. Supplemental Indentures and Amendments to Bond Documents Requiring Bondowner Consent. Except as provided in Section 11.01 hereof, any modification or amendment of this Indenture or to any other Bond Document and of the rights and obligations of the Issuer and of the Owners of the Bonds hereunder or thereunder, in any particular, may only be made by a Supplemental Indenture or an amendment to the applicable Bond Document with the written consent (given as provided in Section 11.03) of the Owners of at least a majority in principal amount of the Bonds that will be Outstanding as of the effective date of such modification or amendment. Except as otherwise provided in this Indenture or any Supplemental Indenture, no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds of which the consent of the Owners is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture or an amendment to the applicable Bond Document if the same materially adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment. Bonds of any particular Series or maturity would be affected by any modification or amendment of this Indenture or an amendment to the applicable Bond Document and any such determination shall be binding and conclusive on the Issuer and all Owners of Bonds.

Section 11.03. Consent of Bondowners. The Issuer and the Trustee, as applicable, may at any time enter into a Supplemental Indenture or an amendment to the applicable Bond Document making a modification or amendment permitted by the provisions of Section 11.02 hereof, to take effect when and as provided in this Section. A copy of such Supplemental Indenture or amendment to a Bond Document (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondowners for their consent thereto in form satisfactory to the Trustee, shall be mailed to Bondowners as provided in Section 11.08 hereof. Such Supplemental Indenture shall not be effective unless and until: (a) there shall have been filed with the Trustee the written consent of Owners of the percentages of Outstanding Bonds specified in Section 11.02 hereof and an opinion of Bond Counsel, in form and substance satisfactory to the Trustee, stating that such Supplemental Indenture has been duly and lawfully entered into by the Issuer in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, is valid and binding upon the Issuer and enforceable in accordance with its terms, is in accordance with this Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds; provided, however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and principles of government law and equity; and (b) a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 13.01 hereof. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 13.01 hereof shall be conclusive that the consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Owner of the Bonds giving such consent and, anything in Section 13.01 hereof to the contrary notwithstanding, upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section provided for is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the Owners of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the Issuer and the Trustee as of a stated date, a copy of which is on file with the Trustee) has been consented to by the Owner of the required percentages of Bonds and will be effective as provided in this Section, may be given to Bondowners by mailing such notice to Bondowners not more than 15 days after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture or amendment to a Bond Document and the written statement of the Trustee hereinabove provided for is filed. Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required or permitted by this Section to be filed

with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture or amendment to a Bond Document making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Fiduciaries and the Owners of all Bonds at the expiration of 10 days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture or amendment to a Bond Document in a legal action or equitable proceeding for such purpose commenced within such 10-day period; provided, however, that any Fiduciary and the Issuer during such 10-day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture or amendment to a Bond Document as they may deem expedient.

Section 11.04. Subordinate Bonds. Subordinate Bonds may be issued as provided in Article XII of this Indenture.

Section 11.05. Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided in this Article. At the time of any consent or other action taken under this Article, the Issuer shall furnish the Trustee a certificate of an Authorized Issuer Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 11.06. General Provisions.

(a) This Indenture and the other Bond Documents shall not be modified or amended in any respect except as provided in and in accordance with and subject to provisions of this Article.

(b) Any Supplemental Indenture or amendment to a Bond Document referred to and permitted or authorized by Section 11.01 hereof may be entered into by the Issuer and the Trustee, as applicable, without the consent of any of the Bondowners, but shall become effective only on the conditions, to the extent and at the time provided in said Section. Prior to entering into any Supplemental Indenture or amendment to a Bond Document, the Trustee shall receive an opinion of Bond Counsel, in form and substance satisfactory to the Trustee, stating that such Supplemental Indenture or amendment to a Bond Document has been duly and lawfully entered into by the Issuer in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Issuer, and will not adversely affect the exclusion from gross income for federal income tax purposes of any interest on the Bonds.

Section 11.07. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in this Article may, and, if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal office of the Trustee or other Fiduciary

responsible for transferring Bonds or upon any transfer of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer by the Trustee or other Fiduciary responsible for transferring Bonds as to any such action. If the Trustee shall so determine, new Bonds so modified as directed by the Trustee to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Owner of any Bond Outstanding shall be exchanged, without cost to such Bondowner, for Bonds Outstanding, upon surrender of such Bonds, for Bonds of the same Series and maturity then Outstanding.

Section 11.08. Mailing. Any provision in this Article for the mailing of a notice or other instrument to Bondowners shall be fully complied with if it is mailed postage prepaid only to each Owner of Bonds at his, her or its address, if any, appearing upon the Register and to the Trustee.

## ARTICLE XII

### SUBORDINATE LIEN OBLIGATIONS

Section 12.01. Subordinate Lien Obligations. So long as no Event of Default has occurred and is continuing, the Issuer reserves the right to issue for any lawful purpose, bonds, notes, or other obligations secured in whole or in part by liens on the Revenues that are junior and subordinate to the lien on Revenues securing payment of the Bonds.

Section 12.02. Subordination of Subordinate Bonds.

(a) The Subordinate Bonds shall be and hereby are subordinated in priority and in right and time of payment to (i) all amounts due on the Senior Bonds and (ii) all amounts required to be transferred or paid from the Revenue Fund or deposited in any Fund or Account in priority to the deposits to be made in accordance with Section 5.05 of this Indenture.

Payment of the Subordinate Bonds shall be made by the Trustee only from moneys rightfully on deposit in the debt service fund and any other account hereafter created under the terms of Supplemental Indenture solely for the benefit of the holders of Subordinate Bonds as provided in Section 5.05 hereof. Payment of the Subordinate Bonds shall not be from funds required to pay or to be reserved to pay the Senior Bonds, any expenses, costs or fees relating thereto, any other amounts due hereunder. No payment shall be due and payable on the Subordinate Bonds, and the holders of the Subordinate Bonds, by acceptance of the Subordinate Bonds, expressly agree and acknowledge that (i) no payment shall be due and payable on the Subordinate Bonds, if the Trustee does not rightfully hold sufficient funds in the debt service fund and any other account hereafter created under the terms of Supplemental Indenture solely for the benefit of the holders of Subordinate Bonds to make such payment and (ii) if an Event of Default exists, no amounts may be transferred from the Revenue Fund to the debt service fund and any other account hereafter created in the proceedings authorizing the issuance of

Subordinate Bonds solely for the benefit of the holders of Subordinate Bonds. No amounts deposited to the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Administrative Fee Fund or the Renewal and Replacement Fund may be used to make payments on the Subordinate Bonds, unless no Senior Bonds remain Outstanding.

(b) Notwithstanding any other provisions of this Indenture, as long as any Senior Bonds are Outstanding, no Event of Default shall exist or may be declared to exist with respect to the Subordinate Bonds and the Trustee shall not declare a default with respect to the Subordinate Bonds or otherwise enforce the provisions hereof relating to the Subordinate Bonds. The Holders of the Subordinate Bonds, by acceptance of their Bonds, expressly agree to and acknowledge that so long as any Senior Bonds are Outstanding, (i) no payments will be due and payable on any Subordinate Bond if the Trustee does not rightfully hold sufficient funds held in or which are rightfully available for transfer to the debt service fund or any other account hereafter created under the terms of an indenture or other proceedings authorizing the issuance of Subordinate Bonds to make such payment, (ii) no Holder of a Subordinate Bond will institute against, or join any other person in instituting against, the City or the Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any bankruptcy or similar law, until the date on which no Senior Bonds remain Outstanding and (iii) no default or Event of Default shall exist or may be declared to exist with respect to the Subordinate Bonds.

(c) Upon any distribution of all or any part of the property or assets of the Owner,

(i) in the event of any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Owner or to any of their respective creditors, as such, or to their respective assets;

(A) in the event of any liquidation, dissolution or other winding up of the Owner, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy;

(B) in the event of any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Owner; or

(C) in any manner inconsistent with the provisions of this Section 12.02;

then in any such event the Holders of the Senior Bonds shall receive payment in full of all amounts due or to become due (whether or not an Event of Default has occurred or the Senior Bonds have been declared due and payable prior to the date on which they would otherwise have become due and payable) on or in respect of the Senior Bonds, including any post-petition interest thereon whether or not such

interest is an allowable claim under any applicable federal or state bankruptcy law before the holders of the Subordinate Bonds are entitled to receive any moneys; provided, however, that the holders of the Subordinate Bonds shall be entitled to receive moneys rightfully transferred from the debt service fund and any other account created for the sole benefit of the holders of Subordinate Bonds. In addition, all rights and votes that the holders of Subordinate Bonds may have in a bankruptcy proceeding shall be and hereby are assigned to the Senior Bondholders; and

(ii) if any payments are received by the holders of Subordinate Bonds on account of the Subordinate Bonds contrary to the provisions hereof, such payments shall be held in trust by such Holders of Subordinate Bonds for the Trustee's benefit and shall be delivered to the Trustee in kind, to be applied to, or held as collateral for, the payment of the Senior Bonds.

## ARTICLE XIII

### MISCELLANEOUS

#### Section 13.01. Evidence of Signatures of Bondowners and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondowners may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondowners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Bondowner or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or member of a national securities exchange or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(ii) The amount of Bonds transferable by delivery held by any Person executing any instrument as a Bondowner, the date of his holding such Bonds,

and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company or financial corporation or other depository wherever situated, showing at the date mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be provided by the Registrar.

(c) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance herewith.

(d) Whenever action hereunder is conditioned upon the consent or request of the Owners of the Bonds or a percentage of the Owners of the Bonds, the Owners from which such consent or request is to come from shall be construed to mean the Owners of the highest Tier of Bonds Outstanding until such Tier of Bonds is deemed paid in accordance with this Indenture.

Section 13.02. Money Held for Particular Bonds. Subject to the provisions of Section 13.04 hereof, the amounts held by the Trustee or Paying Agent for the payment of the interest or principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

Section 13.03. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of the Issuer, and any Bondowner and their agents and their representatives, any of whom may make copies thereof at the expense of the party so requesting.

Section 13.04. Failure to Present Bonds. Anything in this Indenture to the contrary notwithstanding, any money held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Owner thereof shall no longer be able to enforce the payment thereof, the Fiduciary shall at the written request of the Issuer pay such money to the Issuer as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Issuer for the payment of such Bonds; provided, however,



that before being required to make any such payment to the Issuer, the Fiduciary shall, at the expense of the Issuer, cause to be mailed to the Owners of the Bonds entitled to such money, a notice that such money remains unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the Issuer.

Section 13.05. Filing of Security Instruments. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the Issuer under this Indenture, and such pledge is therefore valid, effective, and perfected. If State law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the Trust Estate granted by the Issuer is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

Section 13.06. Parties Interested Herein. Nothing in this Indenture or any Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Issuer, the Trustee and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any Supplemental Indenture or any covenant, condition or stipulation hereof or thereof; and all the covenants, stipulations, promises and agreements in this Indenture and each Supplemental Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee and the Owners of the Bonds thereunto appertaining.

Section 13.07. No Recourse on the Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or for any other obligation under this Indenture or on any Supplemental Indenture against any officer or employee of the Issuer, the City or any person executing the Bonds.

Section 13.08. No Individual Liability. No covenant or agreement contained in the Bonds, this Indenture or any Supplemental Indenture shall be deemed to be the covenant or agreement of any member of the Board or any officer, agent, employee or representative of the Issuer, and neither the officers, agents, employees or representatives of the Issuer nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability or accountability by reason of the issuance thereof, whether by virtue or any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of this Indenture, any Supplemental Indenture and the issuance of the Bonds.

Section 13.09. Indenture and Supplemental Indentures to Constitute Contracts. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Indenture and each Supplemental Indenture shall be deemed to be and shall constitute a contract among the Issuer,

the Trustee and the Owners of the Bonds; and the pledge made in this Indenture and the covenants and agreements herein and therein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank within preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise provided in or permitted by this Indenture or Supplemental Indenture.

Section 13.10. Notice. Any notice, demand, direction, request, or other instrument authorized or required by this Indenture to be given to or filed with the Issuer, the City or the Trustee shall be deemed to have been given only upon receipt. Any notice shall be sent by registered or certified mail or by overnight delivery, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

Issuer: Austin-Bergstrom Landhost Enterprises, Inc.  
c/o City of Austin  
3600 Presidential Blvd.  
Suite 411  
Austin, TX 78719  
Attention: Aviation Director  
Telephone No.: (512) 530-\_\_\_\_  
Telecopy No.: (512) 530-\_\_\_\_

Trustee: For payment, registration, transfer or exchange of the Bonds:

BY HAND

BY MAIL

For all other communications relating to the Bonds:

City: City of Austin, Texas  
301 West Second Street  
Austin, Texas 78701  
Attention: City Manager  
Telephone No.: (512) 974-\_\_\_\_  
Telecopy No.: (512) 974-\_\_\_\_

Section 13.11. Governing Law. This Indenture and each Supplemental Indenture shall be governed in all respects, including validity, interpretation and effect, by, and shall be enforceable in accordance with, the laws of the State without regard to conflicts of laws provisions.

Section 13.12. Continuing Disclosure Agreement. The Issuer and the Trustee will execute and deliver on the Closing Date a Continuing Disclosure Agreement, detailing the

Issuer's responsibilities regarding its continuing disclosure undertaking made in accordance with Rule 15c2-12, promulgated by the United States Securities and Exchange Commission.

Section 13.13. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture or any Supplemental Indenture on the part of the Issuer or the Trustee to be performed shall be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this indenture or any Supplemental Indenture.

Section 13.14. Successors. Whenever in this Indenture or any Supplemental Indenture the Issuer or the Trustee is named or referred to, it shall be deemed to include any entity succeeding to the principal functions and powers of the Issuer or the Trustee, as appropriate, and all the covenants and agreements in this Indenture and each Supplemental Indenture by or on behalf of the Issuer or the Trustee shall bind and inure to the benefit of said successor whether so expressed or not.

Section 13.15. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 13.16. Execution in Several Counterparts. This Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original. Delivery of an executed counterpart of a signature page of this Indenture by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Indenture.

Section 13.17. Balances in Certain Funds and Accounts. All amounts remaining on deposit in the Funds and Accounts after the principal or Redemption Price of and interest due or to become due on the Bonds has been paid or deemed to have been paid pursuant to Article VIII hereof shall be delivered to the City.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be executed and sealed on their behalf by their duly authorized representatives, all as of the day and year first written above.

AUSTIN-BERGSTROM LANDHOST  
ENTERPRISES, INC.

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Secretary

[SEAL]

\_\_\_\_\_, as Trustee

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

[SEAL]

## EXHIBIT A

### [FORM OF REQUISITION]

Austin-Bergstrom Landhost Enterprises, Inc.  
Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017

#### CONSTRUCTION FUND DISBURSEMENT REQUEST

We, the duly qualified and acting Authorized Issuer Representative of the Austin-Bergstrom Landhost Enterprises, Inc. (the "Issuer"), and the Consulting Engineer, respectively, hereby request pursuant to Section 5.03 of the Indenture of Trust, dated as of \_\_\_\_\_, 2017 (the "Indenture"), between the Issuer and \_\_\_\_\_, as trustee (the "Trustee"), pursuant to which the above-captioned Bonds were issued, that a disbursement be made to the Issuer under the Indenture in the amount and for the payment or reimbursement of the Costs described herein. All capitalized terms not otherwise defined herein shall be defined as in the Indenture. In connection with this request, the undersigned hereby certify as follows:

1. The disbursement requested herein is for the amount and for the terms of Cost described in Appendix I attached hereto. Appendix I describes the general nature of each Cost item incurred or paid by the Issuer for which the Issuer is requesting reimbursement or for which the Issuer is requesting that payment be made to a person other than the Issuer. It is hereby certified that all the Costs described in Appendix I have been incurred and are in the amounts, of the general nature and are payable as stated in Appendix I.

2. The disbursement applied for herein is limited to the aggregate cost actually incurred by the Issuer to the date of this request (including those costs previously paid by the Issuer out of its own funds for which it has not been reimbursed), less (a) the required holdbacks under the relevant contracts with the contractors and (b) the aggregate amount of the disbursements heretofore made by the Trustee.

3. Attached hereto as Appendix II is an identification of each line item contained in the Project budget and (a) the amount being requisitioned, (b) the amount previously requisitioned from such line item, and (c) after payment of such requisition is made, the amount which will remain to be requisitioned in such line item.

4. Nothing has come to the attention of the undersigned that would cause them to conclude that the representations and warranties contained in the Indenture and the documents delivered to the Trustee and Bond Counsel in accordance with the Indenture are not true and correct as of the date hereof.

5. No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

6. The items of Cost for which disbursements are requested are qualified items of Cost of the Project under the Indenture. All of the conditions to this request required by the Indenture have been satisfied and the requisite documentation and certifications attached hereto.

7. The construction budget, as the same may have been amended, the construction schedule, as the same may have been amended, and the plans, as the same may have been amended, are adequate to provide for completion of the Project.

8. After disbursement of the amount requested herein, adequate funds will remain on deposit in the Construction Fund for the timely, on budget completion of the Project in accordance with the plans and the work which is the subject of the disbursement has been performed in accordance with the plans.

9. The construction of the Project is proceeding at a reasonable pace, with no material impediments that would present a serious threat to completion of the construction at the costs and times contemplated in the Indenture. The amount remaining in the Construction Fund, together with the Issuer's reasonable estimate of investment earnings to be deposited therein, is sufficient to pay the expected remaining cost of completing the Project. All previous disbursements made pursuant to the Indenture have been or are being expended for the Project Costs described in previous Construction Fund disbursement requests executed by the Consulting Engineer. This Construction Fund disbursement request is requested for the payment or reimbursement of the Costs described herein.

10. Attached hereto as Appendix III are written lien waivers from all contractors, workmen and suppliers for work done and materials supplied by them which were paid for pursuant to the immediately preceding Construction Fund disbursement request, as well as written lien waivers from all contractors, workmen and suppliers for all work done and all materials furnished by them for the Project not attached to previous Construction Fund disbursement requests.

AUSTIN-BERGSTROM LANDHOST  
ENTERPRISES, INC.

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Consulting Engineer  
(except as to statements 2., 4., 5., and 6.)

## EXHIBIT B

The following legend shall appear so long as the Book-Entry System described in Section 3.13 of the Indenture has not been discontinued, but shall not appear on the Initial Bonds.

THE ISSUER HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS BOND ON BEHALF OF THE BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, THE BENEFICIAL OWNER OF THIS BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

## FORM OF BOND

REGISTERED

No. \_\_R-\_\_

REGISTERED

\$ \_\_\_\_\_

Austin-Bergstrom Landhost Enterprises, Inc.  
Airport Hotel Senior Revenue Refunding and Improvement Bonds  
Series 2017

Interest Rate

Maturity Date

Dated Date

\_\_\_\_\_, 2017

Cusip

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Austin-Bergstrom Landhost Enterprises, Inc. (the "Issuer"), for value received, hereby promises to pay upon surrender hereof at the designated corporate trust office of \_\_\_\_\_ (the "Trustee"), solely from the sources and as herein provided, to the registered Owner hereof, or the registered assigns or legal representatives, the principal sum stated above on the maturity date stated above, subject to prior redemption as herein provided, and to pay, solely from such sources, interest hereon semiannually on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 (each, an "Interest Payment Date"), beginning \_\_\_\_\_, 201\_, at the interest rate per annum stated above. Interest is payable from (a) the Dated Date set forth above if this Series 2017 Bond is authenticated prior to \_\_\_\_\_, 201\_, or (b) otherwise from the \_\_\_\_\_ 1 or \_\_\_\_\_ 1, that is, or immediately precedes, the date on which this Series 2017 Bond is authenticated (unless payment of interest hereon is in default, in which case this Series 2017 Bond shall bear interest from the date to which interest has been paid). Interest is payable on each Interest Payment Date (i) by check or draft mailed on such date to the Owner thereof at such Owner's address as it appears on the Register, as defined in the Indenture, as hereafter defined, as of the close of business on the fifteenth day of the calendar month (whether a Business Day) preceding such Interest Payment Date (the "Record Date") or (ii) by wire transfer in accordance with a written notice and completed wire instructions for a wire transfer address in the continental United States provided by the Owner thereof to the Paying Agent not less than 15 days prior to such Interest Payment Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice); provided that such wire transfer shall only be made for an Owner of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business on the Record Date for such Interest Payment Date. Notwithstanding the foregoing, the Record Date for defaulted interest shall be the fifth day preceding payment thereof. This Bond shall be payable as to principal and Redemption Price, as defined in the Indenture, and interest in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Series 2017 Bond is one of an issue of \$\_\_\_\_\_ Austin-Bergstrom Landhost Enterprises, Inc. Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017 (the "Series 2017 Bonds"), being issued to refund the outstanding Series 1999 Bonds, as defined in the Indenture, to finance Costs of the Project, as defined in the Indenture, including the funding of a debt service reserve fund, and to pay Costs of Issuance, as defined in the Indenture.

This Series 2017 Bond and the premium, if any, and the interest hereon are special limited obligations of the Issuer and are payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Upon deposit of Revenues with the Trustee pursuant to the Indenture, such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture.

The Series 2017 Bonds are issued under an Indenture of Trust dated as of \_\_\_\_\_, 2017 (the "Indenture"), between the Issuer and the Trustee. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the rights of the Owners, as defined in the Indenture, of the Series 2017 Bonds and the terms upon which the Series 2017



Bonds are issued and secured. Additional bonds ranking on parity with or subordinate to the Series 2017 Bonds may be issued on the terms provided in the Indenture.

NONE OF THE STATE, THE CITY OR ANY POLITICAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, OTHER THAN THE ISSUER BUT SOLELY FROM THE TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR THE INTEREST ON SUCH BONDS. THE ISSUER HAS NO TAXING POWER.

The Series 2017 Bonds maturing on or after \_\_\_\_\_ 1, 202\_, are subject to redemption prior to maturity at the option of the Issuer on or after \_\_\_\_\_ 1, 202\_, in whole or in part at any time, at a Redemption Price equal to the principal amount to be redeemed, together with interest accrued to thereon to the Redemption Date, as defined in the Indenture.

The foregoing paragraph notwithstanding, with respect to any optional redemption of the Series 2017 Bonds, unless certain prerequisites to such optional redemption required by the Indenture have been met and money sufficient to pay the principal of, premium, if any, and interest on the Series 2017 Bonds to be redeemed will have been received by the Trustee prior to giving such notice, such notice may state that the optional redemption will, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Trustee on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the Issuer will not redeem such Series 2017 Bonds and the Trustee will give notice in the manner in which the notice of redemption was given, to the effect that such Series 2017 Bonds will not be redeemed.

The Series 2017 Bonds maturing on \_\_\_\_\_ 1, 202\_ are subject to mandatory redemption, at a Redemption Price equal to the principal amount of the Series 2017 Bonds redeemed, together with accrued interest thereon to the Redemption Date, pursuant to Sinking Fund Installments, as defined in the Indenture, on \_\_\_\_\_ 1 in each of the years and principal amounts set forth in the table below, except that the Sinking Fund Installments of Series 2017 Bonds shall be reduced in chronological order by the principal amount of any Series 2017 Bonds redeemed pursuant to any other optional or mandatory redemption provision on or before the date on which any such Sinking Fund Installment is due:

<u>Year</u>	<u>Sinking Fund Installment</u>
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**\*Final Maturity**

The Series 2017 Bonds shall be subject to extraordinary mandatory redemption at the direction of the Issuer, in whole or in part on the earliest date following the date for which notice of redemption can be given as provided in the Indenture, at a price equal to the principal amount of Series 2017 Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium, from proceeds of insurance or condemnation awards permitted or required to be applied to such redemption under the Indenture.

If less than all of the Series 2017 Bonds shall be called for prior redemption, the particular Series 2017 Bonds or portions of Series 2017 Bonds to be redeemed shall be selected by lot or other random method by the Trustee in such a manner as the Trustee may determine. If any Series 2017 Bond or portions thereof are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Series 2017 Bonds or portions thereof, by first-class mail postage prepaid, not less than 30 days nor more than 60 days before the Redemption Date, to the Owners of any Series 2017 Bond or portions of Series 2017 Bonds which are to be redeemed, at their last addresses, if any, appearing on the Register. If, on the Redemption Date, moneys for the redemption of all the Series 2017 Bonds or portions thereof of any like maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee or Paying Agent, as defined in the Indenture, so as to be available therefor on said date and if notice of redemption shall have been given as provided in the Indenture, then, from and after the Redemption Date interest on the Series 2017 Bonds or portions thereof of such maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Whenever the beneficial ownership of this Series 2017 Bond is determined by a book entry at a securities depository for the Series 2017 Bonds, the foregoing requirements of holding, delivering or transferring this Series 2017 Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

No Owner of any Series 2017 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2017 Bonds are issuable as registered Bonds in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. Upon surrender for transfer or exchange of this Series 2017 Bond at the principal operations center of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner's duly authorized attorney, the Issuer shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2017 Bonds in accordance with the provisions of, and

subject to the limitations and conditions contained in, the Indenture, a new Series 2017 Bond or Series 2017 Bonds of the same aggregate principal amount and maturity as the surrendered Series 2017 Bond. For every such transfer of Series 2017 Bonds pursuant to the Indenture, whether temporary or definitive, the Issuer, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition for every exchange of Series 2017 Bonds (other than the exchange of temporary Series 2017 Bonds for definitive Series 2017 Bonds), the Issuer, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of Series 2017 Bonds including any Trustee's, Registrar's, or Authenticating Agent's charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2017 Bonds for a period of 15 days next preceding the selection of Series 2017 Bonds for redemption or to transfer or exchange any Series 2017 Bonds called for redemption.

The Issuer, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2017 Bond shall be registered in the Register as the absolute Owner of this Series 2017 Bond, whether this Series 2017 Bond shall be overdue, for the purpose of receiving payment of, or on account of, the principal and Redemption Price of and interest on this Series 2017 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Series 2017 Bond to the extent of the sum or sums so paid, and the Issuer, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary. Notwithstanding the foregoing, interest on this Series 2017 Bond, other than interest payable at maturity or on a Redemption Date, shall be paid to the Person, as defined in the Indenture, in whose name this Series 2017 Bond is registered on the Register at the close of business on the Record Date for such Interest Payment Date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2017 Bond have happened, exist and have been performed.

This Series 2017 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon, or the Registration Certificate of the Texas Comptroller of Public Accounts shall have been executed.

IN WITNESS WHEREOF, the Austin-Bergstrom Landhost Enterprises, Inc. has caused this Series 2017 Bond to be signed by its President by his manual or facsimile signature and its corporate seal to be impressed thereon and attested to by the manual or facsimile signature of its Secretary, and this Series 2017 Bond to be dated \_\_\_\_\_, 2017.

AUSTIN-BERGSTROM LANDHOST  
ENTERPRISES, INC.

By \_\_\_\_\_  
President

[SEAL]

Attest:

By \_\_\_\_\_  
Secretary

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This Series 2017 Bond is one of the Series 2017 Bonds of the issue described in the within-mentioned Indenture, the original of which was approved by the Attorney General and registered by the Comptroller of Public Accounts of the State of Texas.

\_\_\_\_\_, Trustee

By \_\_\_\_\_  
Authorized Officer

## ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

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(Please print or typewriter Name and Address  
including postal zip code of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OR TRANSFeree

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises,

Date \_\_\_\_\_

Signature Guaranteed

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NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

(Form of Certificate of Registration)

REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER )  
OF PUBLIC ACCOUNTS )

REGISTER NO. \_\_\_\_\_

THE STATE OF TEXAS )

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2017.

[SEAL]

By \_\_\_\_\_  
Comptroller of Public Accounts  
State of Texas

EXHIBIT C

HILTON FRANCHISE LETTER