

# SYRACUSE REGIONAL AIRPORT AUTHORITY

SYRACUSE HANCOCK INTERNATIONAL AIRPORT  
1 000 COL. EILEEN COLLINS BLVD.  
SYRACUSE, NEW YORK 13212  
P: 315.454.3263  
F: 315.454.8757

**Syracuse Regional Airport Authority  
Regular Meeting Agenda  
Friday, September 24, 2021  
12:30 p.m. – 2:00 p.m.  
Syracuse Hancock International Airport  
Teams Conference Call  
Join by phone 1-347-966-4080  
Conference ID: 307 861 538 then hit pound #**

1. Roll Call (2 Minutes)
2. **Approval of Minutes from the June 25, 2021, Regular Board Meeting and September 17, 2021 Special Meeting of the Board** (5 Minutes)
3. **Executive Team Report** (25 minutes)
  - Director's Report – Jason Terreri
  - Commercial Division – Jason Mehl
  - Finance & Administration – Robin Watkins
  - Airport Operations – John Carni
  - Human Resources – Debi Marshall
4. Committee Reports (10 minutes)
  - **HR Committee**
  - Audit Committee
5. Executive Session
6. New Business/Discussion (20 minutes)
  - **Master Resolution Authorizing Issuance of Senior Airport Revenue Bonds**
  - **First Supplemental Resolution Authorizing and Providing for the Issuance and Sale of One or More Series of Senior Airport Revenue Refunding Bonds In An Aggregate Principal Amount Not to Exceed \$45 Million**
  - **Resolution Creating the Position of Project Manager (Temporary)**
  - **Resolution Approving SRAA Application for and Acceptance of (if awarded) NYS Grant Monies re Terminal/Concourse Improvements**
  - **Resolution Approving the Fiscal Year End 2021 Draft Audit of the Syracuse Regional Airport Authority**
  - **Resolution Amending Code of Ethics for the Syracuse Regional Airport Authority**
7. Adjournment

\* **Bolded items will link to document**

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## Minutes of the Regular Meeting of the Syracuse Regional Airport Authority

Friday, June 25, 2021

Pursuant to notice duly given and posted, the regular board meeting of the Syracuse Regional SYR Airport Authority was called to order on Friday, June 25, 2021, at 11:02 a.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport and via Teams Video/Audio Conferencing by Chair, Ms. JoAnne Gagliano.

**Note:** The Authorities Budget Office (ABO) has waived the in-person meeting requirement during this public health emergency. During this public health emergency, in the event board members are unable to meet in person, the Governor’s Executive Order 202.1 permits the board to consider the use of telephone conferencing, “to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in-person access to meetings and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.”

### Members Present/Video Conference:

Ms. Jo Anne Gagliano – Chair  
Ms. Latoya Allen (joined after roll call)  
Dr. Shiu-Kai Chin  
Dr. Donna DeSiato  
Mr. Michael Frame  
Mr. Kenneth Kinsey  
Mr. Michael Lazar  
Mr. William Meyer  
Mr. Robert Simpson

### Members Absent:

Mr. William Fisher – Vice Chair  
Mr. Michael Quill

### Also Present/Telephone Conference:

Mr. H. Jason Terreri  
Mr. John Carni  
Ms. Robin Watkins  
Mr. John Clark  
Mr. Brian Dorman

Ms. Cheryl Herzog  
Ms. Debi Marshall  
Mr. Jason Mehl  
Ms. Linda Ryan  
Mr. Matt Szwejbka

### **Roll Call**

As noted above, all board members were present except Mr. Fisher and Mr. Quill.

Chair Gagliano began by welcoming everyone to the scheduled meeting of the SRAA Board at 11:02 a.m.

### **Reading and Approval of the Minutes**

Having no objections or additions to the minutes from the May 21, 2021 SRAA Regular Meeting of the Board, a motion was made by Mr. Kinsey and seconded by Dr. DeSiato, and the minutes were unanimously approved.

### **Executive Team Report**

Director Terreri explained the new format that will be given from the Executive Team. Director Terreri reviewed the total flight information which showed continued growth. In August, the inaugural flight for Dallas/Fort Worth (DFW) is scheduled. The enplanement data reflects four months of consistent growth.

Director Terreri explained that the Executive Team held an off-site meeting and developed the Priorities and Key Initiatives for the next fiscal year. He reviewed how they are tied into the Mission/Vision statements and that five priorities were identified, and each priority contains three initiatives.

Mr. Jason Mehl provided information on the Commercial Division. He discussed the Key Performance Indicators (KPI's). Mr. Mehl provided information on the National Average revenue per enplanements and revenue per square foot for small hub airports. This revenue amount was compared to the SRAA 2019 and 2020 data. This data will be used for future growth opportunities. Mr. Mehl updated the SRAA Board regarding the changes at the airport. The new SYRenity Bar + Market grand opening is at the end of August; a new kiosk called Yo-Kai Express wis being added and the expanded Dunkin Donuts will be moving to a new location with Jamaba Juice closing. The Airport is working with Delaware North to determine the best option(s) for the prime area left where Jamba Juice and the old Dunkin Donuts were located. Delaware North has until the end of September to provide a new concept. Mr. Frame asked why the Jamba Juice concept did not work? It was explained there were National challenges with this brand not just at the SYR airport. Dr. Chin questioned if since the SYR airport is not a Hub does this move the concessions more towards kiosks than sit-down? Mr. Mehl explained that we want passengers to have more grab and go opportunities since we are not an airport that passengers are here for long lengths of time. Dr. Chin asked about the space that the SYR Airport has. It was explained that the SRAA has space available and is also trying to work on new concepts towards the gate areas.

Ms. Robin Watkins reported on SRAA Finance and Administration. She explained that this is a new report called the Financial Summary, which is a brief overview of what is being reviewed with the Finance Committee. CFO Watkins indicated the Operation Revenues are up this month due to increased landing weights and enplanements. Expenses are holding steady. For the first time this year, the Operating Income (Loss) is a positive number. The operating costs are being covered by CARE funds. The budget summary

was reviewed and has been discussed in detail over the last month. CFO Watkins explained the Bond Refinancing and how it will be positive to the SRAA as we move forward. The timeline for the Bond Refinancing process was reviewed and will run through November 1, 2021.

Mr. John Carni reported on Airport Operations. He reported that the Part 139 inspection has been completed with no violations. The annual tabletop was held, and everything went very well, this is an annual requirement. The Security Inspection will be coming up in mid-July. This is a 5-day comprehensive inspection. The airport will be holding the Triennial Exercise on August 14<sup>th</sup> this is done every three years. The Runway 10-28 rehabilitation is ongoing with a scheduled completion date of September 28, 2021.

Ms. Debi Marshall reported for Human Resources. She reviewed the Organizational updates. Currently there are 19 vacancies and five of the positions are looking to be filled within the next 6 months. She spoke of the Human Resources Initiatives, the Health Insurance RFQ has been issued. She mentioned the succession planning for the first quarter. Employees' breakrooms will have posters that will display the new Mission/Vision/Values. There will be a hearing conservation program held in July. HR is also working on the Drugfree Workplace Policy that should be ready to go to the HR Committee in July. There will be an Accessibility Committee meeting on July 28<sup>th</sup>. This is the first one held in person in over a year. Aurora will be coming out the first week in August to provide training to staff and all airport employees to learn how to interact with people with disabilities. Trainings that were held in the last quarter were: Supervisory Training, Reasonable Suspicion Training, and Cyber Security Training.

### **Committee Reports**

Dr. Chin reported that resolutions will be presented to the SRAA Board today. All the Financial Reports have been reviewed in detail.

### **Executive Session**

Chair Gagliano invited a motion to go into executive session to discuss matters pertaining to potential litigation and the proposed acquisition, sale or lease of real property by the Authority.

Mr. Meyer made the motion and Mr. Lazar seconded the motion. Executive session began at 11:49 a.m. Executive session ended at 12:37 p.m. No action was taken during executive session.

### **New Business/Discussion**

## **RESOLUTION ADOPTING THE 2021-2022 SYRACUSE REGIONAL AIRPORT AUTHORITY OPERATING BUDGET**

Having no further discussion regarding this resolution a motion was made by Dr. Chin and seconded by Mr. Lazar.

The resolution was adopted: 7 ayes, 0 nays, 0 abstain

**RESOLUTION: (1) ADOPTING THE 2021-2022 SYRACUSE REGIONAL AIRPORT AUTHORITY CAPITAL BUDGET; (2) AUTHORIZING EXECUTIVE DIRECTOR AND/OR CHIEF FINANCIAL OFFICER TO APPLY FOR AND ACCEPT GRANT OFFERS AND ENTER INTO GRANT AGREEMENTS WITH THE FEDERAL AVIATION ADMINISTRATION AND NEW YORK STATE DEPARTMENT OF TRANSPORTATION FOR SUCH PROJECTS; (3) ENTER INTO CONTRACTS TO UNDERTAKE AND COMPLETE PROJECTS; (4) AUTHORIZING EXPENDITURE OF FUNDS ON PROJECTS**

Having no further discussion regarding this resolution a motion was made by Dr. Chin and seconded by Ms. Allen.

The resolution was adopted: 7 ayes, 0 nays, 0 abstain

**RESOLUTION CREATING THE POSITION OF AIRPORT RISK MANAGER FOR THE SYRACUSE REGIONAL AIRPORT AUTHORITY**

Having no further discussion regarding this resolution a motion was made by Mr. Frame and seconded by Mr. Kinsey.

The resolution was adopted: 7 ayes, 0 nays, 0 abstain

Director Terreri and Chair Gagliano mentioned to the SRAA Board that they would like to hold a board retreat in the month of September. This will be held offsite; further information will be provided as it becomes available.

**Adjournment**

A motion was made by Mr. Frame and seconded by Mr. Lazar to adjourn the meeting. The meeting was adjourned at 12:46 p.m.

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## Minutes of the Special Meeting of the Syracuse Regional Airport Authority

Friday, September 17, 2021

Pursuant to notice duly given and posted, the Special Meeting of the Syracuse Regional Airport Authority was called to order on Friday, September 17, 2021, at 11:01 a.m. in the Syracuse Regional Airport Authority Board Room by Chair, Ms. JoAnne Gagliano.

### Members Present:

Ms. Jo Anne Gagliano – Chair  
Ms. Latoya Allen  
Dr. Shiu-Kai Chin  
Dr. Donna DeSiato (joined after roll call)  
Mr. Kenneth Kinsey  
Mr. Michael Lazar  
Mr. William Meyer  
Mr. Michael Quill (via conference phone)  
Mr. Robert Simpson (joined after role call)

### Also Present:

#### Staff

Mr. H. Jason Terreri  
Ms. Robin Watkins  
Mr. Jason Mehl  
Ms. Joanne Clancy  
Ms. Cheryl Herzog

### Members Absent:

Mr. William Fisher – Vice Chair  
Mr. Michael Frame

#### Guests

Ken Cushine – Frasca & Associates, LLC.  
Rob Poyer – Hancock Estabrook, LLP  
Ira Smelkinson – Morgan Stanley  
Andriy Troyanovych – Hancock Estabrook, LLP

### Roll Call

As noted above, all board members were present, with the exception of Mr. Fisher and Mr. Frame. Chair Gagliano began by welcoming everyone to the special meeting of the SRAA Board at 11:01 a.m.

## **Board Discussion with Frasca & Associates, LLC**

CFO Watkins explained that the meeting today is being held to provide a thorough overview of the bond issuance that the SRAA would like to implement. The bonds issuance will include paying off the bonds that are currently held by the City of Syracuse on behalf of the Authority and additionally would refinance an outstanding loan with Key Bank. This transaction would bring the airport into alignment with FAA guidelines and free up the entitlement grants that focus on the airfield and terminal improvements as they were designed to be used. CFO Watkins introduced the attendees that addressed the Board: Ken Cushine with Frasca & Associates, LLC; Rob Poyer and Andriy Troyanovych from Hancock Estabrook, LLP; and Ira Smelkinson from Morgan Stanley. CFO Watkins turned the presentation over to those speakers to explain the process to the board so they had a clear understanding of what the SRAA would be undertaking.

Mr. Cushine thanked the board and invited them to ask questions during the presentation. Mr. Cushine introduced the guests in attendance and defined their roles. Mr. Poyer is representing bond counsel and is responsible for preparing the bond documents along with Mr. Troyanovych they drafted the documents including the resolution and preliminary official statement and serve as disclosure council. Mr. Cushine stated that Frasca & Associates, LLC serves as the municipal and financial advisor to structure the debt to work with the authority to prepare for the issues dealing with the rating agencies and assisting with pricing. Mr. Smelkinson is the senior manager, at Morgan Stanley, and the underwriter of the debt, who will offer the bonds to the public including both individual and institutional investors for purchase. Morgan Stanley also brought aboard their counsel, Barclay Damon, who represents the underwriters and are also the trustee for the bonds. Wilmington Trust was selected via an RFP process earlier this summer and will represent the bondholder's interest while the bonds are outstanding. Mr. Cushine reviewed the documents, defined the master resolution and defined the overall parameters for the issuance of not only the bonds but any additional debt that may be issued in the future for the needs of the airport. Discussion continued that the preliminary official statement is the longest document in the package is the offering document that is used to market bonds to bondholders. There is a lot of required information that has to be disclosed to gain the full financial picture of the authority. A discussion ensued on the bonds themselves, as well as a discussion of risk factors which are some key areas of this document. The bond purchase agreement process was explained to be the agreement between the authority and Morgan Stanley for the actual sale of the bonds to be executed at the time, right after pricing. Next could come a continuing disclosure agreement under the regulatory structure for municipal bonds with an obligation to provide information on a regular basis to the bondholders. With municipal debt, these documents would require certain information including the annual audit provided each year. The bondholders will have access to this information so that they can monitor the financial health of their investment.

Mr. Poyer reviewed the Master Resolution Grant Clause from their packet. He explained that in order to do this there needs to be a structure in place and the SRAA is currently in a good place financially, to do this. These transactions will also help the City of Syracuse and allow the city to do more projects. The Master Resolution is a lengthy document which would allow the authority to issue these bonds and any other bonds that may need to be issued in the future including those to do big building projects. Once the authority completes this bond issue then if the authority needed to do a subsequent issue of bonds at a later date, those bonds would be of equal priority. For added flexibility, the authority can issue bonds that are subordinate to these bonds and the authority would be able to do that through a separate, supplemental indenture that provides that flexibility. Mr. Poyer reviewed the revenue

component of the Master Resolution.

Mr. Cushine explained the basic concept of paying all obligations and then leaving a little cushion which bond holders like to see for extra risk protection just in case there is a downturn in the industry. Dr. Chin inquired if this cushion is required every year. This requirement is met yearly as part of the audit process when the authority pulls together their fiscal year numbers. There is a calculation done to demonstrate that the authority meets this threshold. Those calculations would be provided to the bondholders, and they would see the math in terms of the authority's revenues and operating expenses, along with net revenues so that the bondholders will be able to see that the authority maintains at least 125% of the aggregate annual debt service. Mr. Simpson asked about a penalty for failure to maintain the threshold on the audit date. It was stated that any violation of the Rate Covenant requires the Authority to hire a consultant to determine what changes to operations can be made to meet the requirements of that covenant before a default may be called. It was indicated that investors find airport revenue bonds an attractive investment since in their history there has never been a default. There have been rate covenant violations that airports have had to address. There are at least 70 or 80 airports that issue general airport revenue bonds. There is a perception in the market that the aviation industry is viewed as being financially well managed and an essential service.

There was further review of the slides with the Board regarding, Pledged Revenue, Coverage Deposit account, Rate Covenant, Additional Bonds Test, Reserve Requirement, Maintenance and Operations Reserve Fund and the Flow of Funds.

The 2021 Bonds Financing Schedule was discussed. Mr. Lazar questioned how it works during the 30-day period for the money without investment during that time period. It was explained that there are two options: the monies can sit in the bank as cash or they can be invested, but realistically, the earnings for only a 30 day period would be very minimal, a basis point or two, less fees. Otherwise, they would be deposited in cash with the trustee. These options would be reviewed for best results.

The next discussion was the Rating Agency Meetings. The meeting with the analysts was held with Executive Director Terreri and Ms. Watkins. This was the first time the authority had spoken with any of the rating agencies. There are four agencies who rate municipal debt in the United States and two were chosen: Moody's Investor Service and Fitch Ratings. There was an analysis done on both agencies to determine which would be the most favorable to use in terms of understanding the authority's credit to get the best results. Those results will be provided next week.

The Current Debt Overview slide was reviewed. The plan would be to issue enough bonds to pay off any debts to minimize the amount of debt being issued.

Mr. Meyer asked what the costs are going to be for the bond issuance process. It was explained that the consultant fees are already included in the numbers. This not only includes the professionals working on the project, but also includes the rating agencies fees. There are a variety of different items that would need to be paid, and every dollar associated with any of the costs of this transaction were included in the packet.

Mr. Terreri mentioned to the board that CFO Watkins started with the SRAA in March, 2020. CFO Watkins and her team brought the authority up to a level financially, to be rated at an



investment grade, which is a true testament of what she has brought to the authority in her short tenure. On behalf of the authority, he thanked her for everything she has done over the past year.

Chair Gagliano stated that the presentation is a great document to read through and it is clear and concise for people who do not understand bond financing.

After the meeting, the public hearing will be posted on the SRAA website. This will be scheduled for 9/24/2021 at 8:30a.m. The process of the hearing was reviewed.

**RESOLUTION AUTHORIZING A PUBLIC HEARING IN CONNECTION WITH THE ISSUANE OF TAX EXEMPT OBLIGATIONS AND DECLARING PROJECT A TYPE II ACTION UNDER SEOR**

Mr. Poyer reviewed the resolution with the board. Having no further discussion regarding this resolution a motion was made by Dr. DeSiato and seconded by Mr. Lazar.

The resolution was adopted: 8 ayes, 0 nays, 0 abstain

**Adjournment**

A motion was made by Mr. Lazar and seconded by Mr. Simpson to adjourn the meeting. The meeting was adjourned at 12:03 p.m.



# **Executive Team Report**

**September 24, 2021**



**SRAA**  
**Board Finance Update**  
**Results as of August 31, 2021**

**September 24, 2021**

# Investment Ratings Press Releases - SRAA



Print Export PDF

## Rating Action: Moody's assigns initial Baa1 rating to Syracuse Regional Airport Authority's (NY) Series 2021 revenue refunding bonds; outlook stable

23 Sep 2021

New York, September 23, 2021 -- Moody's Investors Service has assigned a Baa1 rating to Syracuse Regional Airport Authority's \$35.96 million Senior Airport Revenue Refunding Bonds Series 2021 (AMT). We have also assigned a stable outlook.

### RATING ACTION COMMENTARY

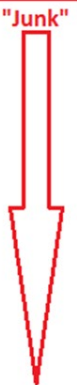
## Fitch Rates Syracuse Regional Airport Authority's (NY) Airport Revs 'A-'; Outlook Stable

Thu 23 Sep, 2021 - 2:35 PM ET

Fitch Ratings - Austin - 23 Sep 2021: Fitch Ratings has assigned an 'A-' rating to approximately \$36 million of Syracuse Regional Airport Authority's (NY) (SRAA, authority) senior airport revenue refunding bonds series 2021. The Rating Outlook is Stable.

Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
C	C	C	
/	D	D	In default
/			



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# Since We Last Met...

## Accomplishments

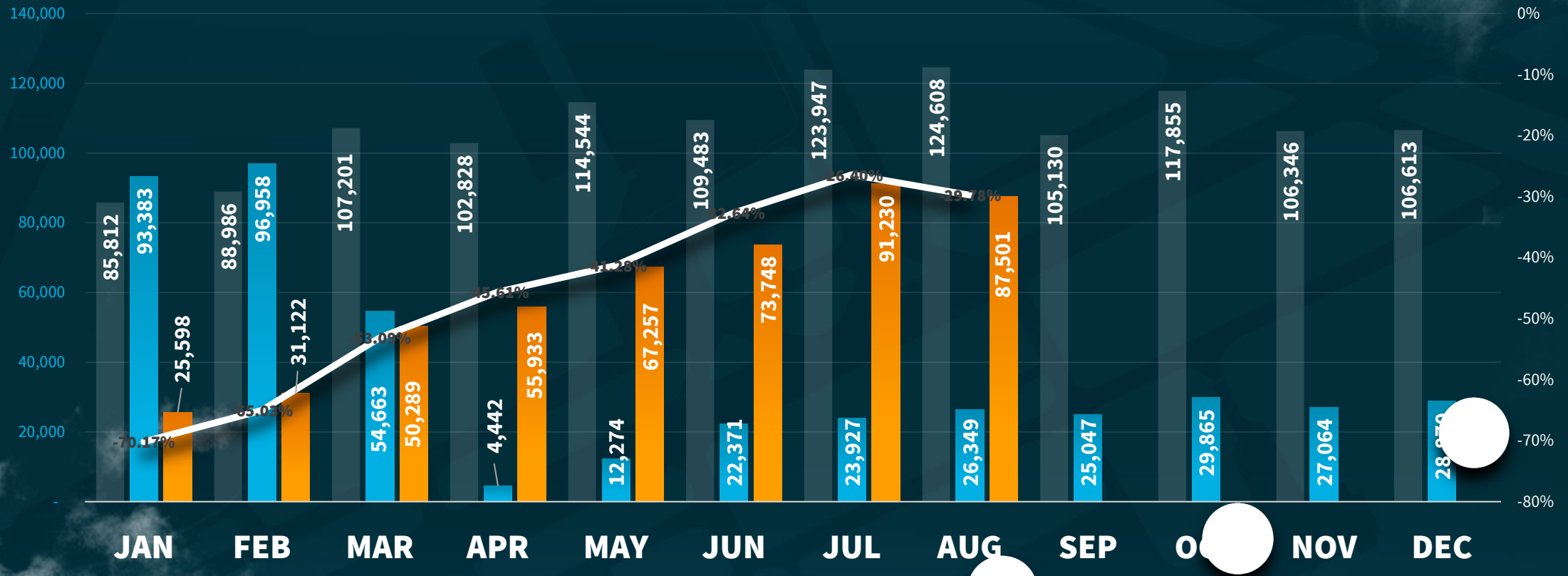
- Submitted application for Upstate Airport Improvement (UAI) competition
- Successful launch of SYR-DFW service from American Airlines
- Balchen Post Award 20/21- Honorable mention
- Pre-book parking program began (Aug)
- Runway 10/28 project completed two weeks ahead of schedule

## On-going priorities

- Southwest Airline coordination
- Common Use rollout

# ENPLANEMENTS

## Month-to-Month Comparison



2019



2020



2021



— = Percentage Change Comp 2019



# TOTAL FLIGHTS

January –  
December  
2021



Scheduled Scheduled Scheduled

B6 BOS Service Paused  
F9 RSW Reduction  
F9 TPA Reduction  
UA EWR Reduction

AA MIA Introduction  
B6 MCO Increase  
F9 MCO Increase  
F9 RSW Increase  
F9 TPA Increase  
G4 PIE Increase  
UA EWR Increase

AA DCA Return  
B6 JFK Decrease  
DL JFK Increase  
DL ATL Increase  
DL DTW Increase  
UA IAD Increase

AA ORD Increase  
AA PHL Increase  
F9 TPA Decrease  
F9 RSW Decrease  
G4 PGD Decrease  
DL JFK Increase  
DL ATL Increase

DL LGA Return  
AA CLT Increase  
AA DCA Increase  
AA ORD Increase  
B6 JFK Increase  
F9 MCO Increase  
F9 DEN Return

AA BOS Return  
AA DCA Increase  
DL LGA Increase  
G4 MYR Return  
UA DEN Return

AA BOS Return  
AA DCA Increase  
DL LGA Increase  
G4 MYR Return

AA DFW Inaugural  
B6 FLL Season Ends  
B6 PIE Decrease  
B6 SFB Season Ends  
B6 SRQ Season Ends  
UA ORD Increase

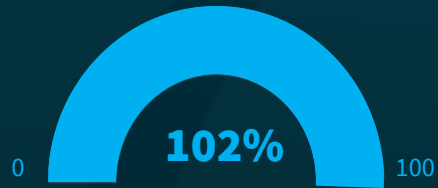
AA DCA Increase  
AA CLT Decrease  
DL LGA Increase  
G4 MYR Season Ends  
UA EWR Increase  
F9 MCO Increase  
G4 DEN Season Ends

AA DCA Increase  
AA ATL Upgauge  
DL DTW Increase  
F9 MCO Decrease  
G4 FLL Return  
G4 SFB Return  
G4 SRQ Return  
G4 PIE Increase

WN new enterant Starts (BWI 3X Daily; MCO 1X Wk)  
AA MIA New Service  
F9 MIA New Service  
F9 RSW Return  
F9 TPA Return  
B6 BOS Return (Holiday)  
AA CLT Upgauge  
AA BOS Increase  
B6 JFK Increase  
B6 MCO Decrease  
F9 MCO Decrease

— = 2019 — = 2021

# RECOVERING NETWORK GAPS IN SYR

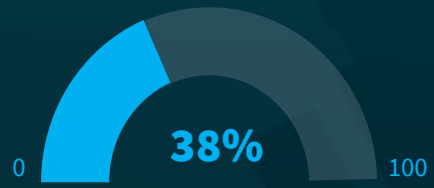


**ATLANTA**

**2019:** 508 flights/Sep-Nov

**2021:** 520 flights/Sep-Nov

Served by **DL**

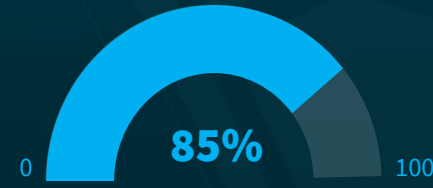


**BOSTON**

**2019:** 358 flights/Sep-Nov

**2021:** 136 flights/Sep-Nov

Served by **--**

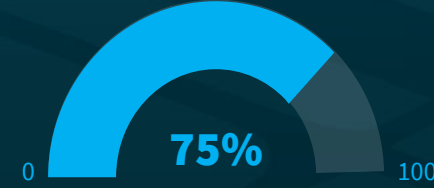


**CHARLOTTE**

**2019:** 729 flights/Sep-Nov

**2021:** 622 flights/Sep-Nov

Served by **AA**

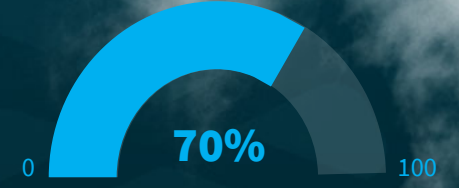


**CHICAGO**

**2019:** 1663 flights/Sep-Nov

**2021:** 1243 flights/Sep-Nov

Served by **UA, AA**

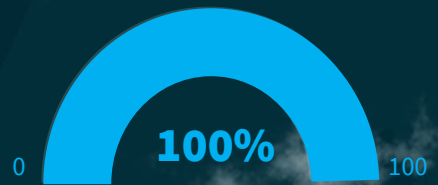


**DENVER**

**2019:** 264 flights/Sep-Nov

**2021:** 184 flights/Sep-Nov

Served by **UA**

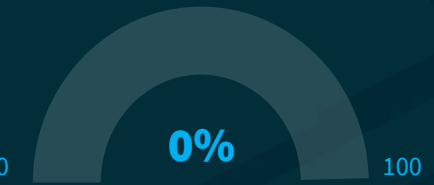


**DETROIT**

**2019:** 632 flights/Sep-Nov

**2021:** 634 flights/Sep-Nov

Served by **DL**

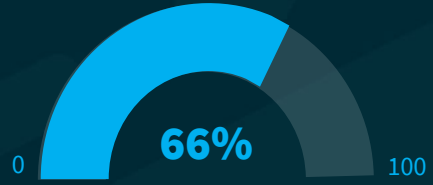


**MINNEAPOLIS\***

**2019:** 149 flights/Sep-Nov

**2021:** 0 flights/Sep-Nov

Served by **DL**

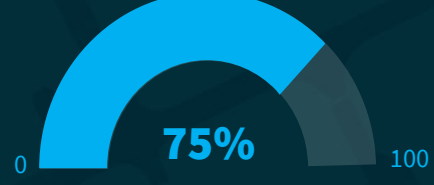


**NY METRO**

**2019:** 2102 flights/Sep-Nov

**2021:** 1396 flights/Sep-Nov

Served by **UA, AA**



**PHILADELPHIA**

**2019:** 866 flights/Sep-Nov

**2021:** 648 flights/Sep-Nov

Served by **AA**



**WASHINGTON DC**

**2019:** 1218 flights/Sep-Nov

**2021:** 1115 flights/Sep-Nov

Served by **UA, AA**

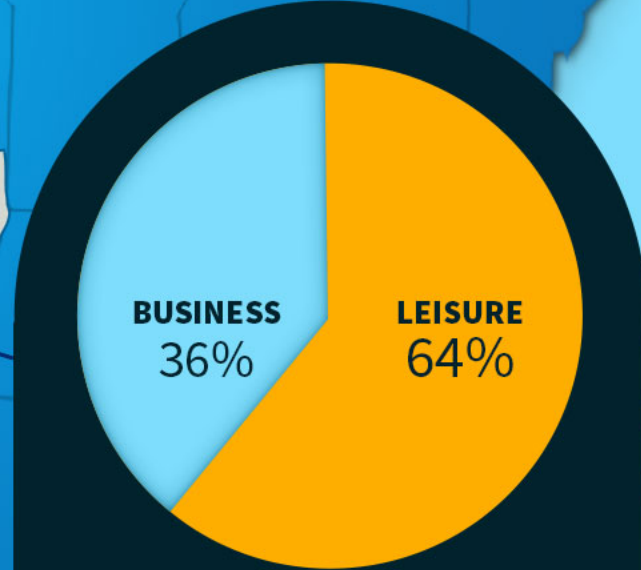
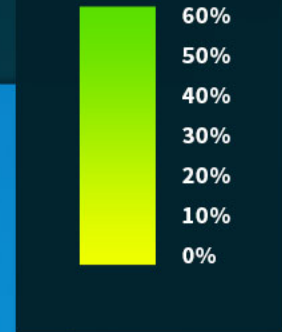
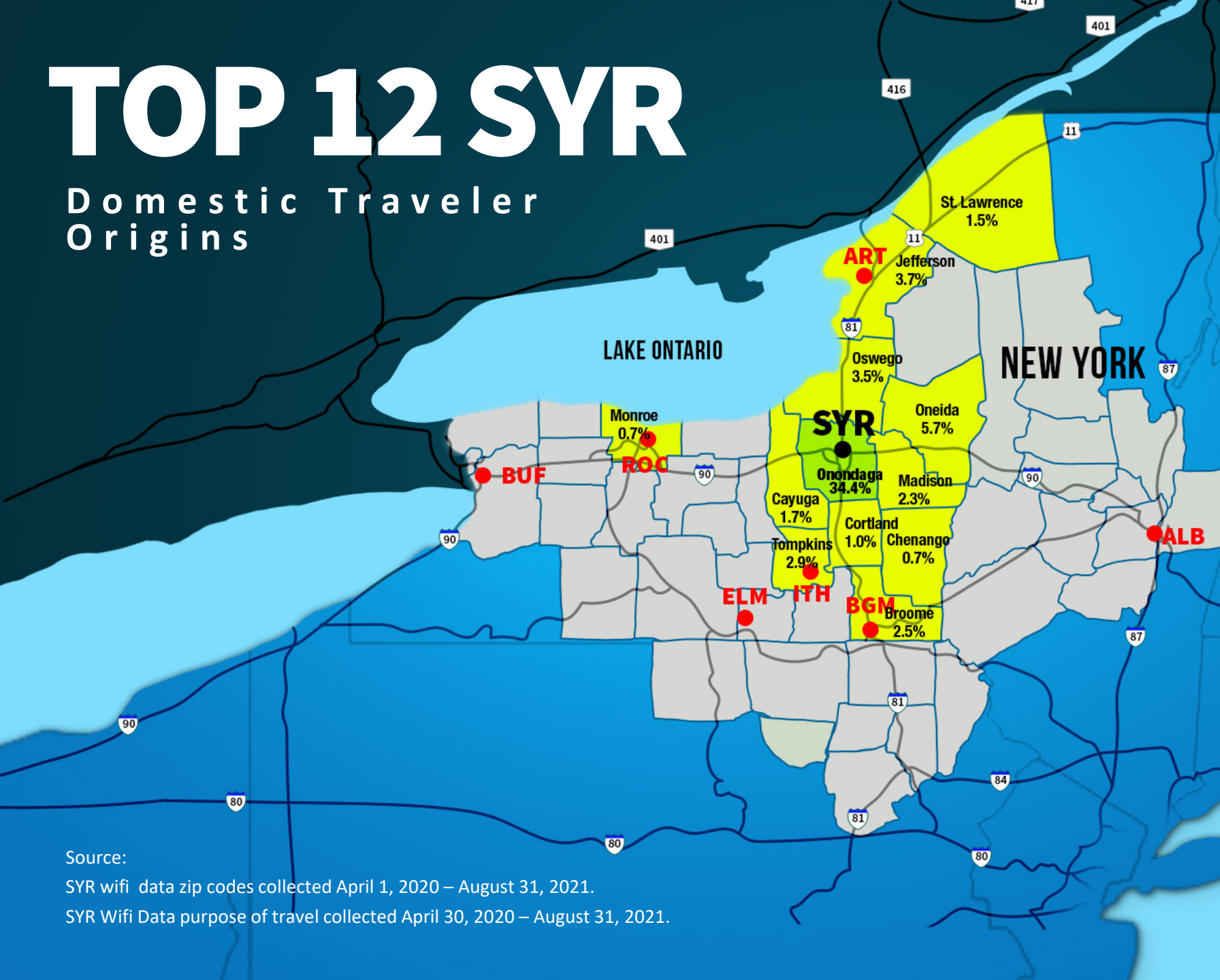
\* Seasonal

Source: DIO Scheduled Monthly Summary September-November 2019 & 2021



# TOP 12 SYR

## Domestic Traveler Origins



## Purpose of TRAVEL

Source:

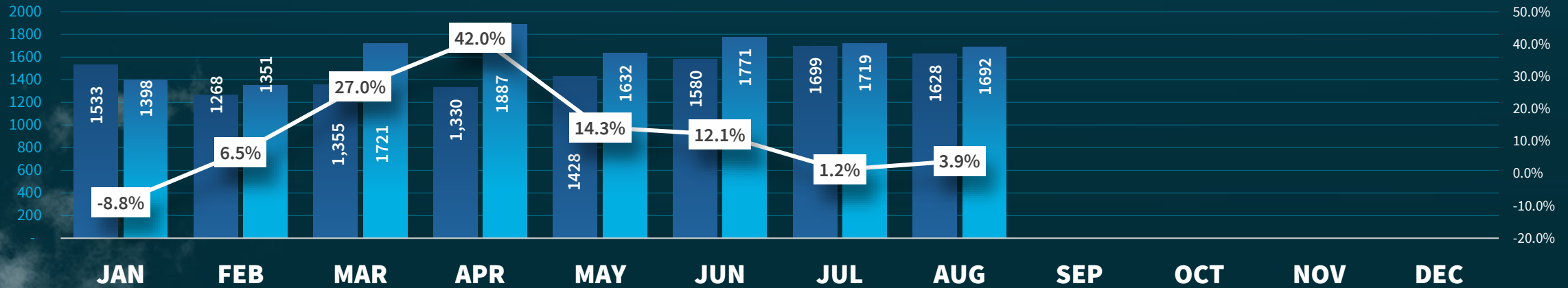
SYR wifi data zip codes collected April 1, 2020 – August 31, 2021.

SYR Wifi Data purpose of travel collected April 30, 2020 – August 31, 2021.

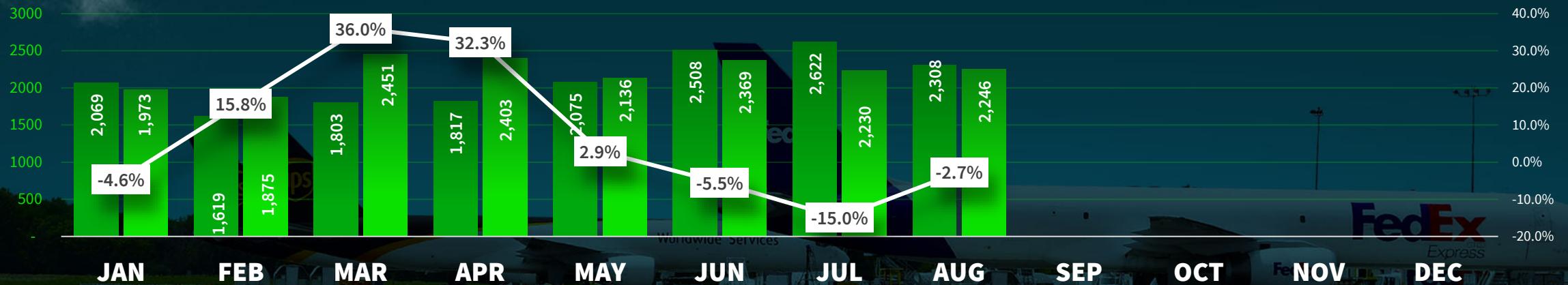
# CARGO TONNAGE (2020-2021)

Month-to-Month Comparison (Calendar Year)

## Enplaned Cargo



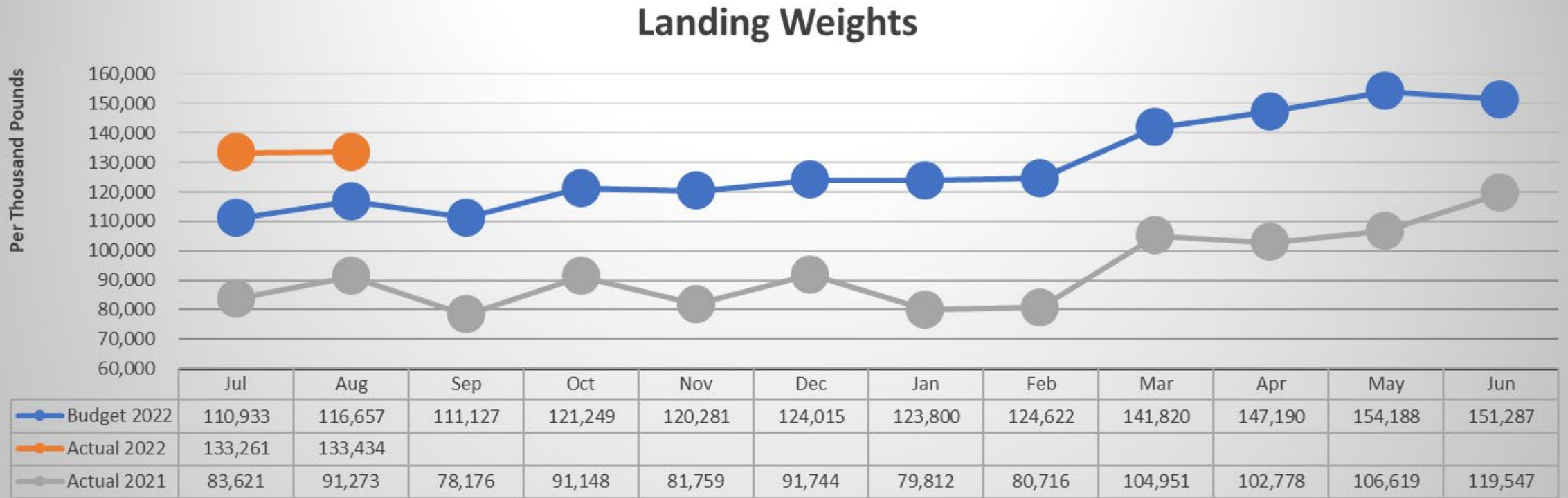
## Deplaned Cargo



Percentage Change — 2020 2021

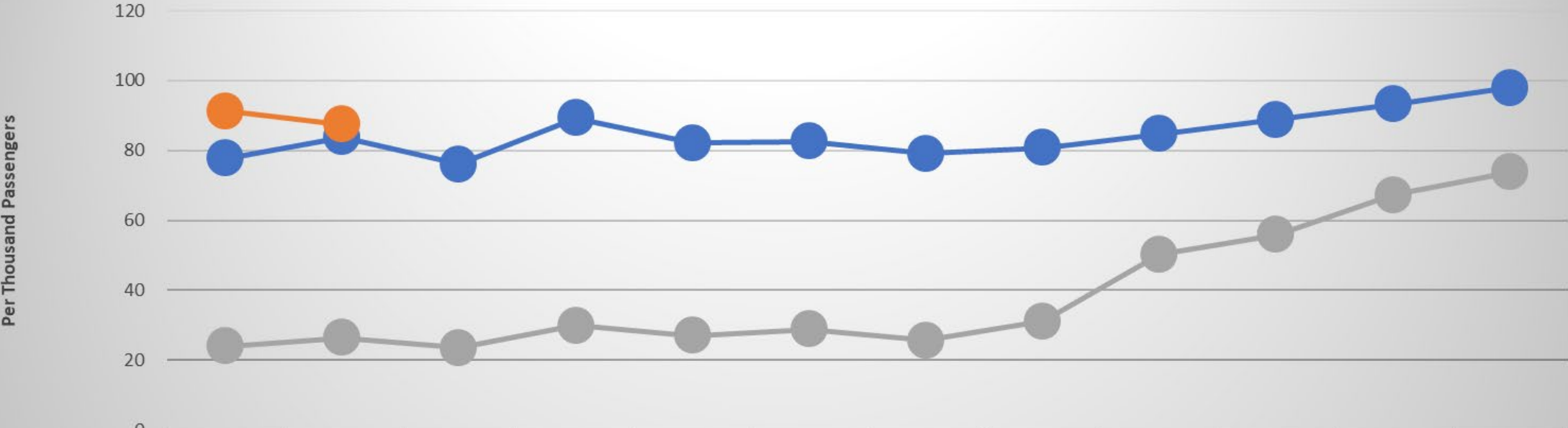
Percentage Change — 2020 2021

# Landing Weights



# Enplanements

## Enplanements



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget 2022	78	84	76	89	82	83	79	81	85	89	93	98
Actual 2022	91	88										
Actual 2021	24	26	23	30	27	29	26	31	50	56	67	74

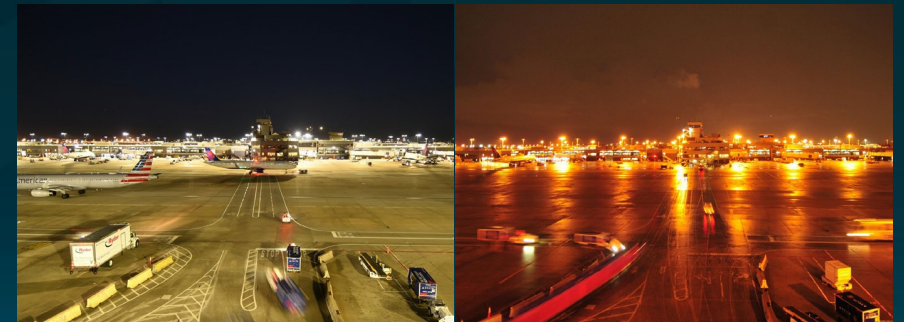
# Financial Summary

*In thousands*

	Aug Actual	Aug Budget	Aug Actual YTD	Budget YTD	Difference	
Total Operating Revenue	\$2,921	\$2,433	\$5,861	\$4,722	\$1,139	Improved passenger traffic lifted revenue in majority of categories
Total Operating Expenses	\$2,457	\$2,637	\$4,585	\$5,356	\$771	Expenses remain consistent with plan
Income (Loss) from Operations	\$465	(\$204)	\$1,275	(\$634)	\$1,910	
<b>Non-Operating Rev (Exp):</b>						
Federal Grant Revenue	\$6,563	\$7,269	\$8,585	\$10,269	(\$1,684)	AIP grants for Runway 10-28
NYS Grant Revenue	\$0	\$0	\$0	\$58	(\$58)	
Lease Expense to City	\$0	\$0	\$0	\$0	\$0	
Capital Cont. Exp to City	\$0	\$0	\$0	\$0	\$0	
Interest Expense	(\$78)	\$0	(\$78)	\$0	(\$78)	
PFC Income	\$333	\$335	\$333	\$646	(\$313)	Income received on a month delay, Receipts in July were for June 2021
CFC Income	\$304	\$176	\$304	\$339	(\$35)	Income received on a month delay, Receipts in July were for June 2021
Interest Earned	\$0	\$0	\$1	\$0	\$1	
Non-Operating Rev. (exp) Net	\$7,123	\$7,780	\$9,145	\$11,312	(\$2,167)	
Net Income (Loss)	\$7,588	\$7,576	\$10,420	\$10,678	(\$258)	

# Upstate Airport Initiative

- New Federal Inspection Station (FIS)
- Passenger Experience
  - Self-boarding
  - Self Bag tagging
  - New Concessions & Innovation
  - North Concourse Expansion
- Accessibility
  - Visual Paging
  - Dynamic Lighting
- Safety
  - LED Ramp Lighting



# UAI Cost Estimate

## SYR Airport - Passenger Experience Enhancement Program Detail Budget

	Touchless & Other Tech					North Concourse	Ramp Lighting	Total Costs
	Federal Inspection Station	FIDS & Visual Paging	Self Bagging & check in	Terminal Lighting VS Energy	Phone App			
Preliminary Design	\$90,000	\$30,000	\$100,126	\$51,120	\$144,000	\$193,145	N/A	\$608,391
Final Design	\$270,000			\$119,280	\$336,000	\$482,863	N/A	\$1,208,143
Acquisition		\$378,000	\$680,858		\$75,000		\$289,050	\$1,422,908
Construction	\$5,700,000		\$60,000	\$1,070,400		\$13,557,250	\$310,950	\$20,698,600
Construction Inspection	\$360,000							\$360,000
Administration	\$26,100	\$16,320	\$33,639	\$48,000	\$22,200	\$55,529	\$15,000	\$216,788
Other								\$0
	\$6,446,100	\$424,320	\$874,624	\$1,288,800	\$577,200	\$14,288,787	\$615,000	\$24,514,830

# Commercial Division



# Concessions Update



- SYRenity Bar
  - Opened August 10, 2021
  - Located in the South Concourse
- Dunkin Donuts
  - Opened August 19, 2021
  - Centrally located after TSA. Replaced previous kiosk and will offer a full DD menu
- Yo-Kai Express
  - Autonomous ramen vending machines (operational 24/7)
  - October roll out expected
- Delaware North Update
  - Refresh & Refurbishment of Middle Ages concepts
  - Johnny Rockets
  - Airside Atrium
  - Southwest Gate 1 Concession
  - 8,400 Sq Ft in Hall to South Concourse

# Concessions Update, cont'd



- **Escape Pods**
  - Soundproof connected workspace for travelers
  - Initial Rollout expected in October 2021
- **ReachTV**
  - Entertainment network and provider of content (news, sports, business, lifestyle and entertainment)
  - Revitalization of the gate hold entertainment at SYR
  - Currently working through contract terms
- **Priority Pass Lounge**
  - Offers travelers space to relax & refresh before a flight
  - Will be located in the hallway to South Concourse / Terminal A
  - Expected RFP issuance in October



# Human Resources

# SRAA Organizational Updates

Department	Total Positions	Filled	Vacant	To Fill	Notes
<i>Airfield</i>	31	28	3	1	Airport Maintenance Worker
<i>Business Development</i>	3	3	0	0	
<i>Executive Office</i>	6	4	2	1	Deputy Chief Operations Officer
<i>Facilities/Planning</i>	3	2	1	1	Aviation Project Officer
<i>Finance</i>	6	6	0	0	
<i>Human Resources</i>	3	3	0	0	
<i>Information Technology</i>	2	2	0	0	
<i>Legal</i>	2	2	0	0	Asst. Sec to Board moved to Legal
<i>Marketing/Communications</i>	3	3	0	0	
<i>Operations</i>	12	9	3	1	Airport Risk Manager moved to Ops
<i>Security</i>	6	5	1	1	Airport Dispatcher
<i>Terminal/Landside Ops</i>	43	37	6	1	Custodial Worker I
<i>Trades</i>	8	7	1	0	
<b>Total</b>	<b>128</b>	<b>111</b>	<b>17</b>	<b>6</b>	

# SRAA Organizational Updates

## New Employees

- Maycoll Guillen Custodial Worker I
- Michael Spak Custodial Worker I
- Tori Hunt Aviation Contracting Officer
- Febes Roberston Custodial Worker I
- Bob Tracey Custodial Worker 1
- William Fouroy Custodial Worker 1
- Chuck Combs Temporary Project Manager – Communications Center

## Recruiting

- Custodial Worker 1 (1)
- Airport Maintenance Worker
- Deputy Chief Operations Officer
- Aviation Project Officer

## Anticipated 2021/22

- Airport Dispatcher
- Airport Risk Manager

# Human Resources Initiatives

## Health Insurance RFQ Update

Chosen to continue with OCEBA - Plan to offer multi-level plans

- Current Plan M
- New mid-tier plan
- High deductible plan with HSA
- Build in Wellness Initiatives where employees can save based on wellness activity and results
- Meeting with Unions in October to discuss adding new plan options
- Bringing to HR Committee in October

# Human Resources Initiatives

## Training

- Bloodborne Pathogens & Preventing Slips, Trips and Falls – October (Mandatory)
- Sexual Harassment Prevention training (Mandatory)
- IT/Software training – various training options offered to employees

## Hearing Conservation program

- Noise Level Testing completed

## Drugfree Workplace Policy updates

- Integrating unions into our policy
- Will bring to HR Committee for discussion

# Human Resources - 21/22 Initiatives

## Employee Engagement

- Milestone awards will be provided at September town hall
- Developing employee newsletter to be published December and distributed quarterly at town halls
- Researching Employee Recognition/Reward online platforms

## Diversity, Equity, Inclusion

- CenterState CEO will conduct survey, focus groups, and interviews in October
- Present results of Cultural Climate Assessment to executive team in November

## Succession Planning (Q2)

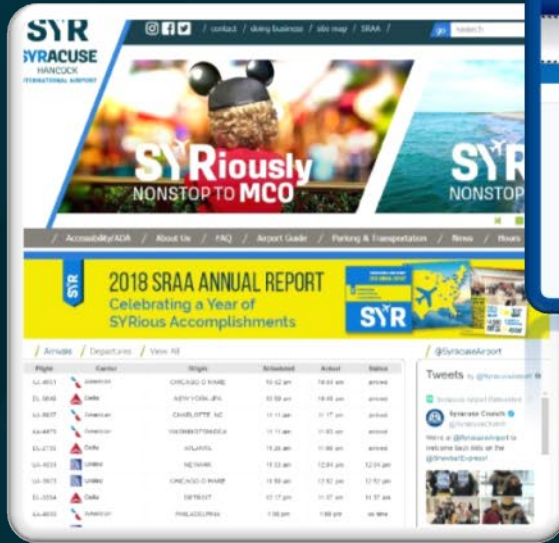
- Developing training matrix for each position (mandatory/optional)
- Identifying promotional pathways



# What's Next?

- **Honor flight Mission 15 – Saturday, September 25<sup>th</sup>**
  - 1000th Veteran!
  - 6:30 p.m. return flight/procession begins 7:25p.m.
- **Town Hall – next week**
- **Landside Redevelopment**
  - **Roadways**
  - **Parking**
- **Update Airport Master Plan**
  - **Cargo expansion**
- **Southwest – November 14th**

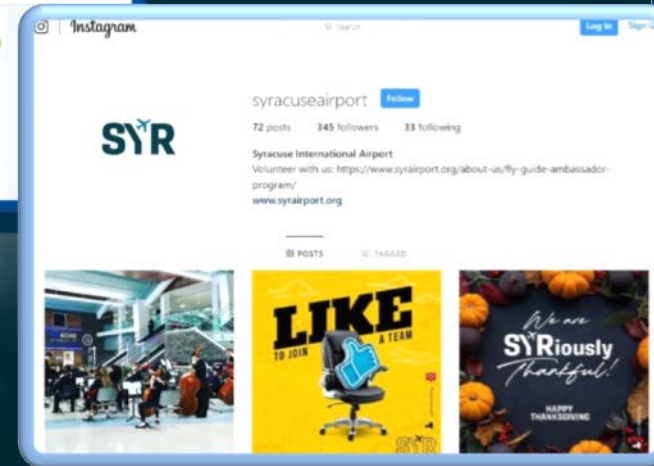
# CONNECT WITH US!



[FlySyracuse.com](http://FlySyracuse.com)



[Twitter](https://twitter.com/syracuseairport)



[Instagram](https://www.instagram.com/syracuseairport)



[Facebook](https://www.facebook.com/syracuseairport)



**Human Resources Committee Meeting Minutes**  
**Thursday July 22, 2021**

Pursuant to notice duly given and posted, the Human Resources Committee meeting of the Syracuse Regional Airport Authority was called to order on Thursday, July 22, 2021, at 11:00 a.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport and Teams Virtual/Audio Conferencing by committee Chair, Mr. Michael Lazar.

The meeting was called to order at 11:00 a.m. by Chair Michael Lazar.

**Roll Call**

**In attendance:**

Chair Michael Lazar  
Hon. Michael Quill  
Ms. Jo Anne Gagliano  
Mr. William Meyer

**Absent:**

Mr. William Fisher  
Ms. LaToya Allen  
Dr. Shiu-Kai Chin

**Staff:**

Mr. Jason Terreri  
Ms. Debi Marshall  
Ms. Kristine Carson  
Mr. John Clark  
Ms. Cheryl Herzog  
Mr. Jason Mehl  
Ms. Robin Watkins

**Approval of Minutes from Previous Meetings**

Mr. Lazar made a motion to accept the minutes from the previous meeting of April 23, 2021 with a second from Mr. Quill, the motion carried unopposed.

**New Business**

**Project Manager (Temporary)**

Ms. Marshall announced a new position with the Authority for the new Communications Center. This position is for a temporary project manager to handle the Communications Center. This

temporary position is created as a generic job description and can be applied towards any project that the Authority may have. Mr. Lazar agreed that this gives flexibility to pick the best person for the position. Mr. Quill asked about this position becoming permanent how would the transition work? Ms. Marshall explained that Civil Service only allows a certain period of time for a temporary position, if the Authority were requesting to have someone on longer, we would have to create a permanent position.

A motion was made by Mr. Lazar and seconded by Mr. Quill, to accept the Project Manager (Temporary) title and description as written and make a recommendation for approval at the SRAA Regular Board meeting on September 24, 2021. The motion was unanimous.

### **Executive Session**

Chair Lazar invited a motion to go into executive session to discuss matters pertaining to pending litigation. Mr. Lazar made the motion and Mr. Quill seconded the motion. The committee went into Executive Session at 11:06 a.m.

Executive Session ended at 11:16 a.m. No action was taken during Executive Session.

### **Old Business**

#### **Human Resources Goals for 2020/21**

Ms. Marshall updated the committee on the 2020/2021 goals: Create and Manage a Unified Workforce:

- Transitioned all staff to the SRAA except for one city employee who will be retiring next year.
- Completed the first phase of the Public Safety Study.
- Ms. Marshall spoke about the Health Care Alternatives, she stated an RFQ was put out. The submission date was moved from July 15<sup>th</sup> to the 31<sup>st</sup>. The Authority is anticipating 6 or 7 submissions for this RFQ. The goal is to see if the Authority can get similar benefits with cost savings. Ms. Marshall is setting up informational meetings with the Unions in August. If the SRAA does decide to change Health Care, we would need to have the Unions approval.

### **New Business**

#### **Human Resources Goals for 2021/22**

Ms. Marshall reviewed the 2021/2022 goals: Employee Engagement and Development

- Comprehensive Onboarding Process: Ms. Marshall and Ms. Carson started developing plans and schedule for the year. There is a training schedule created for the onboarding.
- Succession Planning (Ongoing): There are goals set up for the first quarter which will include identifying competencies for all positions, skill sets that are necessary for hard to

fill positions and support. The goal of the succession planning process will take place in January when job descriptions and qualifications are updated along with the creation of promotional opportunities.

- Diversity, equity and inclusion: We are partnering with CenterState CEO. There will be a cultural assessment in the fall, with focus groups and surveys with Authority employees. In early winter the Executive Team will be reviewing the results of the cultural assessment with CenterState CEO to develop recommendations for DEI initiatives for the year.
- Investigate health care alternatives (ongoing). If there are any changes decided with the employee health care plan it will take place on the first of the year.
- Employee Recognition Program/Employee Newsletter: The goal is to have the recognition program in place by the September Town Hall, and newsletter by December townhall. This gives employees an opportunity to learn about each other and also engage them more with the Authority.

Mr. Lazar asked about the process of the Succession planning. Ms. Marshall explained the job descriptions will be updated, there will be opportunities for employees to move up in the organization. There will be a training plan created that will allow employees who do not have the skill set to accomplish what they need. Director Terreri explained with the job description changes there are changes that need to be made with Civil Service.

A discussion ensued regarding the process for Civil Service. There were no additional questions.

### **Adjournment**

A motion to adjourn was made by Mr. Lazar and seconded by Mr. Quill, the meeting adjourned at 11:30 a.m.

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**SYRACUSE REGIONAL AIRPORT AUTHORITY**

**MASTER RESOLUTION**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF SENIOR AIRPORT REVENUE BONDS OF THE SYRACUSE REGIONAL AIRPORT AUTHORITY; PRESCRIBING THE LIMITATIONS ON AND THE CONDITIONS OF ISSUANCE AND THE FORM OF SUCH BONDS; PROVIDING FOR THE DETAILS OF SUCH BONDS; COVENANTING AS TO THE REVENUES, INCOME AND CHARGES OF THE AUTHORITY AND THE USE AND APPLICATION OF SUCH REVENUES, INCOME AND CHARGES; PLEDGING SUCH REVENUES, INCOME AND CHARGES TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS AND LIMITING SUCH PAYMENT SOLELY TO SUCH REVENUES, INCOME AND CHARGES; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.**

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**Adopted September 17, 2021**

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A RESOLUTION AUTHORIZING THE ISSUANCE OF SENIOR AIRPORT REVENUE BONDS OF THE SYRACUSE REGIONAL AIRPORT AUTHORITY; PRESCRIBING THE LIMITATIONS ON AND THE CONDITIONS OF ISSUANCE AND THE FORM OF SUCH BONDS; PROVIDING FOR THE DETAILS OF SUCH BONDS; COVENANTING AS TO THE REVENUES, INCOME AND CHARGES OF THE AUTHORITY AND THE USE AND APPLICATION OF SUCH REVENUES, INCOME AND CHARGES; PLEDGING SUCH REVENUES, INCOME AND CHARGES TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS AND LIMITING SUCH PAYMENT SOLELY TO SUCH REVENUES, INCOME AND CHARGES; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

**WHEREAS**, pursuant to Title 34 of Article 8 of the Public Authorities Law of the State of New York (the “**State**”), as amended (the “**Act**”), the Syracuse Regional Airport Authority (the “**Authority**”) was established as a body corporate and politic constituting a public benefit corporation of the State with the authority and power to: (a) stimulate and promote economic development, trade and tourism; (b) acquire, construct, reconstruct, continue, develop, equip, expand, improve, maintain, finance and operate aviation and other related facilities and services within central New York; (c) promote safe, secure, efficient and economical air transportation by preserving and enhancing airport capacity; (d) form an integral part of a safe and effective nationwide system of airports to meet the present and future needs of civil aeronautics and national defense and to assure inclusion of the Authority’s facilities in state, national and international programs for air transportation and for airport or airway capital improvement, all in accordance with the provisions of the Act; and (e) ensure that aviation facilities authorized pursuant to the Act shall provide for the protection and enhancement of the natural resources and the quality of the environment of the State and the central New York area; and

**WHEREAS**, pursuant to the Act, the Authority is authorized to issue bonds, notes, or other obligations to pay the cost of any project or for any other corporate purpose, including the establishment of reserves to secure such obligations, the payment of principal of, premium, if any, and interest on such obligations and the payment of incidental expenses in connection therewith; and

**WHEREAS**, the Authority has determined that it is necessary and advisable to issue, from time to time Bonds (as hereinafter defined) for the purposes set forth in the Act and this Master Resolution and that such Bonds be payable from and secured by Net Revenues (as hereinafter defined); and

**WHEREAS**, the Authority wishes to provide in this Master Resolution for the issuance and payment of its Bonds and the pledge of the Net Revenues and the other security set forth in the Granting Clause of this Master Resolution thereto.

**NOW, THEREFORE**, be it resolved by the members of the Syracuse Regional Airport Authority as follows:

## ARTICLE I.

### DEFINITIONS; CONTRACT AND AUTHORITY

#### SECTION 1.01. Definitions.

As used in this Master Resolution, unless a different meaning clearly appears from the context, the following terms shall have the following respective meanings:

**Accreted Value** means with respect to any Capital Appreciation Bond (a) as of any Valuation Date, the amount set forth for such date in the Applicable Supplemental Resolution authorizing such Capital Appreciation Bond or the Applicable Certificate of Determination relating thereto and (b) as of any date other than a Valuation Date, the sum of (i) the Accreted Value on the preceding Valuation Date and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (B) the difference between the Accreted Values for such Valuation Dates.

**Act** has the meaning assigned to such term in the first recital to this Master Resolution.

**Aggregate Annual Debt Service** means, for any Fiscal Year, the aggregate amount of Annual Debt Service on all Outstanding Bonds and Unissued Program Bonds. For purposes of calculating Aggregate Annual Debt Service, the following components of debt service shall be computed as follows:

(a) in determining the amount of principal due in each year, payment shall (unless a different paragraph of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds and Unissued Program Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Deferred Income Bonds, or Original Issue Discount Bonds maturing or scheduled for redemption in such year;

(b) in determining the amount of interest due in each year, interest payable at a fixed rate shall (except to the extent paragraphs (c), (d) or (e) of this definition applies) be assumed to be made at such fixed rate and on the required funding dates; provided, however, that interest payable on the Bonds shall be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(c) if all or any portion or portions of an Outstanding Series of Bonds, or Unissued Program Bonds constitute Balloon Indebtedness (excluding Program Bonds or Unissued Program Bonds to which paragraph (g) of this definition applies), then, for purposes of determining Aggregate Annual Debt Service, each maturity which constitutes Balloon Indebtedness shall, unless otherwise provided in the Applicable Supplemental Resolution

pursuant to which such Balloon Indebtedness is issued or unless paragraph (d) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Indebtedness was issued, and extending not later than 30 years from the date such Balloon Indebtedness was originally issued; the interest rate used for such computation for fixed rate obligations shall be the applicable fixed rates and for variable rate obligations it shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under this Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax; with respect to any Series of Bonds, Unissued Program Bonds or Program Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable and, with respect to any Series, Unissued Program Bonds or Program Bonds or that portion of a Series thereof which constitutes Balloon Indebtedness, all payments of principal and interest becoming due prior to the year of the stated maturity of the Balloon Indebtedness shall be treated as described in paragraph (a) of this definition or such other provision of this definition as shall be applicable;

(d) any maturity of Bonds which constitutes Balloon Indebtedness as described in paragraph (c) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Aggregate Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date and paragraph (c) of this definition shall not apply thereto unless there is delivered to the Person making the calculation of Aggregate Annual Debt Service a certificate of an Authorized Officer stating that the Authority intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Authority is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Aggregate Annual Debt Service, provided that such assumption shall not result in an interest rate lower than that which would be assumed under provision (c) above and shall be amortized over a term of not more than 30 years from the date of refinancing;

(e) if any Outstanding Bonds (including Program Bonds then issued and Outstanding) or any Bonds which are then proposed to be issued constitute Option Bonds, then, for purposes of determining Aggregate Annual Debt Service, Option Bonds shall be treated as if (i) the principal amount of such Bonds were to be amortized over a term of not more than 30 years commencing in the year in which such Series is first subject to tender and with substantially level Annual Debt Service payments and extending not later than 30 years from the date such Option Bonds were originally issued, provided, however, notwithstanding the previous provisions of this clause (i), any principal amortization schedule set forth in a Supplemental Resolution (including, but not limited to, any mandatory sinking fund redemption schedule) shall

be applied to determine the principal amortization of such Bonds; (ii) the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under this Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax; and (iii) with respect to all principal and interest payments becoming due prior to the year in which such Option Bonds are first subject to tender, such payments shall be treated as described in paragraph (a) of this definition unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in paragraph (e) or (f) of this definition, as appropriate;

(f) if any Outstanding Bonds constitute Variable Interest Rate Bonds, including obligations described in paragraph (i)(ii) of this definition to the extent it applies (except to the extent paragraph (c) or (d) of this definition relating to Balloon Indebtedness or paragraph (e) of this definition relating to Option Bonds or paragraph (i)(i) of this definition relating to Synthetic Fixed Rate Debt applies), the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under this Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax;

(g) with respect to any Program Bonds or Unissued Program Bonds (other than a Commercial Paper Program) (i) debt service on Program Bonds then Outstanding shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (ii) with respect to Unissued Program Bonds, it shall be assumed that the full principal amount of such Unissued Program Bonds will be amortized over a term certified by an Authorized Officer at the time the initial Program Bonds of such Program are issued to be the expected duration of such Program or, if such expectations have changed, over a term certified by an Authorized Officer to be the expected duration of such Program at the time of such calculation, but not to exceed 30 years from the date of the initial issuance of such Program Bonds and it shall be assumed that debt service shall be paid in substantially level Annual Debt Service payments over such assumed term; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a

reasonable market rate for fixed rate Bonds of a corresponding term issued under this Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax;

(h) debt service on Repayment Obligations, to the extent such obligations constitute Bonds under Section 2.06 hereof, shall be calculated as provided in Section 2.06 hereof;

(i) (i) for purposes of computing the Aggregate Annual Debt Service of Bonds which constitute Synthetic Fixed Rate Debt, the interest payable thereon shall, if the Authority elects, be that rate as provided for by the terms of the Swap or the net interest rate payable pursuant to offsetting indices, as applicable; or, if the Authority fails to elect such rate, then it shall be deemed to be the fixed interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under this Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax; and

(ii) for purposes of computing the Aggregate Annual Debt Service of Bonds with respect to which a Swap has been entered into whereby the Authority has agreed to pay the floating variable rate thereunder, no fixed interest rate amounts payable on the Bonds to which such Swap pertains shall be included in the calculation of Aggregate Annual Debt Service, and the interest rate with respect to such Bonds shall be the sum of that rate as determined in accordance with paragraph (e) of this definition relating to Variable Interest Rate Bonds plus the difference between the interest rate on the Designated Debt and the rate received from the Swap Provider;

(j) with respect to any Commercial Paper Program which has been implemented and not then terminated or with respect to any Commercial Paper Program then proposed to be Implemented, the principal and interest thereon shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 30 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under this Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is

not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax;

(k) if moneys, Permitted Investments or any other amounts not included in Revenues have been used to pay or have been irrevocably deposited with and are held by the Trustee or another fiduciary to pay, or Capitalized Interest has been set aside exclusively to be used to pay, principal and/or interest on specified Bonds, then the principal and/or interest to be paid from such moneys, Permitted Investments, other amounts not included in Revenues or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Annual Debt Service; and

(l) if Passenger Facility Charges, Consolidated Facility Charges, Federal Direct Payments, state and/or federal grants or other moneys not included in Revenues have been irrevocably committed or are held by the Trustee or another fiduciary and are to be set aside exclusively to be used to pay principal of and/or interest on specified Bonds, then the principal and/or interest to be paid from such Passenger Facility Charges, Consolidated Facility Charges, Federal Direct Payments, state and/or federal grants or other moneys not included in Revenues or from earnings thereon shall be disregarded (unless such Passenger Facility Charges, Consolidated Facility Charges, Federal Direct Payments, state and/or federal grants or other moneys are included in the definition of Revenues pursuant to a Supplemental Resolution or related Certificate of Determination) and not included in calculating Aggregate Annual Debt Service and/or Annual Debt Service.

**Aggregate Annual Debt Service For Reserve Requirement** means the computation of Aggregate Annual Debt Service with respect to all Outstanding Bonds participating in the Reserve Fund or all Outstanding Bonds participating in a separately established Debt Service Reserve Fund, as the case may be, in the then current or any future Fiscal Year with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Aggregate Annual Debt Service For Reserve Requirement, the Annual Debt Service with respect to any Variable Interest Rate Bonds shall, upon the issuance of such Series, be calculated on the basis of the assumptions set forth in paragraph (f) of the definition of Aggregate Annual Debt Service, and the amount so determined shall not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series. For purposes of the Aggregate Annual Debt Service For Reserve Requirement, the annual debt service requirements assumed at the time of issuance of a Series of Bonds containing Balloon Indebtedness or Option Bonds shall not, with respect to such Series, require subsequent increases.

**Airport** means Syracuse Hancock International Airport, including all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the City and leased to and operated by the Authority pursuant to the City Lease, including all facilities and property related thereto, real or personal; and including or excluding, as the case may be, such property as the Authority may (a) acquire, or which may be placed under its control pursuant to the City Lease or otherwise, or (b) divest, dispose of, or have removed from its control, or have removed from its control pursuant to the City Lease or otherwise.



**Airport Facilities** or **Airport Facility** means a facility or group of facilities or category of facilities which are operated by the Authority.

**Annual Debt Service** means, with respect to any Bond, the aggregate amount of principal, interest and such other amounts becoming due and payable during a Fiscal Year, and if a Qualified Swap is in effect for any Bond, plus the amount payable by the Authority (or the Trustee) under the Qualified Swap in accordance with the terms thereof, less any amount to be received by the Authority from the Qualified Swap Provider pursuant to the Qualified Swap, calculated using the principles and assumptions set forth in the definition of Aggregate Annual Debt Service; provided, however, for purposes of determining the amount of Annual Debt Service to be used to determine compliance with the rate covenant set forth in Section 7.04 hereof, such amount shall be revised to reflect the application of subparagraphs (k) and (i) of the definition of “Aggregate Annual Debt Service.”

**Applicable** means (a) with respect to any Construction Fund, Arbitrage Rebate Fund, Debt Service Fund, Debt Service Reserve Fund, or any other fund or account therein, the fund or account so designated and established by an Applicable Supplemental Resolution or Certificate of Determination authorizing an Applicable Series of Bonds, (b) with respect to any Debt Service Reserve Fund Requirement, the said requirement established in connection with a Series of Bonds by the Supplemental Resolution or Certificate of Determination, (c) with respect to any Supplemental Resolution, such Supplemental Resolution relating to an Applicable Series of Bonds, (d) with respect to any Series of Bonds, the Series of Bonds issued under a Supplemental Resolution, (e) with respect to a Certificate of Determination, such certificate authorized pursuant to a Supplemental Resolution, (f) with respect to any Credit Facility, or Reserve Fund Facility and the Provider thereof, if any, such Credit Facility, Reserve Fund Facility or the Provider relating to an Applicable Series of Bonds, (g) with respect to a Program, the Commercial Paper Program or other Program authorized by an Applicable Supplemental Resolution or Certificate of Determination, and (h) with respect to a Subordinate Resolution and an Subordinate Obligation authorized to be issued thereunder, the Subordinate Resolution entered into pursuant to, and Subordinate Obligation issued under, this Master Resolution for the purpose of securing such Subordinate Obligation.

**Appreciated Value** means with respect to any Deferred Income Bond (a) as of any Valuation Date, the amount set forth for such date in the Applicable Supplemental Resolution authorizing such Deferred Income Bond or the Applicable Certificate of Determination relating thereto and (b) as of any date other than a Valuation Date, the sum of (i) the Appreciated Value on the preceding Valuation Date and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (B) the difference between the Appreciated Values for such Valuation Dates, and (c) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

**Arbitrage Rebate Fund** means with respect to each Series of Bonds the fund so designated and established pursuant to Section 5.02 hereof.

**Authority** means the Syracuse Regional Airport Authority, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Authority.

**Authorized Amount** means, when used with respect to a Series of Bonds, including Bonds issued pursuant to a Program, the maximum Principal Amount of Bonds which is then authorized by a Supplemental Resolution adopted by the Authority pursuant to Section 2.02 hereof to be Outstanding at any one time under the terms of such Program or Supplemental Resolution. Notwithstanding the provisions of this definition of “Authorized Amount,” in connection with Section 2.05(a) and (b) hereof and the calculation of Maximum Aggregate Annual Debt Service and Aggregate Annual Debt Service with respect to a Commercial Paper Program, “Authorized Amount” shall mean the total amount available (utilized and unutilized, if applicable) under a Credit Facility entered into with respect to such Commercial Paper Program and the total amount of Commercial Paper Notes that may be issued pursuant to an unenhanced Commercial Paper Program.

**Authorized Denomination** means \$1,000 and any multiple thereof; provided, however, that the Authority may fix a greater amount by Supplemental Resolution or Certificate of Determination.

**Authorized Officer** means (a) in the case of the Authority, the Chair, the Vice-Chair, the Treasurer, the Secretary, the Executive Director, the Chief Financial Officer, or such other officer or employee of the Authority, or other person which other officer, employee or person has been designated by the Executive Director as an Authorized Officer by written notice delivered by the Executive Director to the Trustee or other fiduciary; (b) in the case of the Trustee, without limitation, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee; and (c) in the case of any other corporation or entity, the chief executive officer or other person authorized to perform any act or sign any document by or pursuant to a resolution of the governing board of such entity.

**Available PFC Revenues** means (i) with respect to the pledge and deposit requirements under this Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting such PFCs) collected by the Authority, and (ii) for any historical or projected 12-month period relating to compliance with the test for additional Bonds described under Section 2.05 of this Master Resolution or for purposes of determining compliance with Section 7.04 of this Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting the PFCs) collected or accrued or projected to be collected or accrued by the Authority during such period. PFC revenues may only be treated as Available PFC Revenues to the extent they are then pledged to the payment of PFC Bonds.

**Available PFC Revenue Account** means a segregated account in the Revenue Fund into which the Available PFC Revenues shall be deposited so long as any PFC Bonds are Outstanding.

**Balloon Indebtedness** means, with respect to any Series of Bonds 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness the amount of Bonds of a Series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such Series which matures during any Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds, scheduled to be amortized by prepayment or redemption prior to their stated maturity date. A Commercial Paper Program and the Commercial Paper constituting part of such Program shall not be Balloon Indebtedness.

**Beneficial Owner** means the registered owner of a Bond and, for Book Entry Bonds, the beneficial owner of a Bond as determined under the rules and procedures of the Depository.

**Bond or Bonds** shall mean any debt obligation of the Authority issued with respect to the Airport as a taxable or tax-exempt obligation under and in accordance with the provisions of Article II hereof, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and Repayment Obligations to the extent provided in Section 2.12 hereof. The term “Bond” or “Bonds” herein does not include any Subordinate Obligation; provided, however, that the Authority may provide in a Subordinate Resolution to this Master Resolution that Subordinate Obligations may be thenceforth issued pursuant to this Master Resolution having the terms applicable to the Bonds, except that such Subordinate Obligations shall be junior and subordinate in payment to the Bonds from Net Revenues. The term “Bond” and “Bonds” also includes Program Bonds. The term “Bond” and “Bonds” also includes, as the context requires, Prior Obligations.

**Bond Counsel** means a law firm appointed by the Authority with respect to a Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

**Bondholder, Holder of Bonds or Holder** or any similar term, when used with reference to a Bond or Bonds of a Series, means the registered owner of any Bonds of such Series.

**Book Entry Bond** means a Bond of a Series authorized to be issued to, and issued to and registered in the name of, a Depository for the participants in such Depository or the beneficial owner of such Bond.

**Business Day** means, unless otherwise defined in connection with Bonds of an Applicable Series, any day which is not a Saturday, Sunday or a day on which the Trustee or

banking institutions chartered by the State or the United States of America are legally authorized to close in the City of New York.

**Capital Appreciation Bond** means any Bond as to which interest is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

**Capitalized Interest Account** means the Capitalized Interest Account, if any, within the Construction Fund authorized to be established pursuant to Sections 5.03 and 5.05 hereof and the Applicable Supplemental Resolution or Certificate of Determination with respect to a Series of Bonds.

**Certificate of Determination** means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so hereunder or under a Supplemental Resolution, as it may be amended from time to time.

**City** means the City of Syracuse, New York, a municipal corporation organized and existing under the laws of the State, and any successor thereto.

**City Lease** means that certain Airport Lease Agreement dated November 25, 2013 by and between the City, as lessor and the Authority, as lessee, as the same may amended from time to time.

**Code** means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

**Commercial Paper** means notes of the Authority with a maturity of not more than 270 days from the date of issuance and which are issued and reissued from time to time pursuant to a Program adopted by the Authority.

**Commercial Paper Program** means a Program authorized by the Authority pursuant to which Commercial Paper shall be issued and reissued from time to time, up to the Authorized Amount of such Program.

**Consolidated Facilities Charge** has the meaning assigned to such term in Section 396-z of the General Business Law of the State.

**Construction Fund** means the fund so designated and established by a Supplemental Resolution pursuant to Section 5.11 hereof.

**Consultant** means any independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm, financial advisory or investment banking firm, or other expert recognized to be well qualified for work of the character required and retained by the Authority to perform acts and carry out the duties provided for such consultant in this Master Resolution.

**Cost of Issuance or Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, a Provider of any Credit Facility, a Liquidity Facility, a Reserve Fund Facility or a Depository, legal fees and charges, Consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on such Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, a Reserve Fund Facility, a Swap Agreement, or a Remarketing Agreement, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a Remarketing Agreement and other costs, charges and fees, in connection with the foregoing.

**Cost of the Project or Costs of the Project** means when used in relation to a Project or PFC Project the costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with a Project or PFC Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of a Project or PFC Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project or PFC Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project or PFC Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) costs of the Authority properly allocated to a Project or PFC Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (vii) interest on the Bonds of a Series, bonds, notes or other obligations of the Authority issued to finance Costs of the Project or PFC Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project or PFC Project, (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant hereto or to a Credit Facility, a Liquidity Facility, a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds, the Reserve Fund, any Debt Service Reserve Fund (other than the Reserve Fund), or Trustee's fees and expenses (including without limitation reasonable attorneys' fees incurred by the Trustee), (x) any Swap Termination Payments due in connection with a Series of Bonds or the failure to issue such Series of Bonds, and (xi) such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the Authority.

**County** means the County of Onondaga, New York, a municipal corporation organized and existing under the laws of the State, and any successor thereto.

**Coverage Deposit Account** means the Coverage Deposit Account that may be established by the Authority in the Revenue Fund into which the Rate Reserve Amount is deposited.

**Credit Facility** shall mean a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, Reserve Facility or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on a Series of Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Authority fails to do so.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in this Section 1.01.

**Debt Service Fund** means with respect to each Series of Bonds the fund so designated and established pursuant to Section 5.07 hereof.

**Debt Service Reserve Fund** means a reserve fund, if any, with respect to each Series of Bonds so designated and established by a Supplemental Resolution pursuant to Section 5.09 hereof.

**Debt Service Reserve Fund Requirement** means the amount of moneys, if any, required to be on deposit in the Debt Service Reserve Fund, if any, with respect to an Applicable Series of Bonds as determined in accordance with the Applicable Supplemental Resolution.

**Defeasance Security** means any of the following:

(a) a Government Obligation of the type described in clauses (a), (b), (c) or (d) of the definition of Government Obligation;

(b) a Federal Agency Obligation described in clauses (a), (b) or (c) of the definition of Federal Agency Obligation; and

(c) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the interest payment dates and the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the Government Obligations which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the interest payment dates and maturity date

thereof or on the redemption date specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation (without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation); provided, however, that such term shall not include (A) any interest in a unit investment trust or mutual fund (except as expressly provided in the definition of Exempt Obligation), or (B) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

**Deferred Income Bond** means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on such dates established in a Supplemental Resolution or Certificate of Determination.

**Depository** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other Person designated in the Applicable Supplemental Resolution authorizing a Series of Bonds or a Certificate of Determination relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

**Designated Debt** means a specific indebtedness, designated by the Authority, in which such debt shall be offset with a Swap, such specific indebtedness to include all or any part of a Series of Bonds.

**Electronic Means** means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee (if any), or another method or system specified by the Trustee as available for use in connection with its services under this Master Resolution or any Supplemental Resolution.

**Electronic Notice** means notice transmitted by Electronic Means, in writing, or by telephone (promptly confirmed in writing), and received by the party addressed.

**Equity Account** means the Equity Account, if any, within the Construction Fund authorized to be established pursuant to Section 5.03 and 5.05 hereof and the Applicable Supplemental Resolution or Certificate of Determination with respect to a Series of Bonds.

**Excess Earnings** means, with respect to a Series of Bonds, the amount equal to the rebatable arbitrage and any income attributable to the rebatable arbitrage as required by the Code.

**Exempt Obligation** means any of the following:

(a) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political

subdivision, (i) the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code, or which qualifies as a “build America bond” within the meaning of Section 54AA of the Code, and (ii) which, at the time an investment therein is made or such obligation is deposited in any fund or account hereunder, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Services,

(b) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(c) a (i) share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations, or (ii) a repurchase agreement collateralized by any of the foregoing obligations.

**Facilities Construction Credit and Facilities Construction Credits** means the amounts further described herein resulting from an arrangement embodied in a written agreement of the Authority and another Person pursuant to which the Authority permits such Person to make a payment or payments to the Authority which is reduced by the amount owed by the Authority to such Person under such agreement, resulting in a net payment to the Authority by such Person. The “Facilities Construction Credit” shall be deemed to be the amount owed by the Authority under such agreement which is “netted” against the payment of such Person to the Authority. Facilities Construction Credits are sometimes referred to as “rental credits.”

**Federal Agency Obligation** means any of the following:

(a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America, and Refcorp strips;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: (i) Export-Import Bank, Farm Credit System Financial Assistance Corporation, (ii) Farmers Home Administration, (iii) General Services Administration, (iv) U.S. Maritime Administration, (v) Small Business Administration, (vi) Government National Mortgage Association, (vii) U.S. Department of Housing & Urban Development, and (viii) Federal Housing Administration;

(c) senior debt obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation (or any other U.S.-sponsored agency) with remaining maturities not exceeding three years;

(d) upon the approval of the Authority and any applicable Providers, (i) an obligation of any federal agency and a certificate or other instrument which evidences the ownership of, or the right to receive all or a portion of the payment of the principal of or interest



on, direct obligations of the United States of America, or (ii) an obligation of any other agency or instrumentality of the United States of America created by Act of Congress;

(e) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and

(f) a (i) share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations including any such mutual fund which the Trustee or any of its affiliates provide services for a fee, whether as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise, or a repurchase agreement collateralized by the foregoing obligations, or (ii) a repurchase agreement collateralized by any of the foregoing obligations.

**Federal Direct Payments** means amounts payable, if any, by the federal government to the Authority in connection with the Authority’s issuance of Bonds with respect to the Airport, in lieu of any credit otherwise available to the Holders of Bonds.

**Fiscal Year** means the period of time commencing on July 1 of each year and terminating on the next succeeding June 30, or such other period as may be established by the Authority as its official fiscal year period (written notice of which shall be given by the Authority to the Trustee).

**Government Obligation** means any of the following:

(a) a direct obligation of the United States of America;

(b) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by the United States of America;

(c) an obligation to which the full faith and credit of the United States of America is pledged;

(d) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and

(e) a (i) share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations including any such mutual fund which the Trustee or any of its affiliates provide services for a fee, whether as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise, or a repurchase agreement collateralized by the foregoing obligations, or (ii) a repurchase agreement collateralized by any of the foregoing obligations.

**Gross Proceeds** means, with respect to any Series of Bonds, the interest on which is tax-exempt, unless inconsistent with the provisions of the Code, (a) amounts received by the Authority from the sale of such Series of Bonds (other than amounts used to pay underwriters' fees and other expenses of issuing such Series of Bonds), (b) amounts treated as transferred proceeds of such Series of Bonds in accordance with the Code, (c) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds, including any necessary allocation between two or more Series of Bonds in the manner required by the Code, (d) amounts in the Debt Service Reserve Fund, if any, (e) securities or obligations pledged by the Authority as security for payment of debt service on such Bonds, (f) amounts received with respect to obligations acquired with Gross Proceeds, (g) amounts used to pay debt service on such Series of Bonds, and (h) amounts received as a result of the investment of Gross Proceeds at a yield equal to or less than the yield on such Series of Bonds as such yield is determined in accordance with the Code.

**Interest Commencement Date** means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter, unless otherwise set forth in the Applicable Supplemental Resolution or Certificate of Determination.

**Investment Agreement** means a repurchase agreement or other agreement for the investment of money with a Qualified Financial Institution.

**Liquidity Facility** means, with respect to a Series of Bonds, an irrevocable letter of credit (and any confirming letter of credit), a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase of such Bonds tendered for purchase in accordance with the terms of a Supplemental Resolution authorizing such Bonds or a Certificate of Determination relating to such Bonds.

**Maintenance and Operation Costs** means reasonable and necessary costs paid or incurred by the Authority for maintaining and operating the Airport, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Airport in good repair and working order, and including all administrative costs of the Authority that are charged directly or apportioned to the operation of the Airport, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, assessments for public improvements and including all other reasonable and necessary costs of the Authority or charges required to be paid by the Authority in order to comply with the terms hereof; but excluding in all cases payments in lieu of taxes to be paid by the Authority to any jurisdiction, depreciation, replacement and obsolescence charges or reserves therefor, any principal payment in respect of capital leases or indebtedness including the Bonds, amortization or intangibles and any Maintenance and Operation Costs payable from moneys other than Revenues.

**Maintenance and Operation Reserve Fund** means the Maintenance and Operation Reserve Fund required to be established as provided by Section 5.12 hereof.

**Master Resolution** means this Master Resolution, dated as of September 17, 2021.

**Maximum Aggregate Annual Debt Service** means the maximum amount of Aggregate Annual Debt Service with respect to all Bonds, Unissued Program Bonds, and the Authorized Amount of all Bonds then proposed to be issued in the then current or any future Fiscal Year.

**Maximum Aggregate Annual Debt Service For Reserve Requirement** means the computation of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds participating in the Reserve Fund or all Outstanding Bonds participating in a separately established Debt Service Reserve Fund, as the case may be, in the then current or any future Fiscal Year, with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Maximum Aggregate Annual Debt Service For Reserve Requirement, the Annual Debt Service with respect to any Bonds constituting Variable Interest Rate Bonds shall, upon the issuance of such Series, be calculated on the basis of the assumptions set forth in paragraph (f) of the definition of Aggregate Annual Debt Service, and the amount so determined shall not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series. For purposes of the Maximum Aggregate Annual Debt Service For Reserve Requirement, the annual debt service requirements assumed at the time of issuance of a Series of Bonds containing Balloon Indebtedness or Option Bonds shall not, with respect to such Series, require subsequent increases.

**Maximum Interest Rate** means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond as the maximum rate at which such Bond may bear interest at any time.

**Minimum Interest Rate** means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bonds as the minimum rate at which such Bond may bear interest at any time.

**Net Proceeds** means insurance proceeds received as a result of damage to or destruction of the Airport or any condemnation award or amounts received by the Authority from the sale of the Airport under the threat of condemnation less expenses (including attorneys' fees and expenses and any fees and expenses of the Trustee (including without limitation reasonable attorneys' fees incurred by the Trustee)) incurred in the collection of such proceeds or award.

**Net Revenues** shall mean, for any given period, the Revenues for such period, less the Maintenance and Operation Costs for such period.

**Nonqualified Swap** means any Swap that is not a Qualified Swap.

**Notes** means Bonds issued under the provisions of Article II hereof which have a maturity of one year or less from their date of original issuance and which are not part of a Commercial Paper Program.

**Option Bond** means any Bond of a Series which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase by the Authority prior to the stated maturity thereof or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Applicable Supplemental Resolution authorizing such Bonds or the Applicable Certificate of Determination related to such Bonds.

**Original Issue Discount Bonds** means Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds in the Supplemental Resolution under which such Bonds are issued.

**Outstanding** means, when used in reference to Bonds of a Series, as of a particular date, all Bonds of such Series authenticated and delivered hereunder and under a Supplemental Resolution except:

- (a) any Bond canceled by the Trustee at or before such date;
- (b) any Bond deemed to have been paid in accordance with Section 12.01 hereof;
- (c) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III, Section 4.06 or Section 10.07 hereof; and
- (d) any Option Bond tendered or deemed tendered in accordance with the provisions of the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided herein and in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond.

**Passenger Facility Charges** or **PFC(s)** means charges collected by the Authority pursuant to the authority granted by PFC Act and PFC Regulations, or any other applicable federal law, and interest earnings thereon net of amounts that collecting air carriers are entitled to retain for collecting, handling, and remitting such passenger facility charge revenues.

**Paying Agent** means, with respect to a Series of Bonds, the Trustee or any other Person, and its successor or successors, appointed pursuant to the provisions hereof or of a Supplemental Resolution, a Certificate of Determination or any other resolution of the Authority adopted prior to authentication and delivery of such Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

**Payment Date** means, with respect to any Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

**Permitted Collateral** means any of the following:

(a) Government Obligations described in clauses (a), (b) or (c) of the definition of Government Obligation;

(b) Federal Agency Obligations described in clauses (a) or (b) of the definition of Federal Agency Obligation;

(c) commercial paper that (i) matures within two hundred seventy (270) days after its date of issuance, (ii) is rated in the highest short term rating category by at least one Rating Service and (iii) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category;

(d) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Best's Insurance Guide or a Rating Service in the highest rating category; and

(e) bankers' acceptances issued by a bank rated in the highest short term rating category by at least one nationally recognized rating organization and having maturities of not longer than three hundred sixty five (365) days from the date they are pledged.

**Permitted Investments** means any of the following:

(a) Government Obligations;

(b) Federal Agency Obligations;

(c) Exempt Obligations;

(d) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(e) collateralized certificates of deposit that are (i) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter of credit, contract, agreement or surety bond issued by it, are rated by at least one Rating Service in at least the second highest rating category, and (ii) fully collateralized by Permitted Collateral;

(f) commercial paper issued by a domestic corporation rated in the highest short term rating category by at least one Rating Service and having maturities of not longer than two hundred seventy (270) days from the date of purchase;

(g) bankers' acceptances issued by a bank rated in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;

(h) any Investment Agreement that is fully collateralized by Permitted Collateral; and

(i) (i) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations, including any such mutual fund which the Trustee or any of its affiliates provide services for a fee, whether as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise, or (ii) a repurchase agreement collateralized by the foregoing obligations.

**Person or Persons** means an individual, a corporation, a partnership, a limited liability company, limited liability partnership, a joint venture, a trust, an unincorporated association, a government or political subdivision or agency thereof or any other organization or entity.

**PFC Act** means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, Sections 9110 and 9111, as amended from time to time.

**PFC Approvals** means the Records of Decision of the Federal Aviation Administration, made pursuant to the PFC Act and the PFC Regulations, relating to passenger facility charges imposed by the Authority, as the same may be issued and amended from time to time.

**PFC Bonds** means the ratable principal amount of any Bonds so-designated by the Authority at the time of issuance and delivery thereof, or from time to time thereafter, the proceeds from the sale of which are used to fund PFC Projects (following the PFC Approvals thereof), fund the ratable portion of the Reserve Requirement with respect thereto, and pay the ratable portion of the costs of issuance thereof, or to refund Bonds meeting such requirements.

**PFC Project** means, collectively, any project or projects for which the imposition and use of PFCs have been approved by one or more PFC Approvals.

**PFC Regulations** means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

**PFC Revenue Fund** means the fund into which the PFCs are deposited and any successor to such fund.

**Prior Obligations** means (a) bonds, notes, or other obligations issued or incurred by the Authority prior to the date of this Master Resolution; and (b) bonds, notes, or other obligations issued or incurred by the City prior to the date of this Master Resolution, which may be assumed by the Authority pursuant to the Act.

**Program** means a financing program identified in a Supplemental Resolution, including but not limited to a Commercial Paper Program, (a) which is authorized and the terms thereof approved by a resolution adopted by the members of the Authority, (b) wherein the Authority has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in an Authorized Amount, and (c) the Authorized Amount of which has met the additional bonds test set forth in Article II herein and the Outstanding amount of which may vary from time to time, but not exceed the Authorized Amount.

**Program Bonds** shall mean Bonds issued and Outstanding pursuant to a Program, other than Unissued Program Bonds.

**Project** means any and all facilities, improvements and other expenditures related to the Airport financed in whole or in part with proceeds of a Series of Bonds.

**Provider** means the issuer or provider of a Credit Facility, a Liquidity Facility or Reserve Fund Facility and as otherwise defined in a Supplemental Resolution with respect to a Series of Bonds. With respect to drawings under a Credit Facility, a Liquidity Facility or a Reserve Fund Facility that is a letter of credit confirmed by a standby confirming letter of credit, "Provider" includes the issuer or provider of the standby confirming letter of credit.

**Provider Payments** means the amount, certified by a Provider to the Trustee, payable to such Provider by the Authority on account of amounts advanced by it under a Credit Facility, a Liquidity Facility or a Reserve Fund Facility, including interest on amounts advanced and fees and charges with respect thereto.

**Qualified Financial Institution** means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000:

(a) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York's list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an Person qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an Person that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(b) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether a Person qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of a Person that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(c) a corporation affiliated with or which is a subsidiary of any Person described in (a) or (b) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such Person, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether a Person qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of a Person that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(d) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; or

(e) a corporation whose obligations, including any investments of any money held hereunder purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

**Qualified Self-Insurance** has the meaning assigned to such term in Section 7.10 hereof.

**Qualified Swap** means any Swap (a) whose Designated Debt is all or part of a particular Series of Bonds; (b) whose Swap Provider is a Qualified Swap Provider or has been a Qualified Swap Provider within the sixty (60) day period preceding the date on which the calculation of Annual Debt Service or Aggregate Annual Debt Service is being made; (c) which has a term not greater than the term of the Designated Debt or to a specified mandatory tender or redemption of such Designated Debt; and (d) which has been designated in writing to the Trustee by the Authority as a Qualified Swap with respect to such Bonds.



**Qualified Swap Provider** means a financial institution (a) whose senior long-term debt obligations, or whose obligations under any Qualified Swap are guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least “A1,” in the case of Moody’s and “A+,” in the case of S&P, or the equivalent thereto in the case of any successor thereto, or (b) whose obligations under any Qualified Swap are fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first priority lien on behalf of the Trustee, and (iv) free and clear from all third party liens.

**Rate Reserve Amount** means the amount collected by the Authority in accordance with Section 7.04 hereof which represents Net Revenues in excess of 100% of the Annual Debt Service for any Fiscal Year, to a maximum of 25% of the Annual Debt Service for that Fiscal Year.

**Rating Service(s)** means each of Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services, Fitch Ratings, and Kroll Bond Rating Agency, or their respective successors and assigns, in each case, which has, at the time of reference, assigned a rating to Outstanding Bonds at the request of the Authority.

**Record Date** means, unless a Supplemental Resolution authorizing Variable Interest Rate Bonds or Option Bonds or a Certificate of Determination relating thereto provides otherwise with respect to such Variable Interest Rate Bonds or Option Bonds, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

**Redemption Price**, when used with respect to a Bond of a Series, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant hereto or to the Applicable Supplemental Resolution or Certificate of Determination.

**Refunding Bonds** means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to Section 2.04 hereof, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 4.06 or Section 10.07 hereof.

**Released Revenues** means Revenues in respect of which the following have been filed with the Trustee:

(a) a resolution of the Authority describing a specific identifiable portion of Revenues and approving that such Revenues be excluded from the term Revenues;

(b) either (i) a certificate prepared by an Authorized Officer of the Authority showing that Net Revenues for each of the two most recent completed Fiscal Years, after the specific identifiable portion of Revenues covered by the resolution described in (a) above are excluded, were at least equal to the greater of (A) the amounts needed for making the required deposits and payments pursuant to Section 5.06 hereof, or (B) an amount not less than 150% of average Aggregate Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of Revenues; or (ii) a certificate prepared by a Consultant showing that the estimated Net Revenues (excluding the specific identifiable portion of Revenues covered in the resolution adopted by the Board described in (a) above) for each of the first three complete Fiscal Years immediately following the Fiscal Year in which the resolution described in (a) above is adopted by the Board, will not be less than the greater of (A) the amounts needed for making the required deposits and payments pursuant to Section 5.06 hereof, or (B) an amount not less than 150% of the average Aggregate Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of Revenues;

(c) an opinion of Bond Counsel to the effect that the exclusion of such specific identifiable portion of Revenues from the definition of Revenues and from the pledge and lien of this Master Resolution will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax; and

(d) written confirmation from each of the Rating Services (provided such Rating Service(s) have been requested by the Authority to maintain a rating on the Bonds and such Rating Services are then maintaining a rating on any of the Bonds) to the effect that the exclusion of such specific identifiable portion of Revenues from the pledge and lien of this Master Resolution will not cause a withdrawal or reduction in any unenhanced rating then assigned to the Bonds.

Upon filing of such documents, the specific identifiable portion of Revenues described in the resolution of the Board of the Authority shall no longer be included in Revenues and shall be excluded from the pledge and lien of this Master Resolution, unless otherwise included in Revenues and in the pledge and lien of this Master Resolution pursuant to a Supplemental Resolution.

**Remarketing Agent** means the Person appointed by or pursuant to a Supplemental Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Supplemental Resolution or Certificate of Determination relating to such Option Bonds.

**Remarketing Agreement** means, with respect to Option Bonds of a Series, an agreement between the Authority and the Remarketing Agent relating to the remarketing of such Bonds, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

**Repayment Obligations** means an obligation arising under a written agreement of the Authority and a Credit Provider pursuant to which the Authority agrees to repay or reimburse the

Credit Provider for amounts paid by a Credit Provider pursuant to a Credit Facility to be used to pay debt service on any Bonds and all other amounts due and owing to a Credit Provider under a Credit Facility, or an obligation arising under a written agreement of the Authority and a Liquidity Provider pursuant to which the Authority agrees to repay or reimburse the Liquidity Provider for amounts paid by the Liquidity Provider pursuant to a Liquidity Facility to be used to pay the purchase price of Bonds and all other amounts due and owing to a Liquidity Provider under a Liquidity Facility.

**Reserve Fund** shall mean the trust fund created pursuant to Section 5.08 hereof and that is required to be funded for the purpose of providing additional security for the Outstanding Bonds issued pursuant to the terms of this Master Resolution.

**Reserve Fund Facility** means a surety bond, insurance policy, letter of credit (and any confirming letter of credit) or other financial guaranty or instrument deposited with the Trustee for the credit of the Reserve Fund or authorized by or pursuant to a Supplemental Resolution establishing a Debt Service Reserve Fund, to be delivered in lieu of or in substitution for all or a portion of the moneys otherwise required to be held in the Reserve Fund or Debt Service Reserve Fund. Except as otherwise provided in a Supplemental Resolution, the entity providing such Reserve Fund Facility shall be rated, at the time such instrument is provided, in one of the two highest long-term rating categories by one or more of the Rating Services.

**Reserve Requirement** means, except as otherwise provided in a Supplemental Resolution, an amount, which shall be calculated by the Authority and provided to the Trustee pursuant to Section 5.08(b)(iii), equal to the least of (a) the Maximum Aggregate Annual Debt Service For Reserve Requirement for all Series of Bonds participating in the Reserve Fund or for all Series of Bonds participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be, (b) 10% of the principal amount of the Bonds that have been issued and are participating in the Reserve Fund or the Bonds that have been issued and are participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be, less the amount of original issue discount with respect to any Bond if such original issue discount exceeded 2% on such Bond at the time of its original sale and (c) 125% of the average Aggregate Annual Debt Service For Reserve Requirement for all Series of Bonds participating in the Reserve Fund or for all Series of Bonds participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be.

**Revenues** means, except to the extent specifically excluded herefrom, all income, receipts, earnings and revenues received by the Authority from the operation and ownership of the Airport, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to, (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the Authority for the use or availability of the Airport, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport and its related facilities or activities and undertakings related thereto or from any

other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport or activities or undertakings related thereto. Additionally, "Revenues" shall also include amounts received from tenants representing the principal portion of payments received pursuant to certain self-liquidating lease agreements, all income, receipts and earnings (except any earnings allowed to be pledged by the terms of a Supplemental Resolution to fund the Construction Fund) from the investment of amounts held in the Revenue Fund, any Construction Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Reserve Fund, any Debt Service Reserve Fund and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Resolution. Additionally, "Revenues" shall also include Available PFC Revenues to the extent and for so long as Available PFC Revenues have been pledged to the payment of PFC Bonds under the terms of any Supplemental Resolution, but shall be excluded with respect to any Bonds which are not PFC Bond. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the Authority gifts, grants and other income (including any investment earnings thereon) otherwise included in this definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds, (ii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds (except to the extent Net Proceeds are utilized to pay Maintenance and Operation Costs), and (iii) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in Section 7.07 hereof). In addition, the following, including any investment earnings thereon, are specifically excluded from "Revenues", unless designated as "Revenues" under the terms of a Supplemental Resolution: (A) any termination payments paid to the Authority pursuant to a Qualified Swap, (B) Facilities Construction Credits, (C) Passenger Facility Charges unless otherwise so pledged as Available PFC Revenues, (D) Consolidated Facility Charges unless otherwise so pledged under the terms of any Supplemental Resolution, (E) Federal Direct Payments unless otherwise so pledged under the terms of any Supplemental Resolution, (F) Released Revenues, (G) subject to (i) in the previous sentence, grants and other charges authorized on or after the date of this Master Resolution by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport, (H) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, (I) any arbitrage earnings which are required to be deposited in the Arbitrage Rebate Fund and paid to the U.S. Government pursuant to Section 148 of the Code; and (J) Capitalized Interest. Further, interest earnings or other investment earnings on any Construction Fund established by any Supplemental Resolution are specifically excluded from "Revenues", unless otherwise provided for in such Supplemental Resolution.

**Revenue Fund** means the fund into which the Revenues are deposited and any successor to such fund.

**Serial Bonds** means the Bonds designated as such, and maturing on the dates set forth in, a Supplemental Resolution or Certificate of Determination.

**Series** means (a) all of the Bonds authenticated and delivered on original issuance and pursuant hereto and pursuant to the Applicable Supplement Resolution authorizing such Bonds

as a separate Series of Bonds or a Certificate of Determination, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 4.06 or Section 10.07 hereof, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions; and (b) with respect to Program Bonds or a Commercial Paper Program, means the full Authorized Amount of such Program, regardless of when or whether issued, unless portions thereof are, by Supplemental Resolution, designated as separate Series.

**Significant Portion** means, for purposes of Sections 7.12 and 7.13 hereof, any facilities of the Airport or portions thereof which, if such facilities had been sold or disposed of by the Authority at the beginning of an annual period which includes the month of commencement of the 12 month period ending on the day of such disposition would have resulted in a reduction in Net Revenues for such annual period of more than 5% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such facilities and increased by the expenses of the Authority directly attributable to such facilities.

**Sinking Fund Installment** means, with respect to a Series of Bonds, as of any date of calculation:

(a) when used with respect to any Bonds of such Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Applicable Supplemental Resolution pursuant to which such Bonds were issued or by the Applicable Certificate of Determination relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment; and

(b) when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Applicable Supplemental Resolution pursuant to which such Bonds were issued or by the Applicable Certificate of Determination relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

**Special Facilities** or **Special Facility** means a facility or group of facilities or improvements or category of facilities or improvements which are designated as a Special Facility pursuant to the provisions of Section 7.07 hereof.

**Special Facilities Revenue** means the contractual payments and all other revenues (other than ground rentals relating to such Special Facility) derived by or available to the Authority from a Special Facility which are pledged to secure Special Facility Obligations.

**Special Facility Obligations** means Bonds or other debt instruments issued pursuant to a resolution or indenture other than this Master Resolution to finance Special Facilities and which, except as otherwise provided in Section 7.07 hereof, are not secured by nor payable from a lien on and pledge of the Net Revenues but which are secured by revenues derived from Special Facilities.

**Specified Project** means a Project (or as applicable, a PFC Project) or a group of alternative Projects which are described in a certificate of an Authorized Officer of the Authority, which is delivered to the Consultant preparing the certificate described in Section 2.05 hereof, if applicable, the revenues and expenses of which Project or of the alternative Projects are to be taken into account by such Consultant in preparing the certificate under Section 2.05(b) hereof.

**Standby Purchase Agreement** means, with respect to a Series of Bonds, an agreement pursuant to which a Person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

**State** means the State of New York.

**Sub-Series** means the grouping of the Bonds of a Series established pursuant to the Applicable Supplemental Resolution or the Applicable Certificate of Determination.

**Subordinate Obligation** or **Subordinate Obligations** means any bond, note or other debt instrument issued or otherwise entered into by the Authority which ranks junior and subordinate to the Bonds and which may be paid from moneys constituting Net Revenues only if all principal, interest and other amounts which have become due and payable on the Bonds whether by maturity, redemption, acceleration or agreement of the Authority have been paid in full and the Authority is current on all payments, if any, required to be made to replenish the Reserve Fund and any Debt Service Reserve Funds. “Subordinate Obligations” are not Bonds for purposes of this Master Resolution; provided, however, that the Authority may henceforth by Supplemental Resolution elect to have the provisions of this Master Resolution applicable to the Bonds apply to the Subordinate Obligations issued thereunder, except that such Subordinate Obligations shall be secured on a junior and subordinate basis to the Bonds from the Net Revenues. No bond, note or other instrument of indebtedness shall be deemed to be a “Subordinate Obligation” for purposes of this Master Resolution and payable on a subordinate basis from Net Revenues unless specifically designated by the Authority as a “Subordinate Obligation” in a Supplemental Resolution or other written instrument. In connection with any Subordinate Obligation with respect to which a Swap is in effect or proposes to be in effect, the term “Subordinate Obligation” includes, collectively, both such Subordinate Obligation and either such Swap or the obligations of the Authority under each such Swap, as the context requires. The term “Subordinate Obligations” also includes a Swap or the obligations of the Authority under such Swap which has been entered into in connection with a Subordinate Obligation, as the context requires, although none of the Subordinate Obligations with respect to which such Swap was entered into remain outstanding.

**Supplemental Resolution** means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to Article II hereof.

**Swap** means (a) an agreement entered into by the Authority in connection with the issuance of or which relates to Bonds of a Series which provides that during the term of such agreement the Authority is to pay to the counterparty thereto interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that such counterparty is to pay to the Authority an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement or (b) an interest rate cap agreement, an interest rate floor agreement, an interest rate collar agreement and any other interest rate related hedge agreement or arrangement relating to Bonds of a Series.

**Swap Provider** means a party to a Swap with the Authority.

**Swap Termination Payment** means an amount payable by the Authority or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap.

**Synthetic Fixed Rate Debt** means indebtedness issued by the Authority which: (a) is combined, as Designated Debt, with a Qualified Swap and creates, in the opinion of a Consultant, a substantially fixed-rate maturity or maturities for a term not exceeding such maturity or maturities, or (b) consisting of an arrangement in which two inversely related variable-rate securities are issued in equal principal amounts with interest based on off-setting indices resulting in a combined payment which is economically equivalent to a fixed rate.

**Term Bonds** means Bonds of a Series which are payable on or before their specified maturity dates from sinking installment payments established pursuant to the Supplemental Resolution for such Series for that purpose and calculated to retire the Bonds on or before their specified maturity dates.

**Transfer** means for any Fiscal Year the amount on deposit in the Coverage Deposit Account on the first (1st) day of such Fiscal Year and the amount of unencumbered funds on deposit or anticipated to be on deposit, as the case may be, in the Revenue Fund (other than the amounts on deposit in the Coverage Deposit Account) on the first (1st) day of such Fiscal Year (after all deposits and payments required by Section 5.06 hereof). So long as PFC Bonds remain outstanding, a "Transfer" shall include, with respect to such PFC Bonds, amounts deposited in the Available PFC Revenues Account of the Revenue Fund.

**Trustee** means the bank or trust company appointed as Trustee for a Series of Bonds pursuant to a Supplemental Resolution or Certificate of Determination delivered hereunder and having the duties, responsibilities and rights provided for herein with respect to such Series, and

its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto.

**Unissued Program Bonds** means the bonds, notes or other indebtedness authorized to be issued pursuant to a Program and payable from Net Revenues, issuable in an amount up to the Authorized Amount relating to such Program, which have been approved for issuance by the Authority and with respect to which Program the items described in Section 2.02 hereof have been filed with the Trustee but which have not yet been authenticated and delivered pursuant to the Program documents.

**Valuation Date** means (a) with respect to any Capital Appreciation Bond, each date set forth in the Applicable Supplemental Resolution authorizing such Capital Appreciation Bond or in the Applicable Certificate of Determination relating to such Bond on which a specific Accreted Value is assigned to such Capital Appreciation Bond, and (b) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date set forth in the Applicable Supplemental Resolution authorizing such Bond or in the Applicable Certificate of Determination relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

**Variable Interest Rate** means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing or determining such interest rate or rates specified in the Applicable Supplemental Resolution authorizing such Bonds or the Applicable Certificate of Determination relating to such Bonds and which shall be based on:

(a) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times;

(b) a determination of the lowest interest rate as would enable the Remarketing Agent, under prevailing financial market conditions for obligations of the same general nature of the Bonds in question and that are comparable to the Bonds in question in terms of credit and maturity or tender dates, to remarket such Bonds at a price of par, plus accrued interest, if any; or

(c) a stated interest rate that may be changed from time to time as provided in such Supplemental Resolution or Certificate of Determination; provided, however, that in each case such variable interest rate may be subject to a Maximum Interest Rate and/or a Minimum Interest Rate as provided in the Applicable Supplemental Resolution authorizing such Bonds or the Applicable Certificate of Determination relating thereto, and that Supplemental Resolution or Certificate of Determination shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.



**Variable Interest Rate Bond** means any Bond of a Series which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in the Master Resolution, refer to the Master Resolution.

**SECTION 1.02. Authority for the Master Resolution.**

The Master Resolution is duly adopted pursuant to the provisions of the Act.

**SECTION 1.03. Granting Clause.**

To secure the payment of the principal, purchase price, Accreted Value of, premium, interest, and such other amounts due on the Bonds and the performance and observance by the Authority of all the covenants, agreements and conditions expressed or implied herein or contained in the Bonds, the Authority pledges and assigns to the Trustee and grants to the Trustee, a first priority lien on and security interest in all right, title and interest of the Authority in and to all of the following and provides that such lien and security interest shall be prior in right to any other pledge, lien or security interest created by the Authority in the following: (a) the Net Revenues, (b) all moneys and securities (excluding moneys and securities on deposit in any Rebate Fund) held from time to time by the Trustee under this Master Resolution, and to the extent provided in any Supplemental Resolution moneys and securities held in any Construction Fund whether or not held by the Trustee, (c) earnings on amounts included in clauses (a) and (b) of this Granting Clause (except to the extent excluded from the definition of “Revenues” by this Master Resolution); and (d) any and all other funds, assets, rights, property or interests therein, of every kind or description which may from time to time hereafter, by delivery or by writing of any kind, be sold, transferred, conveyed, assigned, pledged, mortgaged, granted or delivered to or deposited with the Trustee as additional security hereunder, for the equal and proportionate benefit and security of all Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall, with respect to the security provided by this Granting Clause, be of equal rank without preference, priority or distinction as to any Bond over any other Bond or Bonds, except as to the timing of payment of the Bonds. The Reserve Fund, any Debt Service Reserve Fund and any Reserve Fund Facility provided at any time in satisfaction of all or a portion of the Reserve Requirement and any other security, Liquidity Facility or Credit Facility provided for specific Bonds, a specific Series of Bonds or one or more Series of Bonds may, as provided by a Supplemental Resolution or Certificate of Determination secure only such specific Bonds, Series of Bonds or one or more Series of Bonds and, therefore, shall not be included as security for all Bonds under this Master Resolution unless otherwise provided by a Supplemental Resolution and moneys and securities held in trust as provided

herein exclusively for Bonds which have become due and payable and moneys and securities which are held exclusively to pay Bonds which are deemed to have been paid under Article XII hereof shall be held solely for the payment of such specific Bonds.

**SECTION 1.04. Master Resolution and Bonds Constitute a Contract.**

It is the intent of this Master Resolution to authorize the issuance by the Authority, from time to time, of its Bonds in one or more Series, each such Series to be authorized by a separate Supplemental Resolution and, inter alia, to be separately secured from each other Series of Bonds; provided, however, that each Series of Bonds may be equally and ratably secured by the Net Revenues, and as provided in the Applicable Supplemental Resolutions. Except as otherwise provided by Applicable Supplemental Resolutions, each such Series of Bonds shall be separate and apart from any other Series of Bonds authorized by a different Supplemental Resolution and the Holders of Bonds of such Series shall not be entitled to the rights and benefits conferred upon the Holders of Bonds of any other Series of Bonds by the respective Supplemental Resolution authorizing such Series of Bonds. With respect to each Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of a Series authorized to be issued hereunder and under a Supplemental Resolution by those who shall hold or own the same from time to time, this Master Resolution and such Supplemental Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds of a Series, and the pledge and assignment to the Trustee made herein and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds of such Series, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bonds of such Series over any other Bonds of such Series except as expressly provided herein or permitted hereby or by a Supplemental Resolution.

**ARTICLE II.**

**AUTHORIZATION AND ISSUANCE OF BONDS**

**SECTION 2.01. Authorization of Bonds.**

There are hereby authorized Series of Bonds of the Authority to be issued as hereinafter provided. The Bonds of each Series shall be special obligations of the Authority payable solely from the Net Revenues and such funds and accounts (excluding the Arbitrage Rebate Fund and any fund or account established solely for purposes of making payments to reimburse a Provider) authorized by this Master Resolution and established by the Applicable Supplemental Resolution or a Certificate of Determination and pledged for the payment thereof, all in the manner more particularly provided herein. The aggregate principal amount of Bonds of a Series which may be executed, authenticated and delivered is not limited except as provided hereby and by a Supplemental Resolution.

The Bonds of each Series shall not be a debt of the City, County, or State, nor shall the City, County, or State be liable thereon, nor shall such Bonds be payable out of any funds other

than those of the Authority hereby pledged to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest thereon.

The Bonds may, if and when authorized by the Authority pursuant hereto and to one or more Supplemental Resolutions, be issued and such Bonds of each Series shall contain an appropriate Series designation.

Nothing contained herein shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Resolution of any Bonds of any two or more separate Series authorized pursuant hereto and to any such Supplemental Resolution to be issued pursuant to any of the provisions of Sections 2.03 and 2.04 hereof into a single Series of Bonds for purposes of sale and issuance; provided, however, that each of the tests, conditions and other requirements contained in Sections 2.02, 2.03 and 2.04 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this Section or in such Supplemental Resolution, such a consolidated Series shall be treated as a single Series of Bonds for all purposes hereof.

**SECTION 2.02. Provisions for Issuances of Bonds.**

The issuance of Bonds of a Series shall be authorized by a Supplemental Resolution or Supplemental Resolutions adopted at the time of or subsequent to the adoption hereof. The Bonds of a Series authorized to be issued shall be executed by the Authority and delivered to the Trustee. Such Bonds of a Series shall from time to time and in such amounts as directed by the Authority be authenticated by the Trustee and delivered to or upon the order of the Authority upon receipt of the consideration therefor and upon delivery to the Trustee of:

(a) A copy of the Master Resolution and the Supplemental Resolution authorizing such Series of Bonds, certified by an Authorized Officer of the Authority;

(b) A copy of the Certificate of Determination executed in connection with such Series of Bonds;

(c) A written order as to the delivery of such Series of Bonds, signed by an Authorized Officer of the Authority, describing such Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;

(d) Except in the case of Refunding Bonds, a certificate of an Authorized Officer listing those Projects (or, as applicable, PFC Projects) or undertakings which the Authority expects to finance with proceeds of the sale of such Series of Bonds or Program or from which the Authority expects to select those Projects which will be financed with proceeds of the sale of such Series of Bonds or Program and such certificate shall, with respect to each item on the list include an estimated cost of such Project or undertaking;

(e) The certificate of an Authorized Officer of Authority or the Consultant or Consultants, as the case may be, required by Section 2.05 hereof;

(f) If Bonds of such Series are Book Entry Bonds, a copy of the agreement between the Authority and the Depository for such Bonds (unless the Trustee is a party to such agreement);

(g) If a Credit Facility, Liquidity Facility or Reserve Fund Facility is to be provided in connection with such Bonds, such Credit Facility, Liquidity Facility or Reserve Fund Facility;

(h) A certificate of an Authorized Officer of the Authority stating that (i)(A) none of the Events of Default set forth herein have occurred and remain uncured or (B) that upon issuance of such Series of Bonds, all Events of Default set forth herein that have occurred and are continuing, shall be cured, and (ii) that the Authority is in full compliance with the terms of Sections 7.03, 7.04, 7.05, 7.09 and 7.10 hereof;

(i) Written instructions from the Authority to authenticate the Bonds and, upon receipt of the purchase price, to deliver the Bonds to or upon the order of the purchasers named in such instructions; and

(j) An opinion of Bond Counsel stating, in the opinion of Bond Counsel, that the Resolution and the Applicable Supplemental Resolution authorizing such Series of Bonds have been duly and lawfully adopted by the Authority; that the Master Resolution and such Supplemental Resolution are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms; that the Master Resolution creates the valid pledge and the valid lien for the benefit of the Bondholders upon the Revenues which it purports to create, subject only to the provisions of the Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolution and such Supplemental Resolution; and that the Authority is duly authorized and entitled to issue such Series of Bonds and, upon the execution and delivery thereof and upon authentication by the Trustee, such Series of Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Authority entitled to the benefits of the Resolution and such Supplemental Resolution; provided, however, that such opinion may be qualified to the extent that enforceability of rights and remedies may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

### **SECTION 2.03. Supplemental Resolutions.**

Each Supplemental Resolution authorizing the issuance of a Series of Bonds shall specify, or delegate to an Authorized Officer of the Authority the power to determine and carry out, the following:

(a) The sale of the Bonds of such Series at public or private sale (including pursuant to a private placement of the Bonds of such Series); the approval of the terms of and publication of an official statement or other offering document, if any, describing the Bonds of such Series and, if such Bonds are to be sold at public sale, publication of a notice of sale; and

the execution of a contract or contracts of purchase at public or private sale on behalf of the Authority;

(b) The authorized principal amount of such Series of Bonds;

(c) The purpose or purposes for which such Series of Bonds is being issued, which shall be limited to (i) payment of the Costs of the Project, (ii) funding a Debt Service Reserve Fund, if any, (iii) payment of the Costs of Issuance of such Series of Bonds, and (iv) funding or refunding of Bonds or Prior Obligations, which may include interest thereon;

(d) The Project or Projects (or as, applicable PFC Project or PFC Projects) in connection with which the Bonds of such Series are being issued;

(e) The date or dates, the maturity date or dates and principal amounts of each maturity of the Bonds of such Series, the amount and date of each Sinking Fund Installment, if any, and which Bonds of such Series are Serial Bonds or Term Bonds, if any, and the Record Date or Record Dates of the Bonds of such Series for which the Record Date or Record Dates is other than the fifteenth (15th) day of the calendar month next preceding an interest payment date for such Bonds;

(f) Except in the case of Capital Appreciation Bonds and Deferred Income Bonds, the interest rate or rates, if any, of the Bonds of such Series or the manner of determining such rate or rates, the date from which interest on the Bonds of such Series shall accrue, the first date on which interest on the Bonds of such Series shall be payable and the date or dates on which the rate at which Variable Interest Rate Bonds of such Series bear interest shall be adjusted and the date or dates on which interest on such Variable Interest Rate Bonds shall be paid, or the manner of determining the same, and the manner in which interest is to be paid on such Variable Interest Rate Bonds;

(g) If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

(h) If Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Bonds, the Valuation Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;

(i) The Maximum Interest Rate, if any, and Minimum Interest Rate, if any, in connection with any Variable Interest Rate Bonds of such Series;

(j) If Bonds of such Series are Option Bonds or Variable Interest Rate Bonds, provisions regarding tender for purchase or redemption thereof, payment of the purchase price or Redemption Price thereof and the appointment of a Remarketing Agent with respect thereto;

(k) The denomination or denominations of and the manner of numbering and lettering the Bonds of such Series;

(l) The Paying Agent or Paying Agents for such Bonds, if any, and, subject to the provisions of Section 3.01 hereof, the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds of such Series; provided, however, that such Paying Agent or Paying Agents may be appointed by resolution adopted prior to authentication and delivery of such Series of Bonds in accordance with the provisions of Section 8.02 hereof;

(m) The Redemption Price or Redemption Prices, if any, and, subject to Article IV hereof, the redemption terms, if any, for the Bonds of such Series;

(n) Provisions for the sale or exchange of the Bonds of such Series and for the delivery thereof;

(o) The form of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon, and whether any Bonds of such Series are to be issued as Book Entry Bonds and the Depository therefor;

(p) Whether a Debt Service Reserve Fund is established securing such Series of Bonds, and, if so, the Debt Service Reserve Fund Requirement (which may be zero) and the terms and conditions upon which a Reserve Fund Facility may be used to fund all or a portion of the Debt Service Reserve Fund Requirement;

(q) Directions for the application of the proceeds of the Bonds of such Series;

(r) The Trustee, if any, and any Providers for such Series of Bonds;

(s) The type of Credit Facility, if any, and the terms of such Credit Facility;

(t) If any additional rights shall be granted to a purchaser of the Bonds in a private placement and the nature and scope of such additional rights; and

(u) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of a Supplemental Resolution.

An Authorized Officer to whom a Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to such delegation, and such Certificate of Determination shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein.

#### **SECTION 2.04. Refunding Bonds.**

All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds, one or more Series of Outstanding Bonds, a portion of a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. All or any portion of one or more Series of Refunding Bonds may

also be authenticated and delivered upon original issuance to refund all Prior Obligations, one or more Series of Prior Obligations, a portion of a Series of Prior Obligations or a portion of a maturity of a Series of Prior Obligations. The Authority may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other money available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Section and of the Supplemental Resolution authorizing such Series of Refunding Bonds.

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02 hereof) of:

(a) If the Bonds to be refunded are to be redeemed, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(b) Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in Section 12.01 hereof to the Holders of the Bonds being refunded;

(c) Either (i) money in an amount sufficient to effect payment of the principal at maturity or the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which money shall be held by the Trustee or any one or more of the Paying Agents in a separate fund or account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of said Section 12.01 hereof, which Defeasance Securities and money shall be held in trust and used only as provided in said Section; and

(d) A certificate of an Authorized Officer of the Authority containing such additional statements as may be reasonably necessary to show compliance with the requirements of this Section.

The proceeds, including accrued interest, of Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in, or as determined in accordance with, the Supplemental Resolution authorizing such Refunding Bonds or the Certificate of Determination relating to such Series of Refunding Bonds and the Trustee is hereby authorized to conclusively rely on the direction set forth in such Supplemental Resolution or Certificate of Determination, as applicable.

#### **SECTION 2.05. Tests for Issuance of Bonds.**

Subject to the provisions under subsections (i), (ii) or (iii) of the last paragraph of this Section, notwithstanding anything to the contrary herein, as a condition to the issuance of any Series of Bonds, there shall first be delivered to the Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Officer showing the Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds or preceding the first issuance of the proposed Program Bonds were at least equal to 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds, Unissued Program Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds and the full Authorized Amount of such proposed Program Bonds (as applicable) were then Outstanding; or

(b) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by a Consultant or Authorized Officer showing that:

(i) the Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds or the establishment of a Program, were at least equal to 125% of the sum of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds or the proposed Program Bonds) for such Fiscal Year or other applicable period; and

(ii) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Bonds during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Series of Bonds, or (B) the third full Fiscal Year during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof, the estimated Net Revenues for each such Fiscal Year, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds, Unissued Program Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds and the full Authorized Amount of such proposed Program Bonds (as applicable) were then Outstanding).

For purposes of paragraph (b)(ii) above, in estimating Net Revenues, the Consultant or Authorized Officer may take into account (1) Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Revenues which have been approved by the Authority and will be in effect during the period for which the estimates are provided, (3) any other increases in Revenues which the Consultant or Authorized Officer believes to be a reasonable assumption for such period. With respect to Maintenance and Operation Costs, the Consultant or Authorized Officer shall use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Maintenance and Operation Costs, (ii) Maintenance and Operation Costs associated with the Projects and any other new Airport Facilities, and (iii) such other factors, including inflation and changing operations or policies of the Authority, as the Consultant or Authorized Officer believes to be



appropriate. The Consultant or Authorized Officer shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant or Authorized Officer.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants or the Authorized Officer may rely upon financial statements prepared by the Authority which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Officer shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments.

If Available PFC Revenues are included in determining compliance with the requirements of this Section 2.05, the following rules will apply:

(i) The Consultant or Authorized Officer may assume (A) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of the applicable PFC Bonds will be in effect for the entire forecast period, and (B) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at the Airport pursuant to such legislation prior to the date of the Consultant's report;

(ii) The Consultant or Authorized Officer, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Consultant is issued (or such shorter period for which Passenger Facility Charges have been collected);

(iii) Available PFC Revenues may be taken into account in an amount not greater than the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing approved PFC applications, were or will be available during the applicable period; and

(iv) The amount of Available PFC Revenues included in determining compliance with the requirements of this Section 2.05 above shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Annual Debt Service in any Fiscal year in the applicable period on the PFC Bonds, and the PFC Bonds, if any, then proposed to be issued.

Neither of the certificates described under paragraph (a) or (b) above shall be required:

(i) if the Bonds being issued are for the purpose of refunding then Outstanding Bonds and there is delivered to the Trustee, instead, a certificate of the Authorized Officer showing that Aggregate Annual Debt Service for each Fiscal Year

after the issuance of such Refunding Bonds will not exceed the Aggregate Annual Debt Service for each Fiscal Year prior to the issuance of such Refunding Bonds;

(ii) if the Bonds being issued constitute Notes and there is delivered to the Trustee, instead, a certificate prepared by an Authorized Officer showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Notes and there is delivered to the Trustee a certificate of an Authorized Officer setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the Authority will be in compliance with Section 7.04(a) and (b) hereof; or

(iii) if the Bonds being issued are to pay costs of completing a Project for which Bonds have previously been issued and the principal amount of such Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Officer and there is delivered to the Trustee (1) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (2) a certificate of an Authorized Officer of the Authority to the effect that (x) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Project) of the original Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (y) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose) and (z) the proceeds to be received from the issuance of such Bonds plus moneys available in the Construction Fund established for the Project (including unspent proceeds of the Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project.

**SECTION 2.06. Repayment Obligations Afforded the Status of Bonds.**

(a) If a Credit Provider or Liquidity Provider makes payment of principal of and/or interest on a Bond or advances funds to purchase or provide for the purchase of Bonds and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Authority, but is not reimbursed, the Repayment Obligation under such written agreement may, if so provided in the written agreement, be afforded the status of a Bond issued under this Article II, and, if afforded such status, the Credit Provider or Liquidity Provider shall be the Bondholder and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of Sections 2.03 through 2.05 hereof; provided, however, the payment terms of the Bond held by the Credit Provider or the Liquidity Provider hereunder shall be as follows (unless otherwise provided in the written agreement with the Credit Provider or Liquidity Provider or a Supplemental Resolution pursuant to which the Bonds are issued): (i) interest shall be due and payable quarterly at the Credit Provider's or Liquidity Provider's prime rate plus 3% and (ii)

principal shall be due and payable not less frequently than annually and in such annual amounts as to amortize the principal amount thereof in (A) 30 years or, (B)(1) if shorter, a term extending to the maturity date of the enhanced Bonds or (2) if later, the final maturity of the Repayment Obligation under the written agreement, and providing substantially level Annual Debt Service payments, using the rate of interest set forth in the written repayment agreement which would apply to the Repayment Obligation as of the date such amortization schedule is fixed. The principal amortized as described in the prior sentence shall bear interest in accordance with the terms of the Repayment Obligation. Any amount which comes due on the Repayment Obligation by its terms and which is in excess of the amount treated as principal of and interest on a Bond shall be payable from Net Revenues on a basis subordinate to the payment and/or funding of the Bonds and any reserve funds established with respect to the Bonds. This provision shall not defeat or alter the rights of subrogation which any Credit Provider or Liquidity Provider may have under law or under the terms of any Supplemental Resolution. The Trustee may conclusively rely on a written certification by the Credit Provider or the Liquidity Provider of the amount of such non-reimbursement and that such Repayment Obligation is to be afforded the status of a Bond under this Master Resolution.

(b) In addition to the Repayment Obligations described in paragraph (a) above, any other amounts owed by the Authority to a Credit Provider or a Liquidity Provider pursuant to the provisions of a written agreement between the Authority and the Credit Provider or the Liquidity Provider, that are Repayment Obligations under such written agreement, shall, if so provided in the written agreement, be afforded the status of a Bond issued under this Article II and, if afforded such status, the Credit Provider or the Liquidity Provider shall be deemed to be the Holder of such Bond, and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of Sections 2.02 or 2.05 hereof. Such Repayment Obligation will be paid in accordance with the terms of the Supplemental Resolution or Certificate of Determination pursuant to which the Bonds are issued or the terms of the agreement with the Credit Provider or the Liquidity Provider.

#### **SECTION 2.07. Obligations under a Qualified Swap.**

(a) The obligation of the Authority to make Regularly Scheduled Swap Payments under a Qualified Swap with respect to a Series of Bonds may be on a parity with the obligation of the Authority to make payments with respect to such Series of Bonds and other Bonds under this Master Resolution, except as otherwise provided herein or in a Supplemental Resolution. The Authority may provide in any Supplemental Resolution that Regularly Scheduled Swap Payments under a Qualified Swap shall be secured by a pledge of or lien on Net Revenues and such other security set forth in the Granting Clause of this Master Resolution on a parity with the Bonds of such Series and all other Bonds, regardless of the principal amount, if any, of the Bonds of such Series remaining Outstanding. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by the Qualified Swap Provider necessary to preserve and protect such pledge, lien and assignment and to enforce the obligations of the Trustee with respect thereto. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted in this Master Resolution or to institute any action, suit or proceeding in its own name,

the Qualified Swap Provider shall provide to the Trustee security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

(b) In the event that a Swap Termination Payment or any other amounts other than as described in paragraph (a) above are due and payable by the Authority under a Qualified Swap, such Swap Termination Payment and any such other amounts shall, unless otherwise provided in a Supplemental Resolution, constitute an obligation of the Authority payable from Net Revenues and such other security set forth in the Granting Clause of this Master Resolution subordinate to its obligations to pay and/or fund the Bonds and any reserve funds established with respect to such Bonds.

(c) Obligations of the Authority to make payments, including termination payments, under a Nonqualified Swap shall, unless otherwise provided in a Supplemental Resolution, constitute an obligation of the Authority payable from Net Revenues and such other security set forth in the Granting Clause of this Master Resolution subordinate to its obligations to pay and/or fund the Bonds and any reserve funds established with respect to such Bonds.

### **Section 2.08 PFC Bonds.**

Notwithstanding anything to the contrary herein, the Authority may by Supplemental Resolution or related Certificate of Determination, upon compliance with Section 2.05 hereof, designate any Bond as a PFC Bond, and grant to the Holder thereof as additional security, a pledge of, lien on, and security interest for the benefit of such Holder in, all or a portion of the Available PFC Revenues.

## **ARTICLE III.**

### **GENERAL TERMS AND PROVISIONS OF BONDS**

#### **SECTION 3.01. Place and Medium of Payment.**

(a) The Bonds shall be payable, with respect to interest, principal and Redemption Price, 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. Except as otherwise provided in Sections 3.10 and 4.06 hereof, upon presentation and surrender of Bonds on their maturity or earlier redemption dates, the principal or Redemption Price of such Bonds shall be payable at the principal corporate trust office of the Trustee or such other location as the Trustee may reasonably direct. Except as otherwise provided in the Supplemental Resolution authorizing the issuance of Variable Interest Rate Bonds or Option Bonds or the Certificate of Determination related to such Bonds, interest on a Series of Bonds shall be paid by check or draft mailed to the registered owner thereof at the address thereof as it appears on the registry books of the Authority or, for so long as the Bonds shall not be issued in book-entry only form, at the option of the registered owner of at least One Million Dollars (\$1,000,000) in principal amount of Bonds of a Series, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, not less than five (5) Business Days prior to the Record Date for such Bonds immediately preceding such interest payment date,

directed the Trustee to wire such interest payment. For purposes of this Section, interest is payable to the registered owner of a Bond at the close of business on the Record Date for such Bond. All payments of principal or Redemption Price of or interest on Bonds shall specify the CUSIP number or numbers of the Bonds in connection with which such payment is made.

(b) The Bonds shall be issued in Series in the form of fully registered Bonds without coupons. Any Supplemental Resolution or Certificate of Determination may contain such additional provisions regarding the registration, transfer and exchange of Bonds of such Series as are not inconsistent herewith.

(c) Bonds of a Series issued prior to the first interest payment date thereof shall be dated as of the date specified in the Supplemental Resolution authorizing the issuance thereof or the Certificate of Determination related thereto. Bonds of a Series issued on or subsequent to the first interest payment date thereof shall be dated as of the interest payment date immediately preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered. Bonds of each Series shall bear interest from their date.

(d) For all purposes of the Act relating to or dealing with the date of the Bonds of a Series, such Bonds shall be deemed to be dated as of the date provided for the Bonds of such Series in the manner provided in the Supplemental Resolution authorizing the issuance thereof or in the Certificate of Determination related thereto.

(e) Except as provided in the Applicable Supplemental Resolution or Applicable Certificate of Determination, all Bonds of a Series shall mature on July 1 of each year in which a maturity is fixed by the Supplemental Resolution authorizing the issuance of such Bonds or the Certificate of Determination relating to such Bonds. Except as provided in the Applicable Supplemental Resolution or Applicable Certificate of Determination, interest on all Bonds of a Series (except the first installment of interest due on such Bonds of a Series and interest on Variable Interest Rate Bonds which is adjusted more frequently than semi-annually) shall be payable semiannually on January 1 and July 1 of each year in which an installment of interest becomes due as fixed in a Supplemental Resolution or a Certificate of Determination. Interest on Variable Interest Rate Bonds which is adjusted more frequently than semi-annually shall be payable at such times as shall be provided in the Supplemental Resolution authorizing the issuance thereof or the Certificate of Determination related thereto. The first installment of interest due on the Bonds of a Series may be for such period as the Authority shall fix in the Supplemental Resolution authorizing the issuance thereof or the Certificate of Determination related thereto.

### **SECTION 3.02. Legends.**

The Bonds of a Series shall contain, or have endorsed thereon, a statement or legend to the following effect:

The Bonds are special limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues derived by the Authority from the operations of the Airport and such other amounts, funds and accounts pledged therefor under the Master Resolution and Applicable Supplemental Resolution. None of the properties of the Airport are subject to any mortgage or other lien for the benefit of the owners of the Bonds, and neither the full faith and credit nor the taxing power of the City of Syracuse, the County of Onondaga, the State of New York, nor any political subdivision or agency of the State of New York is pledged to the payment of the principal of, Accreted Value, if any, premium, if any, purchase price, if any, or interest on the Bonds. Neither the Bonds nor the obligation to pay principal of, Accreted Value or interest thereon constitutes a debt of the City of Syracuse, the County of Onondaga, the State of New York, or any of its political subdivisions.

In addition to the foregoing, the Bonds of a Series may contain, or have endorsed thereon, such other provisions, specifications and descriptive words not inconsistent herewith or with any Supplemental Resolution authorizing the same, as may be necessary or desirable and as may be determined by the Authority prior to their delivery.

### **SECTION 3.03. CUSIP Numbers.**

The Authority shall provide for the assignment of CUSIP numbers, ISIN numbers, and/or other appropriate identifying numbers for the Bonds and cause such identifying numbers to be printed thereon, and the Trustee shall use such identifying numbers in notices of redemption and of the tender of Option Bonds and on all checks payable to the Bondholders of such Series as a convenience to such Bondholders; provided, however, that any such notice shall state that no representation is made as to the correctness of such number either as printed on such Bonds or as contained in any notice of redemption or tender, that an error in an identifying number as printed on such Bond or as contained in any notice of redemption or tender shall not affect the validity of the proceedings for redemption or tender and that the Trustee shall not be liable or otherwise responsible for any such error or any consequence as a result thereof.

### **SECTION 3.04. Execution and Authentication.**

(a) The Bonds of a Series shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair or other Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of the Secretary, an Assistant Secretary or other Authorized Officer of the Authority, or in such other manner as may be permitted by law. In case any one or more of the officers or employees who shall have signed or sealed any of such Bonds shall cease to be such officer or employee before such Bonds so

signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be delivered as provided herein, and may be issued as if the Persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond may be signed and sealed on behalf of the Authority by such Persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or be employed by, the Authority, although at the date of the Bonds such Persons may not have been so authorized or have held such office or employment.

(b) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Applicable Supplemental Resolution or Certificate of Determination, executed manually by the Trustee unless such Supplemental Resolution or Certificate of Determination shall authorize execution by the Trustee by facsimile signature. Only such Bonds of a Series as shall bear thereon such certificate of authentication shall be entitled to any right or benefit hereunder and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond of a Series executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the Holder thereof is entitled to the benefits hereof.

#### **SECTION 3.05. Interchangeability of Bonds.**

Bonds, upon surrender thereof at the principal corporate trust office of the Trustee (or such other office as the Trustee may direct) with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and tenor of any other Authorized Denominations.

#### **SECTION 3.06. Transfer of Bonds.**

(a) Each Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee (or such other office as the Trustee may select from time to time), by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge or other expense required to be paid with respect to such transfer. Upon the transfer of any such Bond, the Authority shall cause to be issued in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series, maturity and tenor as the surrendered Bond.

(b) The Authority and the Trustee may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and, subject to the provisions of Section 3.01 hereof with respect to Record Dates, interest on such Bond and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his

order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. The Authority agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it (including without limitation reasonable attorneys' fees), acting in good faith and without gross negligence hereunder, in so treating such registered owner.

**SECTION 3.07. Regulations with Respect to Exchanges and Transfers.**

In all cases in which the privilege of exchanging Bonds or transferring Bonds of a Series is exercised, the Authority shall execute and the Trustee shall authenticate and deliver such Bonds in accordance with the provisions hereof. All such Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge or other expense required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provisions hereof, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Authority or the Trustee incurred in connection therewith (including without limitation reasonable attorneys' fees), shall be paid by the Person requesting such exchange or transfer. The Authority shall not be obliged to make, or cause to be made, any exchange or transfer of Bonds, other than the exchange or transfer of an Option Bond which has been tendered or deemed to have been tendered by the Holder thereof for purchase, during the period beginning on the Record Date for such Bonds next preceding an interest payment date on such Bonds and ending on such interest payment date, or, in the case of any proposed redemption of such Bonds, after the Record Date next preceding the date of the selection of Bonds to be redeemed.

**SECTION 3.08. Bonds Mutilated, Destroyed, Lost, or Stolen.**

In case any Bond shall become mutilated or be destroyed, lost or stolen, the Authority in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, tenor and principal amount as such Bond so mutilated, destroyed, lost or stolen, in exchange and substitution for the mutilated, destroyed, lost or stolen Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for such Bond so destroyed, lost or stolen, upon filing with the Authority evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and the Trustee may incur in connection therewith (including without limitation reasonable attorneys' fees). All Bonds so surrendered to the Trustee shall be canceled by it and evidence of such cancellation shall be given to the Authority. In case any Bond which has matured or is about to mature shall have become mutilated or have been destroyed, lost or stolen, the Authority may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of such mutilated Bond upon the surrender on or after the maturity date thereof, or authorize the payment of such destroyed, lost



or stolen Bond, upon the Holder thereof filing evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and the Trustee may incur in connection therewith (including without limitation reasonable attorneys' fees).

### **SECTION 3.09. Book Entry Bonds.**

(a) Anything herein to the contrary notwithstanding, Bonds may be authorized and issued as Book Entry Bonds in accordance with the Supplemental Resolution authorizing such Bonds or the Certificate of Determination relating to such Bonds.

(b) For all purposes of the Master Resolution, the Holder of a Book Entry Bond shall be the Depository therefor and neither the Authority nor the Trustee shall have responsibility or any obligation to the Beneficial Owner of such Bond or to any direct or indirect participant in such Depository. Without limiting the generality of the foregoing, neither the Authority nor the Trustee shall have any responsibility or obligation to any such participant or to the Beneficial Owner of a Book Entry Bond with respect to (i) the accuracy of the records of the Depository or any participant with respect to any beneficial ownership interest in such Bond, (ii) the delivery to any participant of the Depository, the Beneficial Owner of such Bond or any other Person, other than the Depository, of any notice with respect to such Bond, including any notice of the redemption thereof, or (iii) the payment to any participant of the Depository, the Beneficial Owner of such Bond or any other Person, other than the Depository, of any amount with respect to the principal or Redemption Price of, or interest on, such Bond, (iv) the selection by the Depository or any participant of any Person to receive payment in the event of a partial redemption of such Bond; or (v) any consent given or other action taken by the Depository as Holder of a Book Entry Bond. The Authority and the Trustee may treat the Depository therefor as the absolute owner of a Book Entry Bond for the purpose of (A) payment of the principal or Redemption Price of and interest on such Bond, (B) giving notices of redemption and of other matters with respect to such Bond, and (C) registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal or Redemption Price of and interest on such Bond, only to or upon the order of the Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal or Redemption Price and interest to the extent of the sum or sums so paid. No Person other than the Depository shall receive a Bond or other instrument evidencing the Authority's obligation to make payments of the principal or Redemption Price thereof, and interest thereon.

(c) Anything herein to the contrary notwithstanding, payment of the Redemption Price of Book Entry Bonds which are redeemed prior to maturity may be paid to the Depository by wire transfer. Payment of the Redemption Price of Book Entry Bonds of like Series, maturity and tenor which are redeemed in part may be made without surrender of such Bonds to the Trustee; provided, however, that the principal of such Bonds at the maturity date thereof or the Redemption Price of Book Entry Bonds of like Series, maturity and tenor which

are redeemed in whole shall be paid only upon presentation and surrender of such Bonds to the Trustee.

(d) The Authority, in its sole discretion and without the consent of the Trustee, the Beneficial Owner of a Book Entry Bond or any other Person, may terminate the services of the Depository with respect to such Book Entry Bond if the Authority determines that (i) the Depository is unable to discharge its responsibilities with respect to such Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds of like Series issued in book entry form be registered in the registration books of the Authority in the name of the Depository is not in the best interest of the Beneficial Owners of such Bonds, and the Authority shall terminate the services of the Depository upon receipt by the Authority and the Trustee of written notice from the Depository that it has received written requests that such Depository be removed from its participants having beneficial interest, as shown in the records of the Depository, in an aggregate amount of not less than a majority in principal amount of the then Outstanding Bonds for which the Depository is serving as Depository.

(e) Upon the termination of the services of a Depository with respect to a Book Entry Bond, or upon the resignation of a Depository with respect to a Book Entry Bond, after which no substitute securities depository willing to undertake the functions of such Depository can be found which, in the opinion of the Authority, is able to undertake such functions upon reasonable and customary terms, such Bonds shall no longer be registered in the registration books kept by the Trustee in the name of a Depository, but may be registered in the name or names Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of Article III hereof.

### **SECTION 3.10. Preparation of Definitive Bonds; Temporary Bonds.**

(a) The definitive Bonds of a Series may be lithographed or printed, with or without steel engraved borders, typewritten or produced in such other manner as the Authority determines. Until the definitive Bonds of a Series are prepared, the Authority may execute, in the same manner as is provided in Section 3.04 hereof, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability for registered Bonds, 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 or any whole multiples thereof authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender at the principal corporate trust office of the Trustee (or such other office that the Trustee may select) of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds the Trustee shall authenticate and deliver in exchange therefor, at the principal corporate trust office of the Trustee (or such other office that the Trustee may select), definitive Bonds of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds of a Series shall in all respects be entitled to the same benefits and security as definitive Bonds of the same Series issued pursuant hereto.

(b) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

**SECTION 3.11. Tender of Option Bonds.**

An Option Bond which is required to be delivered for redemption or purchase pursuant to the provisions hereof or of the Supplemental Resolution authorizing such Bond or the Certificate of Determination relating to such Bond shall be deemed surrendered as provided in the Supplemental Resolution authorizing the issuance thereof or the Certificate of Determination relating thereto even though such Bond has not been actually presented and surrendered by the Holder thereof.

**SECTION 3.12. Cancellation of Bonds.**

The Trustee or any Paying Agent shall forthwith cancel all Bonds of a Series which have been redeemed or paid by it and shall dispose of them in accordance with its normal procedure and notice thereof shall be given to the Authority if requested by the Authority. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds of such Series shall be issued in lieu thereof.

**SECTION 3.13. Restrictions on the Transfer of Bonds.**

Each Person who is or who becomes a Beneficial Owner of a Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of the Applicable Supplemental Resolution and Certificate of Determination in connection with any restrictions on the transfer thereof. No beneficial ownership interest in a Bond may be transferred unless the proposed resale, transfer or other disposition is in a transaction which does not require registration or qualification under the Securities Act of 1933 (the “**Securities Act**”).

**ARTICLE IV.**

**REDEMPTION AND PURCHASE OF BONDS**

Bonds may be made subject to redemption either in whole or in part and at such times, prices and in such order and under such terms as may be provided by the Supplemental Resolution or Certificate of Determination providing for the issuance of such Bonds. The Authority may provide for the redemption of Bonds from any funds available to the Authority and not obligated for other purposes.

In connection with the partial early redemption of any Term Bonds of a Series, the Authority may, in any Supplemental Resolution or Certificate of Determination, provide that the principal amount of Bonds of such Series being redeemed shall be allocated against its scheduled Sinking Fund Installment and modify its scheduled Sinking Fund Installments payable thereafter as to the Outstanding Term Bonds of such Series in any manner the Authority may determine. The Authority may provide in any Supplemental Resolution or Certificate of Determination that,

prior to notice of redemption for any Bonds of a Series, moneys in the Debt Service Fund, the Reserve Fund or any Applicable Senior Debt Service Reserve Fund relating to such Series of Bonds may be applied at the direction of the Authority to the purchase of Bonds of such Series and, if any such purchased Bonds are Term Bonds, the Authority may allocate the principal amount of Bonds of such Series being redeemed against its scheduled Sinking Fund Installment for such Bonds and may modify its scheduled Sinking Fund Installments thereafter payable with respect to Bonds of such Series in any manner the Authority may determine.

## **ARTICLE V.**

### **FUNDS AND ACCOUNTS; REVENUES AND APPLICATION THEREOF**

#### **SECTION 5.01. Pledge of Net Revenues.**

The Bonds authorized and issued under the provisions of this Master Resolution shall be secured as provided in the Granting Clause of this Master Resolution. The Authority hereby represents and states that it has not previously created any charge or lien on or any security interest in the Revenues, the Net Revenues or any of the other security which is pledged pursuant to the Granting Clause of this Master Resolution and the Authority covenants that, until all the Bonds authorized and issued under the provisions of this Master Resolution and the interest thereon shall have been paid or are deemed to have been paid in full, it will not, except as otherwise provided under this Master Resolution, grant any prior or parity pledge of or any security interest in the Net Revenues or any other security which is pledged pursuant to the Granting Clause of this Master Resolution, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Bonds from time to time Outstanding under this Master Resolution. The Authority may, as provided in and as limited by Section 7.06 hereof, grant a lien on or security interest in the Net Revenues or any of the other security which is pledged pursuant to the Granting Clause of this Master Resolution to secure Subordinate Obligations.

The pledge made hereby is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of a Series of Bonds, the Net Revenues, and all funds and accounts established hereby and by a Supplemental Resolution which are pledged hereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Series shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of such Series of Bonds, the Net Revenues, and the funds and accounts established hereby and pursuant to a Supplemental Resolution and which are pledged hereby as provided herein, which pledge shall constitute a first priority lien thereon, subject only to any existing or future liens securing Subordinate Obligations.

#### **SECTION 5.02. Receipt, Deposit and Use of Revenues – Revenue Fund.**

In order to carry out and effectuate the agreements and covenants contained herein, the Authority agrees and covenants that all Revenues shall be received by the Authority in trust hereunder and shall be deposited when and as received in the Revenue Fund maintained by the Authority's Treasurer, and all moneys in the Revenue Fund shall be applied and used as provided in Section 5.06 hereof.

**SECTION 5.03. Establishment of Funds and Accounts.**

(a) In addition to such funds as may be provided by a Supplemental Resolution or a Certificate of Determination, the following funds are authorized to be established and shall be held and maintained for each Series of Bonds by the Trustee separate and apart from any other funds established and maintained pursuant to this Master Resolution, any Supplemental Resolution or any Certificate of Determination:

Debt Service Fund;  
Reserve Fund;  
Subordinate Obligation Debt Service Fund, if any;  
Subordinate Obligation Reserve Fund, if any; and  
Arbitrage Rebate Fund;  
Maintenance and Operation Reserve Fund.

(b) In addition to the funds required to be established hereby, the Authority may for purposes of internal accounting establish such other accounts and subaccounts as the Authority or the Trustee deems proper, necessary or desirable in a Supplemental Resolution or a Certificate of Determination. In addition to the accounts and subaccounts, if any, required to be established hereby or by any Supplemental Resolution, or any Certificate of Determination, the Authority may for purposes of internal accounting establish such other accounts and subaccounts as the Authority or the Trustee deems proper, necessary or desirable. All money at any time deposited in any fund, account or subaccount created and pledged hereby or by a Supplemental Resolution or Certificate of Determination or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds of such Series, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided herein, unless otherwise provided in the Applicable Supplemental Resolution or Certificate of Determination relating to such Bonds; provided, however, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Supplemental Resolution authorizing the issuance of such Bonds or the Certificate of Determination relating to such Bonds or derived from a Liquidity Facility, if any, relating to such Bonds, and any fund or account established by or pursuant to such Supplemental Resolution or Certificate of Determination for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged hereby for the payment of the purchase price of such Option Bonds.

(c) For avoidance of doubt:

(i) The following funds shall be held by the Trustee (A) each Debt Service Reserve Fund, (B) the Reserve Fund, (C) any Debt Service Reserve Fund established by Supplemental Indenture or Certificate of Determination, (D) the Arbitrage Rebate Fund, (E) any other funds established pursuant to a Supplemental Resolution or Certificate of Determination. In addition, the Trustee may, at the direction of the Authority, hold the Construction Fund and the PFC Project Fund, as provided by Supplemental Resolution or Certificate of Determination.

(ii) The following funds shall be held by the Authority (A) the Revenue Fund, (B) the PFC Revenue Fund, (C) the Maintenance and Operation Reserve Fund, (D) any other funds established pursuant to a Supplemental Resolution or Certificate of Determination. In addition, the Authority hold the Construction Fund and the PFC Project Fund, as provided by Supplemental Resolution or Certificate of Determination.

(iii) The following funds shall be held by a subordinate Trustee, if any (A) each Subordinate Obligation Debt Service Reserve Fund, (B) the Subordinate Obligation Reserve Fund, (C) any other funds established pursuant to a Supplemental Resolution or Certificate of Determination in connection with the Issuance of Subordinate Obligations.

**SECTION 5.04. Application of Bond Proceeds and Allocation Thereof.**

Upon the receipt of proceeds from the sale of a Series of Bonds, the Authority shall apply such proceeds as specified herein and in the Supplemental Resolution authorizing such Series or in the Certificate of Determination relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Applicable Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Supplemental Resolution authorizing such Series or the Certificate of Determination relating to such Series.

**SECTION 5.05. Application of Money in the Construction Fund.**

(a) As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Supplemental Resolution authorizing such Series or the Certificate of Determination relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any money paid to the Authority pursuant to Section 7.16 hereof.

(b) Except as otherwise provided in this Article V and in any Applicable Supplemental Resolution or Certificate of Determination, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Project with respect to such Series of Bonds. The Applicable Supplemental Resolution or Certificate of Determination may provide for the establishment of a Capitalized Interest Account in the Construction Fund to pay or provide for the payment of interest on such Series of Bonds and fees related to the

Applicable Provider and the Applicable remarketing fees of such Series of Bonds during the construction of a Project and for a reasonable time after the completion of such Project. The Applicable Supplemental Resolution or Certificate of Determination may provide for the establishment of an Equity Account in the Construction Fund to pay or provide for a portion of the Costs of Issuance and the Costs of the Project.

(c) Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment. Unless otherwise provided in the Applicable Supplemental Resolution, payments for Costs of each Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority, substantiated by a certificate naming the Project in connection with which payment is to be made and describing in reasonable detail the purpose for which money was used and the amount thereof, and further stating that such purpose constitutes a necessary part of the Costs of such Project, except that payments to pay interest on Bonds of a Series and fees of the Provider shall be made by the Trustee upon receipt of, and in accordance with, the direction of an Authorized Officer of the Authority directing the Trustee to transfer such amount from the Capitalized Interest Account of the Construction Fund to the Debt Service Fund or to pay such fees to the Provider, the Remarketing Agent or the Authority.

(d) Any Net Proceeds of insurance, condemnation or eminent domain awards received by the Authority with respect to a Project shall be deposited in the Construction Fund and, if necessary, such fund may be re-established for such purpose and, if not used to repair, restore or replace the Project, transferred to the Debt Service Fund for the redemption of Bonds in accordance with the Applicable Supplemental Resolution or Certificate of Determination.

(e) A Project shall be deemed to be complete upon delivery by the Authority, to the Provider, if any, and the Trustee of a certificate signed by an Authorized Officer of the Authority, which certificate shall be delivered as soon as practicable after the date of completion of such Project. Each such certificate shall state that the Project has been completed substantially in accordance with the plans and specifications, if any, applicable to such Project and that such Project is ready for occupancy or use, and, in the case of a certificate of an Authorized Officer of the Authority, shall specify the date of completion.

(f) Upon receipt by the Trustee of a certificate relating to the completion of a Project, the money, if any, then remaining in the Construction Fund relating to such Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of such Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

*First:* Upon the direction of an Authorized Officer of the Authority, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund, the amount set forth in such direction;

Second: To the Debt Service Reserve Fund established under an Applicable Supplemental Resolution or Certificate of Determination, if any, such amount as shall be necessary to make the amount on deposit in such fund equal to the Applicable Debt Service Fund Requirement; and

*Third:* To the Debt Service Fund, to be applied in accordance with Section 5.06 hereof, any balance remaining.

The Trustee shall have the right to rely on any certificate (or any other instrument, document or agreement) delivered to it pursuant to this Section 5.05 believed by it in good faith to be genuine, and the Trustee shall not be liable for any action taken by it pursuant to any such certificate (or any other instrument, document or agreement).

### **SECTION 5.06. Deposit and Allocation of Revenues.**

(a) As long as there are any Outstanding Bonds, all Revenues shall be deposited by the Authority in the Revenue Fund and shall be set aside, along with any other money, as follows and in the following order of priority (or, if the Applicable Supplemental Resolution or Certificate of Determination provides other directions, as such Supplemental Resolution or Certificate of Determination so provides):

*First:* The Authority shall pay all Maintenance and Operations Costs (including any amounts reasonably required be set aside in contingency reserves for Maintenance and Operations Costs, the payment of which is not then immediately required) and all fees, costs, and expenses of the Trustee (including all annual fees and charges) from the Revenue Fund as they become due and payable;

*Second:* To the Trustee for deposit in the Debt Service Fund (i) for a Series of Bonds for which a direct pay Credit Facility shall not be in effect, without priority and on an equal basis, except as to timing of payment, the amounts, at the times and in the manner provided in Section 5.07 hereof to provide for the payment of (A) the principal of and interest to become due on the Outstanding Bonds of a Series, (B) the principal and Sinking Fund Installments of Outstanding Bonds of a Series in the manner described in Section 5.07, and (C) the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to Section 5.07 hereof; or (ii) for a Series of Bonds for which a direct pay Credit Facility shall be in effect, unless otherwise provided in the Applicable Supplemental Resolution or Certificate of Determination, the amount to reimburse pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider;

*Third:* To the Trustee, for deposit in the Reserve Fund an amount necessary to make the funds on deposit therein equal the Reserve Requirement;



*Fourth:* To the subordinate Trustee, if any, for deposit in the Subordinate Obligation Debt Service Fund the amounts as are sufficient to pay the debt service on any indebtedness, including Subordinated Obligations, issued pursuant to the terms of a Subordinate Resolution or other agreement, but only to the extent (except as otherwise provided herein) a specific pledge of Net Revenues has been made in writing to the payment of debt service on such indebtedness;

*Fifth:* To the subordinate Trustee, if any, for deposit in the Subordinate Obligation Reserve Fund amounts as are sufficient to pay any reserve requirement for debt service for any indebtedness, including Subordinate Obligations, issued pursuant to the terms of the Subordinate Resolution, but only to the extent a specific pledge of Net Revenues has been made in writing to the payment of any such debt service reserve requirement on such indebtedness; and

*Sixth:* To the Trustee, upon the direction of an Authorized Officer, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction;

*Seventh:* To the Authority, the payments of amounts required to be deposited in the Maintenance and Operation Reserve Fund, if any, determined by the Authority pursuant to Section 5.12 hereof.

(b) All moneys and investments on deposit in the Revenue Fund and on deposit for any of the purposes provided for above or as otherwise provided in a Supplemental Resolution or related Certificate of Determination, shall remain on deposit in the Revenue Fund and used by the Authority for any lawful purpose.

(c) Except as otherwise provided in the Applicable Supplemental Resolution authorizing a Series of Bonds or the Applicable Certificate of Determination, the Net Revenues, shall be deposited upon receipt by the Trustee to the appropriate account of the Applicable Debt Service Fund in the amounts, at the times and for the purposes specified in the Applicable Supplemental Resolution or Applicable Certificate of Determination. Except as provided in the Applicable Supplemental Resolution or Applicable Certificate of Determination, to the extent not required to pay the interest, principal, Sinking Fund Installments and moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund shall be paid by the Trustee on or before the Business Day preceding each interest payment date as follows and in the following order of priority:

*First:* To reimburse, pro rata, the Applicable Provider, if any, for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to the Applicable Provider, if any, in connection with such Series of Bonds;

*Second:* To the Reserve Fund, if any, an amount necessary to make the fund on deposit therein equal the Reserve Requirement; and

*Third:* Upon the direction of an Authorized Officer of the Authority, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction; and

*Fourth:* To the Authority, for any lawful purpose.

The Trustee shall, promptly after making the above required payments, notify the Authority of any balance of Net Revenues remaining on the immediately succeeding July 1. After making the above required payments, the balance, if any, of the Net Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the Authority, in the respective amounts set forth in such direction.

#### **SECTION 5.07. Debt Service Fund.**

(a) The Authority will, at the time of issuance of each Series of Bonds, create a Debt Service Fund for such Series, which Debt Service Fund will be designated “Syracuse Regional Airport Authority, Senior Revenue [Refunding] [Obligations/Bonds/Commercial Paper/Notes], Series [\_\_\_\_], Debt Service Fund,” which Debt Service Fund and all accounts will be held by the Trustee or any agent of the Trustee, and amounts to be used to pay principal of and interest on such Series of Bonds, as received by the Trustee or its agent, will be deposited therein and used for such purpose. Accounts and subaccounts will be created in the various Debt Service Funds and will be held by the Trustee or such agent as will be provided by Supplemental or related Certificate of Determination.

(b) On each Payment Date for any Outstanding Bonds, the Trustee will pay to the Owners of such Series of Bonds from the appropriate Debt Service Fund or Debt Service Funds, an amount equal to the principal or interest becoming due on such Series of Bonds.

(c) The moneys in each Debt Service Fund will be held in trust and applied as provided herein and in each Applicable Supplement Resolution or Certificate of Determination with regard to each such fund, and pending the application of such amount in accordance herewith and the provisions of each Applicable Supplemental Resolution or Certificate of Determination will be subject to a lien and security interest in favor of the holders of the Bonds issued and Outstanding.

(d) Moneys set aside and placed in a Debt Service Fund for any Series of Bonds will remain therein until expended from time to time for the aforesaid purposes thereof and will not be used for any other purpose whatsoever, except that moneys so set aside and placed in a Debt Service Fund may be temporarily invested as provided herein, but such investment will not affect the obligation of the Authority to the full amount required by the terms hereof to be available in a Debt Service Fund at the time required to meet payments of principal of and interest on a Series of Bonds for which it is accumulated. Upon the written request of the Authority, earnings on such investments may be transferred into the Revenue Fund, except that

during the continuation of an Event of Default, such earnings shall remain in the respective Debt Service Funds.

(e) All money remaining in a Debt Service Fund on a final Payment Date, in excess of the amount required to make provisions for the payment in full of the interest and/or principal of the Series of Bonds for which such Debt Service Fund was established or the payment of amounts required to be transferred to the Arbitrage Rebate Fund, will be returned to the Authority and deposited by the Authority in the Revenue Fund.

(f) [Intentionally omitted].

(g) So long as any of the Bonds are Outstanding, the Authority shall not later than the fifteenth (15th) day of each calendar month, transfer from the Revenue Fund to the Trustee for deposit in the Debt Service Fund established in respect of each Series of Outstanding Bonds: (i) sums in equal fractional parts for each one half year so that at least the full amount required to pay the interest on Bonds of that Series, as it becomes due, shall be set aside in that Debt Service Fund by not later than the fifteenth (15th) day of the month prior to the date each installment of interest becomes due, (ii) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due at maturity, the Principal Amount of Bonds of that Series, shall be set aside in that Debt Service Fund by not later than the fifteenth (15th) day of the month prior to the date such principal amount becomes due, and (iii) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due, the Sinking Fund Installment, if any, due with respect to Term Bonds of such Series shall be set aside in that Debt Service Fund by not later than the fifteenth day of the month prior to the date such Sinking Fund Installment becomes due. No such transfer need be made in respect of any Series of Bonds prior to the actual delivery of that Series of Bonds to the purchasers thereof; provided, however, that subsequent to the issuance of such Series of Bonds, there shall be transferred and paid from the Revenue Fund to the Debt Service Fund established for that Series of Bonds, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the fifteenth day of the calendar month immediately succeeding the issuance of such Series of Bonds, so that interest due on such Series of Bonds on the first interest payment date to occur after the issuance of such Series of Bonds shall be fully funded at least one (1) Business Day prior to the date the first installment of interest is due on such Series of Bonds, and, if the first principal payment or Sinking Fund Installment of such Series of Bonds is due less than 12 months after the issuance of such Series of Bonds, there shall be transferred and paid from the Revenue Fund to the Debt Service Fund established for that Series of Bonds, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the fifteenth (15th) day of the calendar month immediately succeeding the issuance of such Series of Bonds, so that principal or Sinking Fund Installments of such Series of Bonds due on the first principal payment date to occur after the issuance of such Series of Bonds shall be fully funded at least one (1) Business Day prior to the date the first principal payment or Sinking Fund Installment is due on such Series of Bonds. On any day on which the Trustee receives funds from the Authority to be used to pay principal of or interest on Bonds, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Debt Service Funds for the Series of Bonds for which such payments were made.

Notwithstanding any of the foregoing provisions of this paragraph, no amount need be transferred from the Revenue Fund or otherwise deposited into any Debt Service Fund for any Series of Bonds for the payment of principal or interest, respectively, if the amount already on deposit therein and available for such purpose is sufficient to pay in full the amount of principal and/or interest, respectively, coming due on such Bonds on the next succeeding Payment Date.

(h) The Authority may provide in any Supplemental Resolution or Certificate of Determination that, as to any Series of Bonds, any amounts required to be transferred to and paid into a Debt Service Fund may be prepaid, in whole or in part, by being earlier transferred to and paid into the Applicable Debt Service Fund, and in that event any subsequently scheduled monthly transfer, or any part thereof, which has been so prepaid need not be made at the time appointed therefor. In any Supplemental Resolution or Certificate of Determination, the Authority may provide that monies in any redemption account allocable to Sinking Fund Installment of a Series of Bonds may, at the discretion of the Authority, be applied to the purchase and cancellation of such Series (at a price not greater than par) prior to notice of redemption of such Series. Such Bonds so delivered or previously redeemed or purchased at the direction of the Authority shall be credited by the Trustee at the principal amount thereof to the next scheduled Sinking Fund Installment on such Series of Bonds and any excess over the Sinking Fund Installment required to be deposited on that date shall be credited against future Sinking Fund Installments in such manner and order as the Authority may determine in its discretion, and the scheduled principal amount of the Bonds to be redeemed by operation of such Sinking Fund Installments shall be accordingly modified in such manner as the Authority may determine and as specified to the Trustee in writing. With respect to any Series of Bonds, the Supplemental Resolution or Certificate of Determination under which such Bonds are issued may provide for different times and methods of paying the interest and/or principal payments due on a Payment Date, and, in such event, the terms of such Supplemental Resolution and/or Certificate of Determination shall control.

(i) On any day on which the Trustee receives funds from the Authority to be used to pay principal of or interest on Bonds, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Debt Service Funds for the Series of Bonds for which such payments were made and any excess shall be applied to pay all amounts of principal and interest becoming due on any subsequent Payment Dates. If, on any Payment Date, the Trustee does not have sufficient amounts in any Applicable Debt Service Fund (without regard to any amounts which may be available in the Reserve Fund or any Debt Service Reserve Funds) to pay in full all amounts of principal and/or interest due on such date, the Trustee shall allocate the total amount which is available to make payment on such day (without regard to any amounts in the Reserve Fund or the various Debt Service Reserve Funds) as follows: first to the payment of past due interest on Bonds of any Series, in the order in which such interest came due, then to the payment of past due principal of Bonds of any Series, in the order in which such principal came due, then to the payment of interest then due and payable on the Bonds of each Series due on such Payment Date and, if the amount available shall not be sufficient to pay in full all interest on the Bonds then due, then pro rata among the Series according to the amount of interest then due and second to the payment of principal of the Bonds then due and, if the

amount available shall not be sufficient to pay in full all principal of the Bonds then due, then pro rata among the Series according to the principal of the Bonds then due.

(j) If the Net Revenues are at any time insufficient to make the deposits required to make payments on the Bonds, the Authority may, at its election, pay to the Trustee funds from any available sources with the direction that such funds be deposited into the Applicable Debt Service Funds or into a specified account or accounts or subaccount or subaccounts therein.

(k) If the Reserve Fund or any Debt Service Reserve Fund (or a Reserve Fund Facility provided in lieu thereof) have been used to make payments on Bonds secured thereby, then the Authority may be required by Supplemental Resolution to replenish the Reserve Fund or any Debt Service Reserve Fund or reimburse the Provider from Net Revenues provided that (i) no amount from Net Revenues may be used for such purpose until all payments of principal of and interest on all Bonds which have become due and payable shall have been paid in full, (ii) the required payments to replenish the Reserve Fund or any Applicable Debt Service Reserve Fund or reimburse the Provider shall be due in no more than twelve (12) substantially equal monthly installments commencing in the month following any such withdrawal and (iii) if the aggregate amount of payments due on any date to replenish the Reserve Fund or any Debt Service Reserve Fund or reimburse the Provider exceeds the amount available for such purpose, the payments made to the Trustee for such purpose shall be allocated among the Reserve Fund or any Debt Service Reserve Funds pro rata on the basis of the Outstanding Principal Amount of Bonds secured thereby. Notwithstanding the foregoing, the Authority may, by Supplemental Resolution provide for different provisions and timing of deposits with the Trustee and different methods of paying principal of or interest on such Bonds depending upon the terms of such Bonds and may provide for payment through a Credit Facility with reimbursement to the Provider from the Applicable Debt Service Fund created for the Series of Bonds for which such Credit Facility is provided.

#### **SECTION 5.08. Creation, Use and Application of the Reserve Fund.**

There is hereby established under the terms of this Master Resolution the Reserve Fund to be designated as “Syracuse Regional Airport Authority, Senior Revenue Bonds, Reserve Fund”. The Reserve Fund shall be held by the Trustee or any agent of the Trustee, and the amounts therein shall be held and disbursed in accordance with the provisions of this Section.

(a) (i) Except as otherwise provided herein, each Supplemental Resolution providing for the issuance of Bonds shall require as a condition of issuance that an amount be deposited in the Reserve Fund so that, together with any Reserve Fund Facility provided pursuant to paragraph (b) below, the amount on deposit in the Reserve Fund will be equal to the Reserve Requirement with respect to the Bonds participating in the Reserve Fund. Any cash to be deposited in the Reserve Fund may be derived from proceeds of Bonds or any other legally available source of funds. In the event that federal tax law in the opinion of Bond Counsel would prohibit the Reserve Requirement with respect to the Bonds participating in the Reserve Fund or any portion thereof from being paid from the proceeds of any Series of Bonds, the Authority shall be permitted to

pay the portion of the Reserve Requirement with respect to the Bonds participating in the Reserve Fund not permitted to be paid from Bond proceeds from Net Revenues, to the extent permissible under federal tax laws, in equal monthly installments within sixty (60) months from the date of issuance of said Series of Bonds.

(ii) Moneys held in the Reserve Fund shall be used for the purpose of paying principal of and interest on the Bonds participating in the Reserve Fund on a basis *pari passu* with all Bonds then participating in the Reserve Fund. If, on any Payment Date, the amounts in the Debt Service Fund for any Bonds participating in the Reserve Fund available therefor are insufficient to pay in full the amount then due on such Bonds, moneys held in the Reserve Fund shall be used for the payment of principal of and interest thereon. If amounts in the Reserve Fund consist of both cash and one or more Reserve Fund Facilities, the Trustee shall make any required payments of amounts in the Reserve Fund first from any cash held invested in the Reserve Fund, prior to making a draw upon any of such Reserve Fund Surety Policies. Investments in the Reserve Fund may not have maturities extending beyond five (5) years. Moneys held in the Reserve Fund may also be used to make any deposit required to be made to the Arbitrage Rebate Fund, at the written direction of the Authority, if the Authority does not have other funds available from which such deposit can be made.

(iii) Subject to the provisions of paragraph (a)(i) above, the Trustee shall annually, prior to July 15 of each year and at such other times as the Authority shall request, value the Reserve Fund on the basis of the lower of cost and market value thereof. For purposes of determining the amount on deposit in the Reserve Fund, any Reserve Fund Facility held by, or the benefit of which is available to, the Trustee as security for the Bonds participating in the Reserve Fund shall be deemed to be a deposit in the face amount of the Reserve Fund Facility or the stated amount of the Reserve Fund Facility provided, except that, if the amount available under a Reserve Fund Facility has been reduced as a result of a payment having been made thereunder or as a result of the termination, cancellation or failure of such Reserve Fund Facility and not reinstated or another Reserve Fund Facility provided, then, in valuing the Reserve Fund, the value of such Reserve Fund Facility shall be reduced accordingly. Upon each such valuation, the Authority shall prepare, or cause to be prepared, a written certificate setting forth the Reserve Requirement with respect to the Bonds participating in the Reserve Fund as of such valuation date and the value of the Reserve Fund and deliver a copy thereof to the Trustee. If, upon any valuation of the Reserve Fund at the lower of cost or market value, the value of the Reserve Fund exceeds the Reserve Requirement with respect to the Bonds participating in the Reserve Fund, the excess amount may be withdrawn and paid to the Authority to be used for any lawful purpose; provided that, if such amounts are used for a purpose other than payment of the Bonds participating in the Reserve Fund, there shall be delivered to the Trustee with the request for such funds an Opinion of Bond Counsel that the use of such amounts shall not result in the inclusion of interest on any Bonds in gross income of the recipient thereof for federal income tax purposes. If, upon any valuation of the Reserve Fund at cost, the value is less than the Reserve Requirement with respect to the Bonds participating in the Reserve Fund, the Authority shall replenish

such amounts within twelve (12) months after the date of such valuation, in accordance with Section 5.06 hereof.

(b) A Reserve Fund Facility shall be acceptable in lieu of a deposit of cash or securities into the Reserve Fund, or may be substituted for amounts on deposit in the Reserve Fund, only if at the time of such deposit (i) such Reserve Fund Facility extends to the maturity of the Series of Bonds to which the Reserve Fund Facility relates, or the Authority has agreed, by Supplemental Resolution or related Certificate of Determination, that the Authority will replace such Reserve Fund Facility prior to its expiration with another Reserve Fund Facility which will have no adverse effect on the ratings, if any, then in effect on the Bonds participating in the Reserve Fund, or with cash and (ii) the face amount of the Reserve Fund Facility, together with amounts on deposit in the Reserve Fund, including the face amount of any other Reserve Fund Facility, is at least equal to the Reserve Requirement with respect to the Bonds participating in the Reserve Fund.

(c) If moneys have been withdrawn from the Reserve Fund or a payment has been made under a Reserve Fund Facility constituting all or a portion of the Reserve Fund, and deposited into the applicable Debt Service Funds to prevent a default on the Bonds participating in the Reserve Fund, then the Authority will pay to the Trustee but only as provided in Section 5.06 hereof, the full amount so withdrawn, together with interest, if any, required under the terms of the Reserve Fund Facility, or so much as shall be required to restore the Debt Reserve Fund to the Reserve Requirement with respect to the Bonds participating in the Reserve Fund and to pay such interest, if any. Such repayment shall be made in twelve (12) substantially equal monthly installments each due on the first (1st) Business Day of the month commencing with the first month after such withdrawal occurs. If such repayment is with respect to a draw under a Reserve Fund Facility, the Trustee shall pay to the provider of such Reserve Fund Facility the amount received by the Trustee from the Authority which is designated to be used to reimburse the provider of such Reserve Fund Facility. The Trustee shall immediately notify the paying agent for the Reserve Fund Facility, if any, of such reimbursement, and the amount available to be drawn under the Reserve Fund Facility shall increase by the amount of such reimbursement.

(d) Moneys in the Reserve Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized Officer in Permitted Investments. Investments in the Reserve Fund shall not have maturities which extend beyond five (5) years. Earnings on the Reserve Fund shall be paid, in proportion to the respective amounts deposited in the Reserve Fund in connection with such Bonds (as set forth in a written direction from the Authority to the Trustee delivered within thirty (30) days of the commencement of each Fiscal Year), to the Debt Service Funds for the Bonds participating in the Reserve Fund to be applied as a credit against the Authority's obligation to make its next interest payments, unless an amount has been withdrawn from the Reserve Fund as a result of a deficiency in the Debt Service Funds and such withdrawal has not been repaid or, as of the most recent valuation of the Reserve Fund, the amount therein was valued at less than the Reserve Requirement with respect to the Bonds participating in the Reserve Fund and the deficiency has not yet been restored, in either of which events the earnings shall be retained in the Reserve Fund until the deficiency therein has been eliminated.

(e) All money remaining in the Reserve Fund on the final Payment Date of the Bonds participating in the Reserve Fund in excess of the amount required to make provisions for the payment in full of the interest and/or the principal of the Bonds of all Outstanding Series participating in the Reserve Fund shall be transferred to the Authority for deposit in the Revenue Fund.

**SECTION 5.09. Additional Debt Service Reserve Funds and Accounts.**

Notwithstanding Section 5.08 hereof, instead of making or causing a deposit to be made to the Reserve Fund, the Authority may, at the time of issuance of any Series of Bonds, provide in the Applicable Supplemental Resolution or Applicable Certificate of Determination for the creation of a Debt Service Reserve Fund as additional security for such Series of Bonds, and in its discretion reserving the right to allow a future Series of Bonds to participate in such Debt Service Reserve Fund, or provide that such Series of Bonds participate in a Debt Service Reserve Fund previously created for an Outstanding Series of Bonds. Any Debt Service Reserve Fund established under a Supplemental Resolution or related Certificate of Determination shall be funded, at the time of issuance of such Series of Bonds or over such other period of time as set forth in a Supplemental Resolution or related Certificate of Determination, in an amount equal to the Reserve Requirement with respect to the Bonds participating in such Debt Service Reserve Fund. The Authority shall, by such Supplemental Resolution or related Certificate of Determination, provide for the manner of funding and replenishing of such Debt Service Reserve Fund and shall establish such other terms with respect to such Debt Service Reserve Fund as the Authority may deem to be appropriate, including providing a Credit Facility in lieu thereof.

**SECTION 5.10. Arbitrage Rebate Fund.**

(a) There is hereby established under the terms of this Master Resolution the Arbitrage Rebate Fund to be designated as “Syracuse Regional Airport, Senior Revenue Bonds, Arbitrage Rebate Fund.” The Arbitrage Rebate Fund shall be held by the Trustee or any agent of the Trustee, and the amounts therein shall be held and disbursed in accordance with the provisions of this Section.

(b) The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the Authority for deposit therein and, notwithstanding any other provisions of this Article V, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, money on deposit in any other funds held by the Trustee hereunder at such times and in such amounts as shall be set forth in such directions.

(c) Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse, pro rata, each Provider for money advanced under an Applicable



Credit Facility or Liquidity Facility, if any, including interest thereon,<sup>1</sup> which is then unpaid, in proportion to the respective amounts advanced by each such Provider, and, then, be deposited to any fund or account established hereunder in accordance with the written direction of such Authorized Officer.

(d) The Authority shall periodically determine the amount which may be required by the Code to be rebated to the Department of the Treasury of the United States of America with respect to a Series of Bonds and direct the Trustee to (i) transfer from any other of the funds and accounts held by the Trustee hereunder and deposit to the Arbitrage Rebate Fund such amount as the Authority shall have determined to be necessary in order to enable it to comply with its obligation to rebate money to the Department of the Treasury of the United States of America with respect to such Series of Bonds and (ii) if and to the extent required by the Code, pay out of the Arbitrage Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

(e) The Trustee shall have the right to rely on any certificate (or any other instrument, document or agreement) delivered to it pursuant to this Section 5.10 believed by it in good faith to be genuine, and the Trustee shall not be liable for any action taken by it pursuant to any such certificate (or any other instrument, document or agreement). The Trustee shall have no obligation to request or remind the Authority to provide any such certificate.

#### **SECTION 5.11. Authorization for Creation of Construction Fund.**

Proceeds of each Series of Bonds which are to be used to pay Costs of a Project shall be deposited into a Construction Fund created for such Series of Bonds which shall be designated “Syracuse Regional Airport Authority, Senior Revenue [Obligations/Bonds/Commercial Paper Notes] Series [\_\_\_\_\_] Construction Fund” which may be held either by the Authority or the Trustee or part by the Authority and part by the Trustee, all as provided by this Master Resolution, one or more Supplemental Resolution or related Certificates of Determination. All moneys in each Construction Fund shall be held and disbursed as provided in the Applicable Supplemental Resolution or Applicable Certificate of Determination under which such fund or funds were created. Notwithstanding this provision, no Construction Fund shall be required for a given Series of Bonds if all of the proceeds thereof (except those deposited into the Reserve Fund, a Debt Service Reserve Fund or the Debt Service Fund) are spent at the time of issuance of such Series or are used to refund Bonds or otherwise the Authority determines that there is no need to create a Construction Fund for such Series.

#### **SECTION 5.12. Maintenance and Operation Reserve Fund.**

The Authority shall cause the Maintenance and Operation Reserve Fund to be maintained with the Authority Treasurer. At the beginning of each Fiscal Year, the Authority shall deposit in the Maintenance and Operation Reserve Fund amounts from the Revenue Fund so that the balance in the Maintenance and Operation Reserve Fund as of the first day of such Fiscal Year, will be equal to not less than 25% nor more than 50% of the budgeted Maintenance and

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<sup>1</sup> NTD: Trustee, moneys, including for any interest on unpaid provider payments, are coming from excess in arbitrage rebate fund at the direction of the Authority, please let me know if this is still unclear.

Operation Costs for the current Fiscal Year. Moneys on deposit in the Maintenance and Operation Reserve Fund shall be used by the Authority to pay Maintenance and Operation Costs in the event there are insufficient moneys in the Revenue Fund to make such payments.

**SECTION 5.13. Application of Money in Certain Funds for Retirement of Bonds.**

Notwithstanding any other provisions hereof, if the Trustee shall determine that at any time the amounts held in the Debt Service Fund and the Debt Service Reserve Fund, if any, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of a Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to Section 12.01(b) hereof for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority. Upon receipt of such notice, the Authority may (a) direct the Trustee to redeem all such Outstanding Bonds of a Series, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds as provided in Article IV hereof, or (b) give the Trustee irrevocable instructions in accordance with Section 12.01(b) hereof and make provision for the payment of such Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

**SECTION 5.14. Transfer of Investments.**

Whenever money in any fund or account established hereunder or under a Supplemental Resolution or a Certificate of Determination is to be paid in accordance herewith to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the money, if any, to be transferred, is at least equal to the amount of the payment then to be made; provided, however, that no such transfer of investments would result in a violation of any provisions under this Master Resolution or an Applicable Supplemental Resolution governing the investment of any moneys held in each fund.

**SECTION 5.15 Special Provisions Relating to Available PFC Revenues.**

In the event the Authority issues PFC Bonds, the following provisions shall apply so long as any such PFC Bonds are Outstanding:

(a) Notwithstanding Section 5.06(a) above, Available PFC Revenues shall be deposited from the Available PFC Revenue Account as follows:

*First:* To the Trustee for deposit to separate sub-accounts in the Debt Service Fund established by the Supplement Resolution authorizing such PFC Bonds (i) for any PFC Bonds for which a direct pay Credit Facility shall not be in effect, without priority and on an equal basis, except as to timing of payment, the amounts, at the times and in the manner provided in Section 5.07 hereof to provide for the payment of (A) the principal of and interest to become due on the Outstanding PFC Bonds of a Series, (B) the principal and Sinking Fund

Installments of Outstanding PFC Bonds of a Series in the manner described in Section 5.07, and (C) the purchase price or Redemption Price of Outstanding PFC Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to Section 5.07 hereof; or (ii) for any PFC Bonds for which a direct pay Credit Facility shall be in effect, unless otherwise provided in the Applicable Supplemental Resolution or Certificate of Determination, the amount to reimburse pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider; and

*Second:* To the Trustee, for deposit to a separate account in the Reserve Fund established by the Supplemental Resolution authorizing, an amount necessary to make the funds on deposit therein equal the Reserve Requirement relating to any PFC Bonds;

*Third:* To the Trustee, upon the direction of an Authorized Officer, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction; and

*Fourth:* To the Authority, to be restored to the PFC Revenue Fund for any lawful purpose.

(b) Notwithstanding anything herein to the contrary, Available PFC Revenues may not be used to pay Maintenance and Operation Costs, but shall be deposited directly from the Available PFC Revenue Account of the Revenue Fund into the appropriate funds and accounts hereunder.

(c) Available PFC Revenues consisting of investment earnings shall be deposited in the Revenue Fund, credited to the Available PFC Revenue Account, and applied in the same manner as all other Available PFC Revenues on deposit therein.

(d) Proceeds of PFC Bonds which are to be used to pay Costs of a Project shall be deposited into a PFC Project Fund created for such Series of Bonds which shall be designated "Syracuse Regional Airport Authority, Senior Revenue [Obligations/Bonds/Commercial Paper Notes] Series [\_\_\_\_\_] Project Fund" which may be held either by the Authority or the Trustee or part by the Authority and part by the Trustee, all as provided by this Master Resolution, one or more Supplemental Resolution or related Certificates of Determination. All moneys in the PFC Project Fund shall be held and disbursed as provided in the Applicable Supplemental Resolution or Applicable Certificate of Determination under which such fund or funds were created. Notwithstanding this provision, no PFC Project Fund shall be required for a given Series of Bonds if all of the proceeds thereof (except those deposited into appropriate accounts or sub-accounts in the Reserve Fund, a Debt Service Reserve Fund or the Debt Service Fund) are spent at the time of issuance of such PFC Bonds or are used to refund Bonds or otherwise the Authority determines that there is no need to create a PFC Project Fund for such Series.

(e) In the event the authority undertakes a PFC Project:

(i) As soon as practicable after the delivery of such PFC Bonds, the Trustee shall deposit in the PFC Project Fund the amount required to be deposited therein pursuant to the Supplemental Resolution authorizing such Series or the Certificate of Determination relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the PFC Project Fund any money paid to the Authority pursuant to Section 7.16 hereof.

(ii) Except as otherwise provided in this Article V and in any Applicable Supplemental Resolution or Certificate of Determination, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Project with respect to such PFC Bonds. The Applicable Supplemental Resolution or Certificate of Determination may provide for the establishment of a Capitalized Interest Account in the PFC Project Fund to pay or provide for the payment of interest on such PFC Bonds and fees related to the Applicable Provider and the Applicable remarketing fees of such PFC Bonds during the construction of a PFC Project and for a reasonable time after the completion of such PFC Project. The Applicable Supplemental Resolution or Certificate of Determination may provide for the establishment of an Equity Account in the PFC Project Fund to pay or provide for a portion of the Costs of Issuance and the Costs of the Project.

(iii) Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment. Unless otherwise provided in the Applicable Supplemental Resolution, payments for Costs of each Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority, substantiated by a certificate naming the PFC Project in connection with which payment is to be made and describing in reasonable detail the purpose for which money was used and the amount thereof, and further stating that such purpose constitutes a necessary part of the Costs of such Project, except that payments to pay interest on the applicable PFC Bonds and fees of the Provider shall be made by the Trustee upon receipt of, and in accordance with, the direction of an Authorized Officer of the Authority directing the Trustee to transfer such amount from the Capitalized Interest Account of the PFC Project Fund to the appropriate sub-account of the Debt Service Fund or to pay such fees to the Provider, the Remarketing Agent or the Authority.

(iv) Any Net Proceeds of insurance, condemnation or eminent domain awards received by the Authority with respect to a PFC Project shall be deposited in the PFC Project Fund and, if necessary, such fund may be re-established for such purpose and, if not used to repair, restore or replace the PFC Project, transferred to the appropriate sub-account(s) of the Debt Service Fund for the redemption of the related PFC Bonds in accordance with the Applicable Supplemental Resolution or Certificate of Determination.

(v) A PFC Project shall be deemed to be complete upon deliver by the Authority, to the Provider, if any, and the Trustee of a certificate signed by an Authorized Officer of the Authority, which certificate shall be delivered as soon as practicable after the date of completion of such PFC Project. Each such certificate shall state that the Project has been completed substantially in accordance with the plans and specifications, if any, applicable to such PFC Project and that such PFC Project is ready for occupancy or use, and, in the case of a certificate of an Authorized Officer of the Authority, shall specify the date of completion.

(vi) Upon receipt by the Trustee of a certificate relating to the completion of a PFC Project, the money, if any, then remaining in the PFC Project Fund relating to such PFC Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of such PFC Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

*First:* Upon the direction of an Authorized Officer of the Authority, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund, the amount set forth in such direction; and

*Second:* To the Debt Service Reserve Fund established under an Applicable Supplemental Resolution or Certificate of Determination, if any, such amount as shall be necessary to make the amount on deposit in such fund equal to the Applicable Debt Service Fund Requirement; and

*Third:* To the Debt Service Fund, to be applied in accordance with Sections 5.06 and 5.15 hereof, any balance remaining.

(f) To the extent there is any deficiency in any account or sub-account described in subsection (a) above, Available PFC Revenues credited to the Available PFC Revenue Account shall be first be applied to make up any deficiency in any such account, and in the event PFC Revenues credited to the Available PFC Revenue Account are insufficient to make up such deficiency, other Net Revenues shall be credited, together with Available PFC Revenues on deposit therein, to make up such deficiency. To the extent other Net Revenues are credited to any account to make up any deficiency, and Available PFC Revenues subsequently become available prior to the expenditure of such Net Revenues, such Net Revenues shall be immediately restored to the Revenue Fund.

## **ARTICLE VI.**

### **SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

#### **SECTION 6.01. Security for Deposits.**

All money held hereunder by the Trustee shall be continuously and fully secured, for the benefit of the Authority and the Holders of a Series of Bonds, by direct obligations of the United

States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with them pursuant to Section 5.06 or Section 12.01 hereof and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on a Series of Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions hereof as an investment of such money.

#### **SECTION 6.02. Investment of Funds and Accounts.**

(a) Except as otherwise set forth herein, money held hereunder by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations or Exempt Obligations; provided, however, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes hereof. In the absence of such direction, money held hereunder by the Trustee shall be held in money market mutual funds.

(b) In lieu of the investments of money in obligations authorized in paragraph (a) of this Section, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest money in the Construction Fund in any Permitted Investment; provided, however, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes hereof, provided, further, that (i) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (ii) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer, and (iii) the Permitted Collateral shall be free and clear of claims of any other Person.

(c) Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions hereof shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

(d) In computing the amount in any fund or account held by the Trustee under the provisions hereof, each Permitted Investment shall be valued at the market value thereof.

(e) Notwithstanding anything to the contrary herein, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant hereto and the proceeds thereof may be reinvested as provided in this Section. Except as otherwise provided herein, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant hereto whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority in writing, on or before the fifteenth (15th) day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions hereof as of the end of the preceding month. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

(f) No part of the proceeds of a Series of Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond of a Series to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(g) The Trustee is hereby authorized, in making or disposing of any investment permitted by this Master Resolution, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Trustee or for any third person or dealing as principal for its own account.

### **SECTION 6.03. Liability for Investments.**

Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of this Article VI, in the manner provided in this Article VI, for any depreciation in value of any such investment, or for any loss, direct or indirect, resulting from any such investment.

## **ARTICLE VII.**

### **PARTICULAR COVENANTS**

The Authority covenants and agrees with the Holders of the Bonds as follows:

### **SECTION 7.01. Payment of Principal and Interest.**

The Authority shall pay or cause to be paid from the Net Revenues and the other security set forth in the Granting Clause to this Master Resolution the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in such Bonds according to the true intent and meaning thereof; provided, however, that the Authority’s obligation to make payment of the principal of, premium, if any, and interest and other amounts due on the Bonds shall be limited to payment from the Net Revenues and the other security set forth in the Granting Clause of this

Master Resolution and any other source which the Authority may specifically provide for such purpose and no Bondholder shall have any right to enforce payment from any other funds of the Authority.

**SECTION 7.02. Performance of Covenants by Authority; Authority; Due Execution.**

The Authority covenants that it will faithfully perform at all times any and all covenants and agreements contained in this Master Resolution, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority represents, warrants, and covenants that it is duly authorized under the Constitution and laws of the State and the Act to issue the Bonds and pledge and grant a security interest in the Net Revenues and the other security set forth in the Granting Clause of this Master Resolution or in which a security interest is granted and that the Authority has not previously pledged such Net Revenues or the other security set forth in the Granting Clause of this Master Resolution.

**SECTION 7.03. Prior Liens Prohibited.**

The Authority hereby covenants and agrees that so long as any Bonds are Outstanding under this Master Resolution, it will not issue any additional bonds or other obligations with a lien on or security interest granted in Net Revenues or the other security set forth in the Granting Clause of this Master Resolution which is senior to the Bonds.

**SECTION 7.04. Rate Covenant.**

The Authority covenants to fulfill the following requirements:

(a) The Authority shall, while any of the Bonds remain Outstanding (but subject to all existing contracts and legal obligations of the Authority as of the date of execution of this Master Resolution setting forth restrictions relating thereto), establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the Annual Debt Service on any Outstanding Bonds required to be funded by the Authority in such Fiscal Year as required by this Master Resolution or any Supplemental Resolution with respect to the Outstanding Bonds;

(ii) the required deposits to the Debt Service Reserve Fund, if any, or any other reserve fund which may be established by a Supplemental Resolution or a related Certificate of Determination;

(iii) the reimbursement or repayment of other amounts owed to any Credit Facility Provider or Liquidity Facility Provider as required by a Supplemental Resolution or a related Certificate of Determination;



(iv) the interest on and principal of any indebtedness required to be funded during such Fiscal Year other than for Outstanding Bonds, including Subordinate Obligations; and

(v) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinate Obligations.

(b) The Authority will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any Transfer, will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. For purposes of this paragraph (b), the amount of any Transfer taken into account shall not exceed 25% of the Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

(c) If Net Revenues, together with any Transfer (as applied in accordance with paragraph (b) above), in any Fiscal Year are less than the amount specified in paragraph (a) or (b) of this Section, the Authority shall, within sixty (60) days of such determination, retain and direct a Consultant to make recommendations as to the revision of the operations of the Airport and its schedule of rentals, rates, tolls, fees and charges for the use of the Airport and for services rendered by the Authority in connection with the Airport. The Consultant shall be given sixty (60) days following such engagement to deliver a written report setting forth the foregoing recommendations, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made the Authority shall, within sixty (60) days following the receipt thereof, take all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as may be necessary to produce Net Revenues in the amount specified in paragraph (a) or (b) of this Section in the next succeeding Fiscal Year.

(d) In the event that Net Revenues for any Fiscal Year are less than the amount specified in paragraph (a) or (b) of this Section, but the Authority promptly has taken, prior to or during the next succeeding Fiscal Year all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as required by paragraph (c), above, such deficiency in Net Revenues shall not constitute an Event of Default under the provisions of Section 11.02(d) hereof. Nevertheless, if after taking the measures required by paragraph (c), above, to revise the schedule of rentals, rates, tolls, fees and charges, Net Revenues in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the Authority for such Fiscal Year) are less than the amount specified in paragraph (a) or (b) of this Section, such deficiency in Net Revenues shall constitute an Event of Default under the provisions of Section 11.02(d) hereof.

**SECTION 7.05. No Inconsistent Contract Provisions.**

The Authority covenants that no contract or contracts will be entered into or any action taken by the Authority which shall be inconsistent with the provisions of this Master Resolution including, without limitation, any amendment to the City Lease. The Authority covenants that it will not take any action which, in the Authority's judgment at the time of such action, will substantially impair or materially adversely affect the pledge of Net Revenues and the other

security set forth in the Granting Clause of this Master Resolution, or will substantially impair or materially adversely affect in any manner the pledge of, lien on or security interest granted in the Net Revenues and the other security set forth in the Granting Clause of this Master Resolution, or the rights of the holders of the Bonds. The Authority shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to pay from the Net Revenues and the other security set forth in the Granting Clause of this Master Resolution, the principal of and interest and other amounts due on the Bonds and to make the other payments provided for herein.

**SECTION 7.06. Subordinate Obligations.**

The Authority may, from time to time, incur indebtedness which is subordinate to the Bonds and which indebtedness is, in this Master Resolution, referred to as Subordinate Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Authority shall determine, provided that:

(a) any Supplemental Resolution authorizing the issuance of any Subordinate Obligations shall specifically state that such lien on or security interest granted in the Net Revenues and the other security set forth in the Granting Clause of this Master Resolution is junior and subordinate to the lien on and security interest in such Net Revenues and the other security set forth in the Granting Clause of this Master Resolution and other assets granted to secure the Bonds; and

(b) payment of principal of and interest and other amounts due on such Subordinate Obligations shall be permitted, provided that all deposits and payments required to be made pursuant to 5.06 hereof have been made or satisfied.

**SECTION 7.07. Special Facilities and Special Facility Obligations.**

(a) The Authority shall be permitted to designate new or existing Airport Facilities as Special Facilities as permitted in this Section. The Authority may, from time to time, and subject to the terms and conditions of this Section, (i) designate a separately identifiable existing facility or improvement or planned facility or improvement as a “Special Facility,” (ii) pursuant to a resolution, indenture, or agreement other than this Master Resolution and without a pledge of any Net Revenues (except as otherwise provided in clause (iv) below), incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third-party to acquire, construct, renovate or improve, such facility or improvement, (iii) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the Authority from such Special Facility to the extent necessary to make the payments required by clause (i) of paragraph (c) hereof, be “Special Facilities Revenue” and not included as Revenues or Net Revenues unless otherwise provided in any supplemental indenture, and (iv) provide that the debt so incurred shall be a “Special Facility Obligation” and the principal of and interest thereon shall be payable solely from the Special Facilities Revenue and the proceeds of such Special Facility Obligation set aside exclusively to pay debt service on such Special Facility Obligation (except the Authority may, in its sole discretion, determine to make Net Revenues or such other

moneys not included in Net Revenues available (through a specific pledge or otherwise and subject to any covenants or other provisions of this Master Resolution (including, but not limited to, Sections 2.02, 2.05 and 7.04 hereof) or such other resolutions, indentures or agreements of the Authority) to the payment of the principal of and interest on such Special Facility Obligation in such amounts and at such times as may be agreed to by the Authority). The Authority may from time to time refinance any such Special Facility Obligations with other Special Facility Obligations.

(b) Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest solely from (i) Special Facilities Revenue, which shall include contractual payments derived by the Authority under and pursuant to a contract (which may be in the form of a leasehold or subleasehold) relating to a Special Facility by and between the Authority and another Person, either public or private, as shall undertake the operation of a Special Facility, (ii) proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and (iii) such Net Revenues or other moneys not included in Net Revenues made available by the Authority as provided in clause (iv) paragraph (a), above, if any.

(c) No Special Facility Obligations shall be issued by the Authority unless there shall have been filed with the Trustee a certificate of an Authorized Officer of the Authority stating that:

(i) The estimated Special Facilities Revenue pledged to the payment of the Special Facility Obligations, the proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and such Net Revenues or other moneys made available by the Authority pursuant to clause (iv) of the first paragraph of this Section, if any, will be at least sufficient, to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution or indenture authorizing the Special Facility Obligations as the same become due; and

(ii) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as an “Special Facility” or “Special Facilities”, the estimated Revenues and Net Revenues, calculated without including the new Special Facilities Revenue, the proceeds of any Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations or any Net Revenues or other moneys made available by the Authority pursuant to clause (d) of the first paragraph of this Section, if any, and without including any operation and maintenance expenses of the Special Facility as Maintenance and Operation Costs, will be sufficient so that the Authority will be in compliance with Section 7.04(a) and (b) hereof during each of the first five (5) complete Fiscal Years immediately following the anticipated closing date of such transaction or financing; and

(iii) No Event of Default then exists hereunder.

(d) To the extent Special Facilities Revenue received by the Authority during any Fiscal Year shall exceed the amounts required to be paid pursuant to clause (i) of paragraph (c), above, for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, may constitute Revenues as determined by the Authority.

(e) Notwithstanding any other provision of this Section, at such time as the Special Facility Obligations issued for a Special Facility including Special Facility Obligations issued to refinance Special Facility Obligations are fully paid or otherwise discharged, all revenues of the Authority from such facility shall be included as Revenues.

**SECTION 7.08. Maintenance of Powers.**

The Authority covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to the Act and all other laws and that it will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to delay either the payment of the indebtedness evidenced by any of the Bonds or the performance or observance of any of the covenants herein contained.

**SECTION 7.09. Operation and Maintenance of the Airport.**

Subject to the transfer of any Airport Facilities pursuant to Section 7.12 hereof, the Authority covenants that the Airport shall at all times be operated and maintained in good working order and condition and that all lawful orders of any governmental agency or authority having jurisdiction in the premises shall be complied with (provided the Authority shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith), and that all licenses and permits necessary to construct or operate any part of the Airport shall be obtained and maintained and that all necessary repairs, improvements and replacements of the Airport shall be made, subject to sound business judgment. Subject to the transfer of any Airport Facilities pursuant to Section 7.12 hereof, the Authority shall, from time to time, duly pay and discharge, or cause to be paid and discharged, except to the extent the imposition or payment thereof is being contested in good faith by the Authority, all taxes (if any), assessments or other governmental charges lawfully imposed upon the Airport or upon any part thereof, or upon the Revenues or Net Revenues, when the same shall become due, as well as any lawful claim for labor, materials or supplies or other charges which, if unpaid, might by law become a lien or charge upon the Revenues or Net Revenues or the Airport or any part thereof constituting part of the Airport.

**SECTION 7.10. Insurance; Application of Insurance Proceeds.**

(a) Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions:

(i) the Authority shall procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance (as defined below) with respect to the facilities constituting the Airport and public liability insurance

in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Authority, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports; and

(ii) the Authority shall place on file with the Trustee, annually within 120 days after the close of each Fiscal Year, a certificate of an Authorized Officer of the Authority containing a summary of all insurance policies and self-insured programs then in effect with respect to the Airport and the operations of the Authority. The Trustee may conclusively rely upon such certificate and shall not be responsible for the sufficiency or adequacy of any insurance required herein or obtained by the Authority

(b) “**Qualified Self-Insurance**” shall mean insurance maintained through a program of self-insurance or insurance maintained with a fund, company or association in which the Authority may have a material interest and of which the Authority may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Authority determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance, and such self-insurance program shall be reviewed at least once every twelve (12) months by a Consultant who shall deliver to the Authority a report on the adequacy of the reserves established thereunder. If the Consultant determines that such reserves are inadequate, they shall make a recommendation as to the amount of reserves that should be established and maintained, and the Authority shall comply with such recommendation unless it can establish to the satisfaction of, and receive a certification from, a Consultant that a lower amount is reasonable to provide adequate protection to the Authority. A copy of any report or certification provided by a Consultant to the Authority shall be provided to the Trustee.

(c) If, as a result of any event, any part of the Airport is destroyed or severely damaged, the Authority shall create within the Revenue Fund a special account and shall credit the Net Proceeds received as a result of such event of damage or destruction to such account and such Net Proceeds shall, within a reasonable period of time taking into account any terms under which insurance proceeds are paid and any insurance restrictions upon the use or timing of the use of insurance proceeds, be used to: (i) repair or replace the Airport, or portion thereof, which were damaged or destroyed, (ii) provide additional revenue producing Airport Facilities, (iii) redeem Bonds, or (iv) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article XII hereof; provided, however, that the Authority shall first deliver to the Trustee a certificate of a Consultant showing that, after taking into account the use of the Net Proceeds for the redemption of such specified Bonds, the tests set forth in Section 7.04(a) and (b) hereof, nevertheless, be met.

#### **SECTION 7.11. Accounts and Audits.**

(a) The Authority covenants that it will keep and provide accurate books and records of account showing all Revenues received and all expenditures of the Authority and that

it will keep or cause to be kept accurate books and records of account showing all moneys, Revenues, accounts and funds (including the Revenue Fund and all funds and accounts provided for in this Master Resolution or an Applicable Supplemental Resolution) which are or shall be in the control or custody of the Authority or the Authority Treasurer pertaining to the Airport; and that all such books and records pertaining to the Airport shall be open upon reasonable notice during normal business hours to the Trustee and to the Holders of not less than 10% of the Principal Amount of Bonds then Outstanding, or their representatives duly authorized in writing. Within 30 days of their availability, so long as any of the Bonds remain Outstanding, the Authority will prepare and deliver or cause to be delivered to the Trustee audited financial statements including a statement of the income and expenses for such Fiscal Year and a balance sheet prepared as of the close of such Fiscal Year for the Revenue Fund all accompanied by a certificate or opinion in writing of an independent certified public accountant of recognized standing, selected by the Authority, which opinion shall include a statement that said financial statements present fairly in all material respects the financial position of the Revenue Fund and are prepared in accordance with generally accepted accounting principles; provided, however, the Trustee shall hold such financial statements solely as an accommodation to the holders of the Bonds and shall have no duty or obligation to review such financial statements.

(b) The Trustee shall prepare monthly statements which shall be furnished to the Authority. Such report shall include at least: (i) a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions hereof and the Applicable Supplemental Resolution and Certificate of Determination; (ii) a statement of the Revenues collected in connection herewith and with each Supplemental Resolution; and (iii) complete and correct entries of the Authority's transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of a Series or any Beneficial Owner of a Book Entry Bond requesting the same. A monthly statement from the Trustee setting forth the foregoing shall be deemed to satisfy this Section 7.11(b).

#### **SECTION 7.12. Transfer of Airport Facilities.**

(a) The Authority shall not, except as permitted below or by the City Lease, transfer, sell or otherwise dispose of an Airport Facility or Airport Facilities. For purposes of this Section, any transfer of an asset over which the Authority retains substantial control in accordance with the terms of such transfer, shall not, for so long as the Authority has such control, be deemed a disposition of an Airport Facility or Airport Facilities.

(b) The Authority may, subject to the City Lease, transfer, sell or otherwise dispose of Airport Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

- (i) the property being disposed of is inadequate, obsolete or worn out;

or

(ii) the property proposed to be disposed of and all other Airport Facilities disposed of during the 12 month period ending on the day of such transfer (but excluding property disposed of under (i) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are deposited into the Revenue Fund to be used as described below and the Authority believes that such disposal will not prevent it from fulfilling its obligations under this Master Resolution; or

(iii) the Authority receives fair market value for the property, the proceeds are deposited in the Revenue Fund to be used as described below, and prior to the disposition of such property, there is delivered to the Trustee a certificate of a Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Authority as evidenced by a certificate of an Authorized Officer of the Authority, the Consultant estimates that the Authority will be in compliance with Section 7.04(a)(i) and (ii) hereof during each of the first five (5) Fiscal Years immediately following such disposition.

(c) Proceeds of the disposition of assets under paragraph (ii) or (iii) of paragraph (b) above shall be deposited into the Revenue Fund and used, within a reasonable period of time, not to exceed three years, to (i) provide additional revenue-producing Airport Facilities, (ii) redeem Bonds, (iii) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article XII hereof; or (iv) used for any other permitted Airport purpose.

(d) Airport Facilities which were financed with the proceeds of obligations the interest on which is then excluded from gross income for federal income tax purposes shall not be disposed of, except under the terms of paragraph (b)(i) above, unless the Authority has first received a written opinion of Bond Counsel to the effect that such disposition and the application of any disposition proceeds thereof will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

(e) No such disposition shall be made which would cause the Authority to be in default of any other covenant contained in this Master Resolution.

### **SECTION 7.13. Eminent Domain.**

If a Significant Portion of any Airport Facility or Airport Facilities are taken by eminent domain proceedings or conveyance in lieu thereof, the Authority shall create within the Revenue Fund a special account and credit the Net Proceeds received as a result of such taking or conveyance to such account and shall within a reasonable period of time, after the receipt of such amounts, use such proceeds to (i) replace the Airport Facility or Airport Facilities which were taken or conveyed, (ii) provide an additional revenue producing Airport Facility or Airport Facilities, (c) redeem Bonds, or (d) create an escrow fund pledged to pay any specified Bonds or Series of Bonds and thereby cause such Bonds or Series of Bonds to be deemed to be paid as provided in Article XII hereof; provided, however, that the Authority shall first deliver to the Trustee a certificate of a Consultant showing that, after taking into account the use of the Net

Proceeds for the redemption of such specified Bonds or Series of Bonds, the tests set forth in Section 7.04(a) and (b) hereof nevertheless be met.

**SECTION 7.14. Completion of Specified Project; Substitution of Specified Project.**

The Authority will, upon the issuance of a Series of Bonds the proceeds of which are to be used for a Specified Project, proceed with due diligence to construct, reconstruct or acquire such Specified Project; provided, however, that the Authority may, if the conditions set forth in this Section are met, substitute another Project therefor and shall proceed with due diligence to construct or acquire such substituted Project. The Authority may determine not to proceed with any of the Specified Projects or may determine to substitute another Project or Projects for a Specified Project if, as a condition to discontinuing the acquisition or construction of a Specified Project or to the substitution of another Project or Projects therefor, the Authority (a) first, delivers to the Trustee a certificate of a Consultant showing that after taking into account the discontinuation of such Specified Project or the substitution of Project or Projects therefor, the test set forth in Section 7.04(a)(i) and (ii) hereof would, nevertheless, be met and (b) second, if the original Project was financed with the proceeds of obligations the interest on which is then excluded from gross income for federal income tax purposes, causes there to be delivered an opinion of Bond Counsel to the effect that the substitution of one Project for another Project will not cause interest on the Series of Bonds with respect to which the original Project was to be financed to be included in gross income of the recipients thereof for federal income tax purposes. If the Authority determines not to proceed with a Specified Project and fails to deliver the Consultant's certificate and to undertake a substitute Project or Projects, then Bond proceeds which would have been used to acquire or construct such Specified Project shall be used to redeem Bonds, or used as otherwise provided in the Supplemental Resolution pursuant to which they were issued.

**SECTION 7.15. Further Assurances.**

The Authority, at any and all times, 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, conveying, granting, assigning and confirming all and singular the rights, pledges and assignments hereby and by the Applicable Supplemental Resolution or Certificate of Determination created or made or intended to be created or made, or which the Authority may hereafter become bound to pledge or assign.

**SECTION 7.16. Deposit of Certain Money on the Construction Fund.**

In addition to the proceeds of Bonds of a Series to be deposited in the Construction Fund, any money paid to the Authority for the acquisition, construction, reconstruction, renovation or equipping of a Project, including the Net Proceeds of any insurance or condemnation award to be so applied, shall be deposited in the Construction Fund.

**SECTION 7.17. Offices for Payment and Registration of Bonds.**



The Authority shall at all times maintain an office or agency in the State where Bonds of a Series may be presented for payment. The Authority may, pursuant to a Supplemental Resolution or pursuant to a resolution adopted in accordance with Section 8.02 hereof, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment.

**SECTION 7.18. Tax Exemption; Rebate.**

(a) Except as otherwise provided in a Supplemental Resolution, in order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Bonds of each Series issued as tax-exempt bonds, the Authority shall comply with the provisions of the Code applicable to the Bonds of each Series, including without limitation the provisions of the Code relating to the computation of the yield on investments of the Gross Proceeds of each Series of Bonds, reporting of earnings on the Gross Proceeds of each Series of Bonds and rebates of Excess Earnings to the Department of the Treasury of the United States of America. Except as otherwise provided herein, the Authority shall comply with the letter of instructions as to compliance with the Code with respect to each such Series of Bonds to be delivered by Bond Counsel at the time the Bonds of a Series are issued, as such letter may be amended from time to time, as a source of guidance for achieving compliance with the Code.

(b) The Authority shall not take any action or fail to take any action, which would cause the Bonds of a Series to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(c) Notwithstanding any other provision hereof to the contrary, the Authority’s failure to comply with the provisions of the Code applicable to the Bonds of a Series shall not entitle the Holder of Bonds of any other Series, or the Trustee acting on their behalf, to exercise any right or remedy provided to Bondholders hereunder based upon the Authority’s failure to comply with the provisions of this Section or of the Code.

**SECTION 7.19. Obligations Secured by Other Revenues.**

The Authority may, from time to time, incur indebtedness payable solely from certain revenues of the Airport which do not constitute Revenues or Net Revenues and that is not secured by the other security set forth in the Granting Clause of this Master Resolution at such times and upon such terms and conditions as the Authority shall determine, provided that such indebtedness shall specifically include a provision that payment of such indebtedness is neither secured by nor payable from Revenues, Net Revenues or the other security set forth in the Granting Clause of this Master Resolution. The Authority may also, from time to time, incur indebtedness payable from and secured by both Net Revenues (and the other security set forth in the Granting Clause of this Master Resolution) and certain revenues of the Airport which do not constitute Revenues or Net Revenues at such times and upon such terms and conditions as the Authority shall determine, provided that the conditions set forth in this Master Resolution for the issuance of indebtedness payable from and secured by Net Revenues (and the other security set

forth in the Granting Clause of this Master Resolution), including, without limitation, Section 2.02, 2.05 and 7.06 hereof, as applicable, are met.

**SECTION 7.20. General.**

(a) The Authority 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 Authority under the provisions hereof in accordance with the terms of such provisions. The Trustee shall be entitled to enforce the covenants set forth herein to the extent set forth in Article XI.

(b) Upon the date of issuance of Bonds of a Series, all conditions, acts and things required by the statutes of the State and hereby to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

**ARTICLE VIII.**

**CONCERNING THE TRUSTEE**

**SECTION 8.01. Appointment and Acceptance of Trustee.**

The Authority, prior to the delivery of Bonds of a Series, shall appoint a Trustee by or in the manner provided in this Master Resolution or in the Applicable Supplemental Resolution or Certificate of Determination authorizing or relating to such Series of Bonds issued hereunder. The Trustee shall also serve as Paying Agent. The Trustee shall signify its acceptance of the duties and obligations of Trustee and Paying Agent imposed upon it hereby by written instrument of acceptance delivered to the Authority.

**SECTION 8.02. Eligibility of Trustee.**

There shall always be a Trustee with respect to the Bonds that shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least \$125,000,000.

**SECTION 8.03. Appointment and Acceptance of Paying Agents.**

In addition to the Trustee, who shall also serve as Paying Agent, the Authority may appoint one or more Paying Agents for the Bonds of a Series in the Supplemental Resolution authorizing such Bonds or in the manner provided herein or in such Supplemental Resolution or shall appoint such Paying Agent or Paying Agents by resolution of the Authority adopted prior to the authentication and delivery of such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 8.13 hereof for the appointment of a successor Paying Agent. Each Paying Agent shall signify

its acceptance of the duties and obligations imposed upon it hereby by written instrument of acceptance deposited with the Authority and the Trustee.

#### **SECTION 8.04. Responsibilities of Trustee and Paying Agents.**

(a) The recitals of fact contained herein and in each Supplemental Resolution and in the Bonds of a Series shall be taken as the statements of the Authority and neither the Trustee nor any Paying Agent assumes any responsibility or liability for the correctness of the same. Neither the Trustee nor any Paying Agent makes any representations as to the validity or sufficiency hereof, of any Supplemental Resolution or of any Bonds of a Series, or in respect of the security afforded hereby or by each Supplemental Resolution, and neither the Trustee nor any Paying Agent shall incur any responsibility or liability in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to: (i) the issuance of the Bonds of a Series for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee or Paying Agent; or (iii) the application of any money paid to the Authority or others in accordance herewith and with the Applicable Supplemental Resolution and Certificate of Determination except as to the application of any money paid to it in its capacity as Trustee or Paying Agent. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties hereunder and under the Applicable Supplemental Resolution except for its own gross negligence or willful misconduct in the performance of its duties and obligations as are specifically set forth herein and in each Applicable Supplemental Resolution.

(b) The duties and obligations of the Trustee and any Paying Agent shall be determined by the express provisions hereof and of each Applicable Supplemental Resolution and Certificate of Determination and neither the Trustee nor any Paying Agent shall be liable except for the performance of such duties and obligations as are specifically and expressly set forth herein and in each Applicable Supplemental Resolution. These duties shall be deemed purely ministerial in nature, and no implied covenants or obligations shall be read into this Master Resolution against the Trustee and any Paying Agent. The Trustee and any Paying Agent may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(c) The Trustee and any Paying Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Master Resolution arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility. Neither the Trustee nor any Paying Agent shall be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it hereby or by a Supplemental Resolution.

(d) Notwithstanding anything herein to the contrary, the permissive rights of the Trustee and any Paying Agent to do things enumerated in this Master Resolution or in each Applicable Supplemental Resolution shall not be construed as a duty and, with respect to such permissive rights, the Trustee and any Paying Agent shall not be answerable for other than its gross negligence or willful misconduct.

(e) Prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, the Trustee and any Paying Agent undertakes to perform such duties and only such duties as are specifically set forth in this Master Resolution. In case an Event of Default has occurred and has not been cured, the Trustee and any Paying Agent shall exercise such of the rights and powers vested in it by this Master Resolution, and use the same degree of care and skill in their exercise, as a reasonable and prudent person would use, under the circumstances, in the conduct of such person's own affairs.

(f) In no event shall the Trustee or any Paying Agent be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee or any Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

#### **SECTION 8.05. Property Held in Trust.**

(a) All money and securities conveyed to or held by the Trustee, except for amounts held in the Arbitrage Rebate Fund and any fund or account established solely for purposes of making payments to reimburse a Provider, if any, at any time pursuant to the terms hereof and of each Applicable Supplemental Resolution shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions hereof and of each Applicable Supplemental Resolution.

(b) The Trustee shall hold all money in the Arbitrage Rebate Fund as the agent of the Authority and shall not disburse amounts therefrom except pursuant to the written instructions of an Authorized Officer of the Authority.

#### **SECTION 8.06. Evidence on Which Fiduciaries May Act.**

(a) The Trustee and any Paying Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may (but shall not be obligated to) demand, as a condition of the withdrawal of any moneys or the taking of any other action contemplated by this Master Resolution, any certificates, opinions, appraisals, or other information, or corporate action or evidence thereof (in addition to any other prerequisites required in any other Section of this Master Resolution) which the Trustee may reasonably deem desirable for the purpose of establishing the right of the Authority to the withdrawal of the moneys or the taking of the other action. The Trustee and any Paying Agent shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers,

employees or agents, and believed by it to be authorized or within the discretion or rights or powers conferred upon it under this Master Resolution. The Trustee and any Paying Agent may consult with counsel or other professionals, who may or may not be of counsel to the Authority, and the opinion of such counsel or other professionals shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. The Trustee shall not be responsible for any loss or damages resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion of counsel or other professionals.

(b) Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder and under a Supplemental Resolution, such matter (unless other evidence in respect thereof be specifically prescribed hereby) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Authority. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof and of a Supplemental Resolution upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may require. Except as otherwise expressly provided herein and in a Supplemental Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof and of a Supplemental Resolution by the Authority to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

#### **SECTION 8.07. Compensation.**

Unless otherwise provided by a separate fee agreement (the terms of which agreement, if applicable, are hereby incorporated by reference) with the Trustee or any Paying Agent, the Authority shall pay to the Trustee and to each Paying Agent, from time to time, reasonable compensation for all services rendered by it hereunder and under the Applicable Supplemental Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties hereunder and under the Applicable Supplemental Resolution and the Trustee and each Paying Agent shall, except as otherwise set forth in a Supplemental Resolution or Certificate of Determination, have a first priority lien (to the extent permitted by applicable law) therefor on any and all funds at any time held by it hereunder and under the Applicable Supplemental Resolution (other than the Debt Service Fund, the Debt Service Reserve Fund, if any, the Arbitrage Rebate Fund and any fund or account established solely for the purposes of making payments of the purchase price of Option Bonds tendered for purchase or for purposes of making payments to reimburse a Provider, if any) prior to any of the Bonds of a Series for which such services have been rendered; provided, however, that neither the Trustee nor any Paying Agent shall be entitled to compensation for any expenses, charges, counsel fees or other disbursements incurred in connection with or incident to its resignation or its removal by the Holders of Bonds or by a court of competent jurisdiction as provided in Sections 8.10 or 8.14 hereof whether or not the same were incurred in or about the performance of its powers and duties hereunder or under a Supplemental Resolution in connection with its resignation or removal. The Authority shall indemnify, defend and hold the Trustee and each Paying Agent

(and their directors, officers, employees and agents) harmless from any and against all liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature (including, without limitation, attorney's fees and expenses and the costs of enforcement of this Agreement or any provision thereof) which the Trustee (and its directors, officers, employees and agents) and each Paying Agent (and its directors, officers, employees and agents) may incur in the exercise and performance of its powers and duties hereunder and under the Applicable Supplemental Resolution and which are not due to its gross negligence or willful misconduct in the performance of its duties and obligations as are specifically set forth herein and in each Applicable Supplemental Resolution. None of the provisions contained herein or in any Supplemental Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. Except as otherwise set forth in a Supplemental Resolution or Certificate of Determination, the Trustee shall not be required to take any action at the request or direction of a Provider made or given pursuant to Article XI hereof unless and until such Provider shall have defended, indemnified and held the Trustee harmless against any liabilities and all expenses, charges, counsel fees and other disbursements, including those of the Trustee's attorneys, agents and employees, incurred in connection with, or as a result of, taking the action requested or directed by the Applicable Provider to be taken and which are not due to the Trustee's gross negligence or willful misconduct.

**SECTION 8.08. Permitted Acts.**

The Trustee and any Paying Agent may become the owner of or may deal in Bonds of a Series as fully and with the same rights as if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Authority or any committee formed to protect the rights of Holders of Bonds of a Series or to effect or aid in any reorganization growing out of the enforcement hereof or of such Bonds or any Supplemental Resolution whether or not such committee shall represent the Holders of a majority in principal amount of the Outstanding Bonds of a Series in respect of which any such action is taken.

**SECTION 8.09. Resignation of Trustee.**

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder and under a Supplemental Resolution by giving not less than sixty (60) days written notice to the Authority and each Applicable Provider, which notice shall specify the date when such resignation shall take effect, and mail to the registered owners of the Bonds of a Series a copy of such notice, by first class mail, postage prepaid, at their last known addresses, if any, appearing on the registration books of the Authority. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as provided in Section 8.11 hereof, in which event such resignation shall take effect immediately upon the appointment of such successor; provided, however, that such resignation shall not take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to Section 8.10 hereof.

**SECTION 8.10. Removal of Trustee.**

The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds of a Series, excluding any such Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to the Authority. The Trustee, or any successor thereof, may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions hereof or of a Supplemental Resolution with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Authority, or the Holders of not less than 20% in aggregate principal amount of Bonds of a Series then Outstanding, excluding any such Bonds held by or for the account of the Authority. The Trustee may also be removed at any time, other than during the continuance of an Event of Default hereunder, by the Authority, by an instrument in writing signed and acknowledged by an Authorized Officer of the Authority. No removal of the Trustee hereunder shall take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to Section 8.11 hereof. A copy of each instrument or order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the Authority to the Trustee or such successor thereof, and each Applicable Provider.

**SECTION 8.11. Successor Trustee.**

(a) In case the Trustee, or any successor thereof, 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, the Authority shall forthwith appoint a Trustee to act as Trustee and Paying Agent. Copies of any resolution of the Authority providing for any such appointment shall be delivered by the Authority to the Trustee so appointed, the predecessor Trustee and to each Applicable Provide. The Authority shall mail notice of any such appointment not later than thirty (30) days after such appointment to the registered owner of the Bonds of the Applicable Series by first class mail, postage prepaid, at their last known addresses, if any, appearing on the registration books of the Authority.

(b) If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with Section 8.08 hereof, or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder of the Applicable Series may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor appointed under the provisions of this Section shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least \$125,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required hereby and by the Applicable Supplemental Resolution.

**SECTION 8.12. Transfer of Rights and Property to Successor Trustee.**

Any successor appointed under the provisions of Section 8.10 hereof shall execute, acknowledge and deliver to its predecessor, and also to the Authority, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of its predecessor hereunder and under a Supplemental Resolution, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request by the Authority or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to such successor any money or other properties subject to the trusts and conditions set forth herein. Should any deed, conveyance or instrument in writing from the Authority be required by such successor for more fully and certainly vesting in and confirming to it any such money, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority.

**SECTION 8.13. Merger or Consolidation of the Trustee.**

Any Person into which the Trustee may be merged or with which it may be consolidated or any Person resulting from any merger or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank having trust powers or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 8.11 hereof, shall be the successor to such Trustee and be vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without any further act, deed or conveyance.

**SECTION 8.14. Resignation or Removal of the Paying Agents and Appointment of Successors.**

(a) Any Paying Agent (other than the Trustee) may at any time resign and be discharged of the duties and obligations created hereby and by the Applicable Supplemental Resolution by giving at least sixty (60) days' written notice to the Authority and Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority and (subject to the requirements of Section 7.17 hereof) shall be a bank having trust powers or trust company organized under the laws of any state of the United States of America or a national banking association, having a capital and surplus aggregating at least \$125,000,000, and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it hereby and by the Applicable Supplemental Resolution.



(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any money held by it to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed. The Authority shall give written notice of the resignation or removal of any Paying Agent of any Series of Bonds and of the appointment of a successor thereto to each Applicable Provider.

**SECTION 8.15. [Intentionally Omitted]**

**SECTION 8.16. Instructions to Trustee through Electronic Means.**

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (the “Instructions”), given pursuant to this Master Resolution and delivered via Electronic Means. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Authority understands that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume that directions that purport to have been sent by an Authorized Officer of the Authority listed on the provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers of the Authority are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third-parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Borrower; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

**ARTICLE IX.**

**SUPPLEMENTAL RESOLUTIONS**

**SECTION 9.01. Modification and Amendment Without Consent.**

Notwithstanding any other provisions of this Article IX or Article X hereof, the Authority may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution shall become effective in accordance

with its terms upon the filing with the Trustee and the Applicable Provider, if any, of a copy thereof certified by an Authorized Officer of the Authority:

(a) To provide for the issuance of a Series of Bonds pursuant to the provisions hereof and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of a Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained herein;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds of a Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms hereof, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained herein;

(e) To confirm, as further assurance, any interest of the Trustee in and to the pledge of Net Revenues or in and to the funds and accounts held by the Trustee or in and to any other moneys, securities or funds of the Authority provided pursuant to this Master Resolution, any Supplemental Resolution, or to otherwise add additional security for the Bondholders;

(f) To modify any of the provisions hereof or of any previously adopted Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions;

(g) To modify or amend a Specified Project;

(h) To qualify the Bonds or a Series of Bonds for a rating or ratings from a Rating Agency;

(i) To accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, swaps, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the Authority from time to time deems appropriate to incur; or

(j) Upon receipt of a favorable opinion of counsel, to cure any ambiguity or defect or inconsistent provision herein or to insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent herewith as theretofore in effect, or to modify any of the provisions hereof or of any previously adopted Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect.

**SECTION 9.02. Supplemental Resolutions Effective with Consent of Bondholders.**

The provisions hereof and of a Supplemental Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders of the Applicable Series in accordance with and subject to the provisions of Article X hereof, such Supplemental Resolution to become effective upon the filing with the Trustee and the Applicable Provider, if any, of a copy thereof certified by an Authorized Officer of the Authority.

**SECTION 9.03. General Provisions Relating to Supplemental Resolutions.**

(a) The Master Resolution or a Supplemental Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article IX and Article X hereof. Nothing contained in this Article IX or Article X hereof shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.15 hereof or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere herein provided or permitted to be delivered to the Trustee or any Paying Agent.

(b) A copy of every Supplemental Resolution adopted by the Authority, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions hereof, is authorized or permitted hereby and is valid and binding upon the Authority and enforceable in accordance with its terms. The Authority shall transmit a copy of such Supplemental Resolution to each Applicable Provider upon its becoming effective.

(c) The Trustee is hereby authorized to accept delivery of a certified copy of any Supplemental Resolution permitted or authorized pursuant to the provisions hereof and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions hereof.

(d) No Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee, a Paying Agent or a Provider shall become effective without the written consent of the Trustee, the Paying Agent or Provider affected thereby.

## **ARTICLE X.**

### **AMENDMENTS OF RESOLUTION**

#### **SECTION 10.01. Powers of Amendment.**

Any modification or amendment hereof and of the rights and obligations of the Authority and of the Holders of the Bonds hereunder or of any Supplemental Resolution, in any particular, may be made by a Supplemental Master Resolution or Supplemental Resolution with the written consent, given as hereinafter provided in Section 10.02 hereof, (a) of the Holders of at least a majority of the principal amount of the Bonds Outstanding of a Series at the time such consent is given of each Series affected by such modification or amendment, (b) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority of the principal amount of the Bonds Outstanding at the time such consent is given of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, or (c) with respect to (a) and (b) above, of the Holders of such other portion of the aggregate principal amount of the Bonds Outstanding of a Series that may be separately agreed to by all Holders pursuant to an agreement described in Section 11.11 hereof, in which case such portion shall be controlling during the term of such agreement. Except in respect of Sinking Fund Installments as set forth in (b), no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond of a Series 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 Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment hereof if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of a particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds of such Series. The Trustee shall not be liable for any determination (and/or the effect thereof) made pursuant to this Section 10.01. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment hereof.

#### **SECTION 10.02. Consent of Bondholders.**

(a) The Authority may at any time adopt a Supplemental Master Resolution or Supplemental Resolution making a modification or amendment permitted by the provisions of Section 10.01 hereof to take effect when and as provided in this Section. A copy of such Supplemental Master Resolution or Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders of a Series of Bonds affected thereby for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to such Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the

Supplemental Master Resolution or Supplemental Resolution when consented to as in this Section provided). Such Supplemental Master Resolution or Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (A) the written consent of the Holders of the percentages of Outstanding Bonds of a Series specified in Section 10.01 hereof and (B) an opinion of Bond Counsel stating that such Supplemental Master Resolution or Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions hereof, is authorized or permitted hereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed or given by Electronic Notice as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds of a Series 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 proof that the consents have been given by the Holders of the Bonds of a Series described in the certificate or certificates of the Trustee.

(b) Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in Section 13.01 hereof to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds of a Series issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder 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 Holders of the required percentages of Bonds of a Series shall have filed their consents to the Supplemental Master Resolution or Supplemental Resolution, as applicable, the Trustee shall make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed and the Trustee shall not be liable with respect to such written statement (including without limitation any errors therein) or any reliance thereon.

(c) At any time thereafter, notice stating in substance that the Supplemental Master Resolution or Supplemental Resolution has been consented to by the Holders of the required percentages of Bonds of a Series and will be effective as provided in this Section, shall be given to such Bondholders by the Authority by mailing such notice or by Electronic Notice to such Bondholders. The Authority shall file with the Trustee proof of the mailing of such notice or transmittal of Electronic Notice. A transcript 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 Master Resolution or Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent, and the Holders of all Bonds of such Series upon the filing with the Trustee of proof of the mailing of such notice or through or Transmittal of Electronic Notice.

(d) For the purposes of this Article X, the purchasers of the Bonds of a Series, whether purchasing as underwriters or Remarketing Agent, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by Section 10.01 or Section 10.03 hereof in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document, if any, prepared in connection with the primary offering of the Bonds of such Series by the Authority.

**SECTION 10.03. Modifications by Unanimous Consent.**

The terms and provisions hereof and the rights and obligations of the Authority and of the Holders of the Bonds of a Series may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Master Resolution or Supplemental Resolution certified by an Authorized Officer of the Authority and the consent of (a) the Holders of all of the Bonds of a Series then Outstanding, or (b) the Holders of such portion of the aggregate principal amount of the Bonds of a Series then Outstanding that may be separately agreed to by all Holders pursuant to an agreement described in Section 11.11 hereof, in which case such portion shall be controlling during the term of such agreement. Such consent to be given as provided in Section 10.02 hereof, except that no notice to the Bondholders either by mailing or publication shall be required.

**SECTION 10.04. Consent of Provider.**

Whenever by the terms of this Article X the consent of any of the Holders of the Bonds of a Series to a modification or amendment hereof made by a Supplemental Resolution or of a Supplemental Resolution is required, such modification or amendment shall not become effective until the written consent of each Applicable Provider has been obtained. No modification or amendment hereof which adversely affects a Provider shall be made without the written consent thereto of the Applicable Provider affected thereby. Notice of the adoption of any such Supplemental Master Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby shall be given to each Applicable Provider by mail at the times and in the manner provided herein with respect to notices thereof required to be given to the Holders of the Bonds of a Series. Notice thereof shall also be given to each Rating Service as soon as practical after adoption of such Supplemental Master Resolution or Supplemental Resolution and of the effectiveness thereof. In the event that the Provider has provided a letter of credit (the “**Primary Letter of Credit**”) and, as security for the performance of its obligations under the Primary Letter of Credit, a confirming standby letter of credit from another institution has been issued, consent shall only be required from the Provider of the Primary Letter of Credit and shall not be required from the Provider of the confirming standby letter of credit.

**SECTION 10.05. Mailing and Electronic Notice.**

Any provision in this Article X for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid or given by Electronic Notice: (i) to each registered owner of Bonds of a Series then Outstanding at such Person's address or method of Electronic Notice appearing upon the registry books of the Authority; and (ii) to the Trustee.

**SECTION 10.06. Exclusion of Bonds.**

Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action provided for herein, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for herein. At the time of any consent or other action taken hereunder, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

**SECTION 10.07. Notation on Bonds.**

Bonds of a Series delivered after the effective date of any action taken as provided in Article IX hereof or this Article X may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding of such Series at such effective date and upon presentation of such Bond for such purpose at the principal corporate trust office of the Trustee (or such other office as the Trustee may direct) suitable notation shall be made on such Bond by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds of such Series so modified as, in the opinion of the Trustee and the Authority, conform to such action shall be prepared and delivered, and upon demand of the Holder of any such Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

**ARTICLE XI.**

**DEFAULTS AND REMEDIES**

**SECTION 11.01. Trustee to Exercise Powers of Statutory Trustee.**

The Trustee for each Series of Bonds shall be and hereby is vested with all of the rights, powers and duties of a trustee appointed by Holders of an Applicable Series of Bonds pursuant to Section 2799-kkk of the Act which are not inconsistent with the provisions of the Master Resolution and the right of such Holders to appoint a trustee pursuant to Section 2799-kkk of the Act is hereby abrogated in accordance with the provisions of subdivision 5(j) of Section 2799-jjj of the Act.

## **SECTION 11.02. Events of Default.**

Any events of default shall exist hereunder and under an Applicable Supplemental Resolution (herein called “**Event of Default**”) if:

(a) With respect to the Applicable Series of Bonds, payment of the principal, Sinking Fund Installments, if any, or Redemption Price of any Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to the Applicable Series of Bonds, payment of an installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable; or

(c) With respect to the Applicable Series of Bonds, the Authority shall default in the due and punctual performance of any covenants contained in the Applicable Supplemental Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) With respect to the Applicable Series of Bonds, the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained herein or in such Bonds or in the Applicable Supplemental Resolution on the part of the Authority to be performed and such default shall continue for ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of (i) the Holders of not less than 25% of the principal amount of the Outstanding Bonds of such Series, or (ii) the Holders of such other percentage of the aggregate principal amount of the Outstanding Bonds of such Series as may be separately agreed to by all Holders pursuant to an agreement described in Section 11.11 hereof, in which case such percentage shall be controlling during the term of such agreement, or if such default is not capable of being cured within ninety (90) days, if the Authority fails to commence within said ninety (90) days and diligently prosecute the cure thereof; or

(e) the filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of the Airport. Notwithstanding Section 11.02(d), above, a violation of the covenant set forth in Section 7.04 hereof shall be controlled by the provisions set forth therein.



**SECTION 11.03. Remedies.**

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the Principal Amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Authority to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act or any other law to which it is subject and this Master Resolution;

(ii) bring suit upon the Bonds;

(iii) commence an action or suit in equity to require the Authority to account as if it were the trustee of an express trust for the Bondholders; or

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

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

(c) Except with respect to a Credit Provider or a Liquidity Provider as provided in a Supplemental Resolution, Certificate of Determination or a written agreement between the Authority and a Credit Provider or a Liquidity Provider, in no event, upon the occurrence and continuation of an Event of Default described in Section 11.02 hereof, shall the Trustee, the Bondholders, a Credit Provider, a Liquidity Provider or any other party have the right to accelerate the payment of principal of and interest on the Bonds Outstanding.

**SECTION 11.04. Restoration to Former Position.**

In the event that any proceeding taken by the Trustee to enforce any right under this Master Resolution shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Authority, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**SECTION 11.05. Bondholders' Right to Direct Proceedings.**

Anything in this Master Resolution to the contrary notwithstanding, holders of not less than 51% in aggregate Principal Amount of the Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this

Master Resolution to be taken in connection with the enforcement of the terms of this Master Resolution or exercising any trust or power conferred on the Trustee by this Master Resolution; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Master Resolution and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

**SECTION 11.06.           Limitation on Right to Institute Proceedings.**

No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on such Bonds, unless such Bondholder or Bondholders previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also holders of 25% or more of the Principal Amount of the Bonds then Outstanding shall have made written request of the Trustee to do so, after the right to institute such suit, action or proceeding under Section 11.03 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of this Master Resolution, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders.

**SECTION 11.07.           No Impairment of Right to Enforce Payment.**

Notwithstanding any other provision in this Master Resolution, the right of any Bondholder to receive payment of the principal of and interest and other amounts due on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the pledge of Net Revenues and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

**SECTION 11.08.           Proceedings by Trustee without Possession of Bonds.**

All rights of action under this Master Resolution or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, subject to the provisions of this Master Resolution.

**SECTION 11.09. Remedies not Exclusive.**

No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Master Resolution or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section.

**SECTION 11.10. Waiver and Non-Waiver of Default.**

(a) No delay or omission of the Trustee or any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by this Article XI to the Trustee and the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may, and upon written request of (i) the Holders of not less than 25% of the principal amount of the Outstanding Bonds of a Series affected thereby or, (ii) the Holders of such other percentage of the aggregate principal amount of the Outstanding Bonds as separately agreed to by all Holders pursuant to an agreement described in Section 11.11 hereof, in which case such percentage shall be controlling during the term of such agreement, shall, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof or before the completion of the enforcement of any other remedy hereunder; provided, however, that no such waiver shall affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

**SECTION 11.11. Holder's Agreement with Respect to Consent Percentages.**

With respect to the actions contemplated in Sections 10.01, 10.03, 11.02, 11.03, 11.04, 11.07, 11.08 and 11.10 hereof to be taken upon the consent of the Holders of a certain portion or percentage of aggregate principal amount of the Bonds of a Series then Outstanding, the portions or percentages agreed upon by all registered Holders in writing shall control where (a) all of the Holders are "**Qualified Institutional Investors**" as defined in Rule 144A promulgated under the Securities Act of 1933, (b) such Holders provide notice to the Authority and the Trustee in writing of the Holders' agreement with respect to such percentages and (c) any additional requirements provided for in the Applicable Certificate of Determination are satisfied.

**SECTION 11.12. Application of Moneys.**

If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article (which shall not include moneys provided through a Credit Facility, which moneys shall be restricted to the specific use for which

such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys by the Trustee or by any receiver and of the expenses, liabilities and advances incurred or made by the Trustee in connection with its performance of its powers and duties under this Master Resolution and any Supplemental Resolutions (including additional Trustee's fees and expenses (including without limitation reasonable attorneys' fees incurred by the Trustee)), shall be applied as follows: (a) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum as provided in any Supplemental Resolution, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (b) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at such rate as provided in a Supplemental Resolution from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds on any particular date determined to be the payment date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

#### **SECTION 11.13. Severability of Remedies.**

It is the purpose and intention of this Article to provide rights and remedies to the Trustee and the Bondholders, which may be lawfully granted under the provisions of the Act and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Master Resolution or by applicable law.

#### **SECTION 11.14. Additional Events of Default and Remedies.**

So long as any particular Series of Bonds is Outstanding, the Events of Default and remedies as set forth in this Article may be supplemented with additional Events of Default and remedies as set forth in a Supplemental Resolution under which such Series of Bonds is issued.

**SECTION 11.15. Notice of Event of Default.**

The Trustee shall give notice of each Event of Default hereunder known to the Trustee to each Applicable Provider within five (5) days after knowledge of the occurrence thereof and to the Holders of Bonds of a Series within thirty (30) days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of the principal, Sinking Fund Installments or Redemption Price of, or interest on, any of such Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of such Bonds. Each such notice of Event of default shall be given by the Trustee by mailing written notice thereof: (a) to all registered Holders of Bonds of a Series, as the names and addresses of such Holders appear on the books for registration and transfer of Bonds as kept by the Trustee, (b) to each Provider, and (c) to such other Persons as is required by law.

**ARTICLE XII.**

**DEFEASANCE**

**SECTION 12.01. Defeasance.**

(a) If the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, herein, and in the Applicable Supplemental Resolution and Certificate of Determination, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted hereby to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all money or securities held by it pursuant hereto and to the Applicable Supplemental Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein, if any, in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; and second, to each Applicable Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each such Provider.

(b) Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. All Outstanding Bonds of any Series or any maturity within such Series or a portion of a maturity within a 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 paragraph (a) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall

have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article IV hereof notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received the written consent to such defeasance of each Applicable Provider which has given written notice to the Trustee and the Authority that amounts advanced under any Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (iv) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said 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 available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with this Section. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this Section in the manner provided in Section 4.04 hereof. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, at the written direction of an Authorized Officer of the Authority be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date hereof, as the case may be; provided, further, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent in excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest

on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; and, then, the balance thereof to the Authority, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(c) For purposes of determining whether Variable Interest Rate Bonds of a Series shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (ii) of the second sentence of paragraph (b) of this Section 12.01, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (ii) of the second sentence of paragraph (b) of this Section 12.01, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; and, then, the balance thereof to the Authority, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(d) Option Bonds of a Series shall be deemed to have been paid in accordance with clause (ii) of the second sentence of paragraph (b) of this Section 12.01 only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) of this Section 12.01, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; and, then, the balance thereof to the Authority, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(e) Anything herein to the contrary notwithstanding, any money held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the

Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such money was held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, shall, at the written request of the Authority, be repaid by the Trustee or Paying Agent to the Authority as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such Bonds.

### **ARTICLE XIII.**

#### **EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS**

##### **SECTION 13.01. Evidence of Signatures of Bondholders and Ownership of Bonds.**

(a) Any request, consent or other instrument which the Master Resolution or a Supplemental Resolution may require or permit to be signed and executed by a Holder or Holders of Bonds of a Series may be in one or more instruments of similar tenor, and shall be signed or executed by such Holder or Holders of Bonds in Person or by his or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the holding or owning by any Person of such Bonds, shall be sufficient for any purpose hereof (except as otherwise herein expressly provided) if made in the manner set forth below, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

(b) The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by the certificate, which shall be acknowledged or verified, of any officer of a bank or trust company satisfactory or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, 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. The authority of the Person or Persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a Person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a Person purporting to be its secretary or an assistant secretary.

(c) The ownership of Bonds of a Series and the amount, numbers and other identification, and date of holding or owning the same shall be proved by the registry books. Any request, consent or vote of the owner of any Bond of a Series shall bind all future owners of such Bond in respect of anything done or suffered to be done or omitted to be done by the Authority or the Trustee in accordance therewith.



## **ARTICLE XIV.**

### **MISCELLANEOUS**

#### **SECTION 14.01. Preservation and Inspection of Documents.**

(a) All documents received by the Trustee from the Authority or from Bondholders of a Series under the provisions hereof or of any Supplemental Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, each Applicable Provider, any such Bondholder and their agents and their representatives, any of whom may make copies thereof; provided, however, that with respect to inspection by a Bondholder a written request of such Bondholder must have been received by the Trustee at least five (5) Business Days prior to the date of inspection.

(b) The Trustee shall maintain such records as an Applicable Provider shall reasonably request with respect to matters relating to such Provider.

#### **SECTION 14.02. [Intentionally Omitted].**

#### **SECTION 14.03. Cancellation of Bonds.**

The Trustee or any Paying Agent shall forthwith cancel all Bonds of a Series which have been redeemed or paid by it and may destroy such Bonds. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds shall be issued in lieu thereof.

#### **SECTION 14.04. No Recourse under Resolution or on the Bonds.**

All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, hereon or on the Applicable Supplemental Resolution against any member, officer or employee of the Authority or any Person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

#### **SECTION 14.05. Severability of Invalid Provision.**

If any one or more of the covenants, stipulations, promises, agreements and obligations provided herein or in a Supplemental Resolution on the part of the Authority or the Trustee to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements or obligation or obligations shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions hereof or of such Supplemental Resolution or of the Bonds of such Series.

**SECTION 14.06. Parties in Interest.**

Nothing herein or in any Supplemental Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any Person or party other than the Authority, Trustee, Paying Agents, each Applicable Provider and the Holders of the Bonds of a Series any rights, remedies or claims hereunder or by reason hereof or of any Supplemental Resolution or any covenant, condition or stipulation thereof.

**SECTION 14.07. Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds.**

(a) For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant hereto for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

(b) For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

**SECTION 14.08. Termination of Provider's Rights.**

Whenever by or pursuant to the terms hereof the consent or approval of a Provider is required or such a Provider, alone or together with any other such Provider or the Holders of Bonds of a Series, is authorized to request or direct the Trustee to take any action, such consent or approval shall not be required and the Trustee shall not be obligated to comply with such request or direction if such Provider is then in default in its payment obligations under the

provisions of the Applicable Credit Facility or Liquidity Facility issued by such Provider. Nothing contained herein shall limit or impair the rights of the Holders of Bonds of a Series to give any consent or approval or to request or direct the Trustee to take any action and, if such a Provider is then in default under such Credit Facility or Liquidity Facility, if any, such consent or approval shall be effective without the consent or approval of such Provider otherwise required hereby and the Trustee shall comply with such request or direction notwithstanding that such request or direction is required to be made or given together with such Provider.

**SECTION 14.09. Notices.**

Except as otherwise provided herein, any notices, directions or other instruments required to be given or delivered pursuant hereto or to any Supplemental Resolution shall be in writing and shall be deemed given upon receipt, by hand delivery, mail, overnight delivery, or Electronic Means, address as follows: in the case of the Authority, to it to the attention of the Authority's Executive Director with a copy to the Authority's General Counsel, at 1000 Colonel Eileen Collins Boulevard, Syracuse, New York 13212; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at the address of such principal corporate trust office (or such other office as the Trustee may direct); or, in each case, to such other individual and at such other address as the Person to be notified shall have specified by notice to the other Persons.

**SECTION 14.10. Authority to Deliver this Resolution.**

An Authorized Officer of the Authority is hereby authorized and directed to deliver this Resolution with such changes, insertions and omissions as may be approved by such Authorized Officer, such delivery being conclusive evidence of such approval; and provided, however, such changes, insertions and omissions shall be necessary to effectuate the intent of this Resolution.

**SECTION 14.11. Headings.**

Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

**SECTION 14.12. Governing Laws.**

This Master Resolution shall be governed by and construed in accordance with the laws of the State. The jurisdiction and venue for any claim or controversy arising out of or relating to this Master Resolution shall be the state and federal courts sitting in the County of Onondaga, State of New York.

**SECTION 14.13. Effective Date.**

This Master Resolution shall take effect immediately upon its adoption.

*[END OF DOCUMENT]*

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**SYRACUSE REGIONAL AIRPORT AUTHORITY**

**A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF SENIOR AIRPORT REVENUE REFUNDING BONDS OF THE SYRACUSE REGIONAL AIRPORT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 TO REFUND CERTAIN TAX-EXEMPT OBLIGATIONS ISSUED TO FINANCE CERTAIN CAPITAL PROJECTS AT OR ADJACENT TO THE EXISTING SYRACUSE HANCOCK INTERNATIONAL AIRPORT; APPROVING THE PLAN OF FINANCING FOR THE PROPOSED REFUNDING; AUTHORIZING AN AUTHORIZED OFFICER OF THE AUTHORITY TO DETERMINE CERTAIN DETAILS OF THE AFORESAID SERIES OF BONDS; APPROVING THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE AFORESAID SERIES OF BONDS AND AUTHORIZING PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT WITH RESPECT TO THE AFORESAID SERIES OF BONDS; AUTHORIZING THE PRIVATE NEGOTIATED SALE OF THE AFORESAID SERIES OF BONDS AND THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH SALE; AUTHORIZING THE AN AUTHORIZED OFFICER OF THE AUTHORITY TO APPROVE THE ACQUISITION FROM AN INSURER OF ONE OR MORE MUNICIPAL BOND NEW ISSUE INSURANCE POLICIES AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE INSURANCE AGREEMENTS BETWEEN THE AUTHORITY AND SAID INSURER RELATING TO SUCH POLICY OR POLICIES; APPROVING THE FORM OF CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE AFORESAID SERIES OF BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE AFORESAID SERIES OF BONDS; AND CERTAIN OTHER MATTERS RELATED THERETO.**

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Adopted September 17, 2021

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A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF SENIOR AIRPORT REVENUE REFUNDING BONDS OF THE SYRACUSE REGIONAL AIRPORT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 TO REFUND CERTAIN TAX-EXEMPT OBLIGATIONS ISSUED TO FINANCE CERTAIN CAPITAL PROJECTS AT OR ADJACENT TO THE EXISTING SYRACUSE HANCOCK INTERNATIONAL AIRPORT; APPROVING THE PLAN OF FINANCE FOR THE PROPOSED REFUNDING; AUTHORIZING AN AUTHORIZED OFFICER OF THE AUTHORITY TO DETERMINE CERTAIN DETAILS OF THE AFORESAID SERIES OF BONDS; APPROVING THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE AFORESAID SERIES OF BONDS AND AUTHORIZING PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT WITH RESPECT TO THE AFORESAID SERIES OF BONDS; AUTHORIZING THE PRIVATE NEGOTIATED SALE OF THE AFORESAID SERIES OF BONDS AND THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH SALE; AUTHORIZING AN AUTHORIZED OFFICER TO APPROVE THE ACQUISITION FROM AN INSURER OF ONE OR MORE MUNICIPAL BOND NEW ISSUE INSURANCE POLICIES AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE INSURANCE AGREEMENTS BETWEEN THE AUTHORITY AND SAID INSURER RELATING TO SUCH POLICY OR POLICIES; APPROVING THE FORM OF CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE AFORESAID SERIES OF BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE AFORESAID SERIES OF BONDS; AND CERTAIN OTHER MATTERS RELATED THERETO.

BE IT RESOLVED BY THE MEMBERS OF THE SYRACUSE REGIONAL AIRPORT AUTHORITY

## ARTICLE I

### DEFINITIONS; INTERPRETATIONS

**Section 1.1. Definitions.** The following definitions shall apply to terms used in this First Supplemental Resolution unless the context clearly requires otherwise. Capitalized terms not otherwise defined in this Section 1.1 or elsewhere in this First Supplemental Resolution (as hereinafter defined) shall have the same meanings as set forth in the Master Resolution adopted by the Authority on September 17, 2021 titled “A RESOLUTION AUTHORIZING THE ISSUANCE OF SENIOR AIRPORT REVENUE BONDS OF THE SYRACUSE REGIONAL AIRPORT AUTHORITY; PRESCRIBING THE LIMITATIONS ON AND THE CONDITIONS OF ISSUANCE AND THE FORM OF SUCH BONDS; PROVIDING FOR THE DETAILS OF SUCH BONDS; COVENANTING AS TO THE REVENUES, INCOME AND CHARGES OF SAID AUTHORITY AND THE USE AND APPLICATION OF SUCH REVENUES, INCOME AND CHARGES; PLEDGING SUCH REVENUES, INCOME AND CHARGES TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS AND LIMITING SUCH PAYMENT SOLELY TO SUCH REVENUES, INCOME AND CHARGES; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION



WITH THE FOREGOING” (said resolution, and unless the context shall clearly indicate otherwise, all amendments and supplements thereto being defined therein and herein as the “**Master Resolution**”), shall have the meanings given to them in the Master Resolution.

Unless the context shall clearly indicate some other meaning, the following terms shall, for all purposes of the Master Resolution and of any Supplemental Resolution (including for all purposes of this First Supplemental Resolution) and for all purposes of any certificate, opinion, instrument or other document therein or herein mentioned, have the following meanings, with the following definitions to be equally applicable to both the singular and plural forms of such terms and vice versa.

**Bond Insurance Commitment** means, with respect to the Series 2021 Bonds, if applicable, one or more commitments of the Insurance Company to issue one or more municipal bond new issue insurance policies guaranteeing the scheduled payment of principal of and interest on the Series 2021 Bonds.

**Bond Insurance Policy** means, with respect to the Series 2021 Bonds, if applicable, one or more municipal bond new issue insurance policies issued by the Insurance Company guaranteeing the scheduled payment of principal of and interest on the Series 2021 Bonds.

**Bond Reserve Fund Requirement** means, with respect to the Series 2021 Bonds the amount, if any, specified in the Certificate of Determination.

**Bond Year** means a "Bond Year" as defined in the Series 2021 Tax Certificate.

**Certificate of Determination** means with respect to the Series 2021 Bonds a certificate signed by an Authorized Officer of the Authority upon the sale of the Series 2021 Bonds setting forth matters to be therein determined pursuant to this First Supplemental Resolution. The Certificate of Determination shall be deemed to be incorporated in or be a part of this First Supplemental Resolution.

**Cede & Co.** means Cede & Co., the nominee of Depository, and any successor nominee of Depository with respect to the Series 2021 Bonds.

**Continuing Disclosure Certificate** shall mean the continuing disclosure certificate of the City, dated the date of issue of the Series 2021 Bonds, pursuant to which the Authority shall agree to undertake for the benefit of the Bondholders and the beneficial owners of the Series 2021 Bonds certain ongoing disclosure requirements.

**Costs of Issuance** means all costs and expenses incurred by the Authority in connection with the issuance of the Series 2021 Bonds, including, but not limited to, costs and expenses of printing and copying documents, the preliminary and final official statements and the Series 2021 Bonds, underwriters' compensation, and the fees, costs and expenses of rating agencies, the Trustee, counsel, accountants, financial advisors, feasibility consultants and other consultants.

**Debt Service Fund** has the meaning assigned to such term in Section 3.1 hereof.

**Escrow Agent** means the Trustee, as escrow agent, with which are to be deposited a portion of the proceeds of the Series 2021 Bonds, along with other moneys, which are to be deposited and used to pay the principal of and accrued interest on the applicable Refunded Bonds.

**Escrow Agreements** means, collectively, the Series 2011A Escrow Agreement and the Series 2019 Escrow Agreement.

**Escrow Funds** has the meaning assign to such term in Section 3.5 hereof.

**First Supplemental Resolution** means this First Supplemental Resolution dated as of September 17, 2021

**Insurance Company** means, with respect to the Series 2021 Bonds, if applicable, the issuer of the Bond Insurance Policy selected by the Authority, or any successor thereto or assignee thereof.

**Interest Payment Date** means, with respect to the Series 2021 Bonds, the dates determined by an Authorized Officer and set forth in the Certificate of Determination.

**Participant** or **Participants** means the participants of the Depository which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

**Paying Agent** means, for purposes of this First Supplemental Resolution, the Trustee.

**Plan of Finance** means the plan presented to the members of the Authority by an Authorized Officer of the Authority and the financial advisor of the Authority at the meeting at which this First Supplemental Resolution was adopted.

**Record Date** means, with respect to each Series 2021 Bond, such date or dates established as the Record Date for the Series 2021 Bonds in the Certificate of Determination.

**Redemption Date** means the date determined to be the redemption date of the Series 2021 Bonds.

**Refunded Bonds** means, collectively, the Refunded Series 2011A Bonds and the Refunded Series 2019 Notes.

**Refunded Bonds Redemption Date** means the date determined to be the redemption date of the Refunded Bonds, as set forth in the Certificate of Determination.

**Refunded Series 2011A Bonds** means the Series 2011A Bonds being current refunded with a portion of the proceeds of the Series 2021 Bonds.

**Refunded Series 2019 Notes** means the Series 2019 Notes being current refunded with a portion of the proceeds of the Series 2021 Bonds.

**Registrar** means, for purposes of this First Supplemental Resolution, the Trustee.

**Representation Letter** means the Blanket Issuer Letter of Representations dated May 11, 2021 from the Authority to the Depository.

**Series 2011A Bonds** means the City's General Obligation Airport Terminal Security and Access Improvement Bonds, Series 2011A (Subject to the Alternative Minimum Tax) executed and delivered on November 18, 2011 in the original principal amount of \$44,300,000.

**Series 2011A Escrow Agreement** means the Escrow Agreement dated the date of delivery of the Series 2021 Bonds by and between the Authority and the Escrow Agent, establishing the Series 2011A Escrow Fund.

**Series 2011A Escrow Fund** has the meaning assigned to such term in Section 3.5 hereof.

**Series 2019 Notes** means the Authority's Airport Terminal Grant Anticipation Notes (Syracuse Regional Airport Authority), Series 2019 executed and delivered on June 27, 2019 in the original principal amount of \$15,575,000.

**Series 2019 Escrow Agreement** means the Escrow Agreement dated the date of delivery of the Series 2021 Bonds by and between the Authority and the Escrow Agent establishing the Series 2019 Escrow Fund.

**Series 2019 Escrow Fund** has the meaning assigned to such term in Section 3.5 hereof.

**Series 2021 Bonds**" means the Authority's not to exceed \$45,000,000 aggregate principal amount of Bonds issued under the Master Resolution and this First Supplemental Resolution and designated as "Syracuse Regional Airport Authority, Senior Airport Revenue Refunding Bonds, Series 2021 (AMT)."

**Series 2021 Tax Certificate** means the Tax Compliance Certificate, dated the date of issuance of the Series 2021 Bonds, as amended from time to time, entered into by the Authority and executed with respect to the Series 2021 Bonds.

**Trustee** means Manufacturers and Traders Trust Company, and any successor thereto.

**Underwriter** means Morgan Stanley & Co. LLC

**Section 1.02. Article and Section References.** Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this First Supplemental Resolution

**ARTICLE II  
APPROVAL OF THE PLAN OF FINANCE;  
AUTHORIZATION OF THE SERIES 2021 BONDS**

**Section 2.1 Authorization and Approval of the Plan of Finance; Determination of the Refunded Bonds.**

(a) The Plan of Finance, in the form presented to the meeting of the members of the Authority at the meeting at which this First Supplemental Resolution is adopted, is hereby ratified, confirmed, and approved.

(b) In accordance with the Plan of Finance, the Authority has preliminarily determined to refund the Refunded Bonds. Any Authorized Officer of the Authority is hereby authorized to take all actions necessary to determine whether it is in the best interests of the Authority to refund the Refunded Bonds and any portion of the Refunded Bonds to be refunded. The Authority hereby ratifies, validates, confirms, and approves the determination by the Authorized Officer relating to the Refunded Bonds to be refunded.

**Section 2.2 Authorization of the Series 2021 Bonds; Maturities and Interest Rates.**

(a) There is hereby authorized to be issued one or more Series of Bonds not to exceed \$45,000,000 to provide for the refunding of all or a portion of the cost of refunding the Refunded Bonds. Such Bonds shall be entitled to the benefit, protection, and security of the Master Resolution and designated as “Syracuse Regional Airport Authority, Senior Airport Revenue Refunding Bonds, Series 2021 (AMT)”, with such additional identification designation or designations as provided by an Authorized Officer of the Authority in the Certificate of Determination.

(b) The Series 2021 Bonds shall be dated their date of delivery and shall mature on the date or dates in each year and in the principal amounts as determined by the Authorized Officer of the Authority and set forth in the Certificate of Determination.

(c) The Series 2021 Bonds shall be numbered consecutively from 2021-R-1 upwards as issued or as otherwise provided by the Registrar and Paying Agent for the Series 2021 Bonds. In the event it is determined that the Series 2021 Bonds shall be in more than one Series, the Authorized Officer may provide a unique numbering and lettering for each such Series as determined in the Certificate of Determination.

(d) A portion of the Series 2021 Bonds shall be designated as PFC Bonds, in an amount determined by the Authorized Officer executing the Certificate Determination.

(e) Subject to the Act, the Chief Financial Officer of the Authority may act as the Authorized Officer of the Authority for all purposes of this First Supplemental Resolution and the Certificate of Determination.

**Section 2.3 Redemption of the Series 2021 Bonds.**

(a) *Optional Redemption.* At the option of the Authority, the Series 2021 Bonds shall be subject to redemption prior to the stated maturity if, to the extent, and on the terms and conditions and at the price or prices determined by an Authorized Officer and provided in the Official Statement and the Certificate of Determination. The Trustee will call the Series 2021 Bonds for redemption upon receipt of notice from the Authority, directing such redemption, which

notice shall be sent to the Trustee at least twenty (20) days prior to the Redemption Date or such fewer number of days as shall be acceptable to the Trustee, and shall specify (i) the Series 2021 Bonds so to be called for redemption, and (ii) the Redemption Price.

(b) *Purchase in Lieu of Redemption.* If some or all of the Series 2021 Bonds are called for redemption in whole or in part pursuant to the terms of the Resolution, such Series 2021 Bonds called for redemption may be purchased in lieu of redemption in accordance with the Resolution. Purchase in lieu of redemption shall be available for all of the Series 2021 Bonds called for redemption or for such lesser portion of such Series 2021 Bonds in denominations of \$5,000 or any integral multiple in excess thereof. The Authority may direct the Trustee to purchase all or such lesser portion of the Series 2021 Bonds so called for redemption. Any such direction to the Trustee must: (i) be in writing; (ii) state either that all of the Series 2021 Bonds called for redemption are to be purchased or, if less than all of the Series 2021 Bonds called for redemption are to be purchased, identify those Series 2021 Bonds to be purchased; and (iii) be received by the Trustee no later than 12:00 noon, New York City time, one Business Day prior to the Redemption Date.

**Section 2.4 Notice of Redemption of Series 2021 Bonds.** When Series 2021 Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Series 2021 Bonds in the name of the Authority stating: (i) the Series 2021 Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2021 Bonds will be redeemed at the office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof (except in the case of a mandatory sinking fund redemption of Series 2021 Bonds without premium, in which case the principal will be due and payable on the Redemption Date and the interest will be paid on such date as provided in the Resolution), and (v) that from and after the Redemption Date interest thereon shall cease to accrue. With respect to any redemption described under Section 2.3(a) above, any such notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee, on or prior to the Redemption Date, of moneys sufficient, together with any other moneys held by the Trustee and available therefor, to pay on the Redemption Date the Redemption Price of the Series 2021 Bonds to be redeemed, and that if such moneys are not received on or prior to the Redemption Date such notice shall be of no force or effect and such Series 2021 Bonds shall not be required to be redeemed. The Trustee shall mail a copy of such notice postage prepaid, not less than twenty (20) days nor more than sixty (60) days prior to the Redemption Date, to each Holder at the address of such Holder appearing on the registration books of the Authority, maintained by the Registrar. Such mailing shall not be a condition precedent to such redemption, and failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Series 2021 Bonds.

**Section 2.5 Partial Redemption of Bonds.** If there shall be drawn for redemption less than all of the principal amount of a Series 2021 Bond, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Series 2021 Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered 2021 Bond so surrendered, new Series 2021 Bonds of like maturity and tenor in any of the Authorized Denominations. If, on the Redemption Date, money for the redemption of all Series 2021 Bonds or portions thereof to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on

such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the Redemption Date, interest on such Series 2021 Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding hereunder. If such money 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 2.6 Selection of Bonds to be Called for Redemption.** If less than all of the Series 2021 Bonds are called for redemption, they shall be redeemed proportionately by maturity, and by lot within any maturity, subject to selection by the Trustee as provided below. The portion of any Series 2021 Bond to be redeemed shall be an Authorized Denomination or any multiple thereof and in selecting Series 2021 Bonds for redemption, each Series 2021 Bond shall be considered as representing that number of Series 2021 Bonds which is obtained by dividing the principal amount of such Series 2021 Bond by the minimum Authorized Denomination. If for any reason the principal amount of Series 2021 Bonds called for redemption would result in a redemption of Bonds less than the Authorized Denomination, the Trustee, to the extent possible within the principal amount of Series 2021 Bonds to be redeemed, is hereby authorized to adjust the selection of Series 2021 Bonds for such purpose in order to minimize any such redemption.

**Section 2.7 Designation of Registrar and Paying Agent for the Series 2021 Bonds; Execution and Authentication of Series 2021 Bonds; Payment of Principal, Interest and Premium of Series 2021 Bonds.**

(a) The Trustee shall be and is hereby designated to be Registrar and Paying Agent for the Series 2021 Bonds. The Authority reserves the right to designate a substitute or additional Registrar and Paying Agent for the Series 2021 Bonds in its sole discretion.

(b) The Series 2021 Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chair, Vice Chair, or other Authorized Officer of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority, or in such manner as may be required or permitted by law.

(c) The Series 2021 Bonds shall be issuable as fully registered Series 2021 Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof except as it may be necessary to effect the aggregate principal amount of maturity of any series of the Series 2021 Bonds which is not dividable by \$5,000. The Series 2021 Bonds shall be payable as to interest, principal and premium, if any, in any coin or currency of the United States of America that at the time of payment thereof is legal tender for public and private debts. Principal of, and premium, if any, on any Series 2021 Bond shall be payable only upon the presentation and surrender of the Series 2021 Bond to the Registrar and Paying Agent at its principal office. Each Series 2021 Bond shall bear interest from the Interest Payment Date next preceding the date of execution by the Authority thereof to which interest has been paid, unless (i) the date of execution is prior to the first Interest Payment Date for such Series 2021 Bond, in which event such Series 2021 Bond shall bear interest from the date of such Series 2021 Bond, or unless (ii) the date of execution is an Interest Payment Date to which interest has been paid, in which event such Series 2021 Bond shall bear interest from the date of execution, or unless (iii) the date of execution is between the Record

Date and the next Interest Payment Date in which event such Series 2021 Bond shall bear interest from the next Interest Payment Date for such Series 2021 Bonds, or as otherwise provided in the Series 2021 Bonds. Interest on all Series 2021 Bonds shall be paid on each Interest Payment Date by the Registrar and Paying Agent by check or draft mailed to the registered holder at its address as it appears on the books of registry kept pursuant to the Master Resolution as of the close of business on the Record Date.

### **Section 2.8 Book-Entry System.**

(a) The Series 2021 Bonds when initially issued shall be issued as Book Entry Bonds, and registered in the name of Cede & Co., as nominee of the Depository. So long as the Depository or its nominee is the registered owner of Series 2021 Bonds, individual purchases of beneficial ownership interests in such Series 2021 Bonds may be made only in book-entry form by or through Depository participants, and purchasers of such beneficial ownership interest in Series 2021 Bonds will not receive physical delivery of bond certificates representing the beneficial ownership interests purchased.

(b) So long as the Depository or its nominee is the registered owner of Series 2021 Bonds, payments of principal of and premium, if any, and interest on such Series 2021 Bonds will be made by wire transfer to the Depository or its nominee, or otherwise as may be agreed upon by the Authority and the Depository; the Depository or its nominee will, in turn, remit such payments to the Depository participants for subsequent disbursement to the beneficial owners of such Series 2021 Bonds. Transfers of principal, premium, if any, and interest payments to the Depository participants will be the responsibility of the Depository. Transfers of such payments to beneficial owners of Series 2021 Bonds by the Depository participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of beneficial ownership interests in the Series 2021 Bonds will be accomplished by book entries made by Depository and, in turn, by the Depository participants and other nominees of the beneficial owners of the Series 2021 Bonds.

(c) So long as the Depository or its nominee is the registered owner of Series 2021 Bonds, the Authority shall send to Depository notice of redemption of such Series 2021 Bonds and any other notice required to be given to registered owners of Series 2021 Bonds pursuant to the Master Resolution, in the manner and at the times prescribed by the Master Resolution, except as may be agreed upon by the Authority and the Depository.

(d) The Authority shall have no responsibility or obligation to the Depository participants, beneficial owners or other nominees of such beneficial owners for (i) sending transaction statements; (ii) maintaining, supervising or reviewing, or the accuracy of, any records maintained by the Depository or any Participant or other nominees of such beneficial owners; (iii) payment or the timeliness of payment by the Depository to any Participant, or by any Participant or other nominees of beneficial owners to any beneficial owner, of any amount due in respect of the principal of or redemption premium, if any, or interest on Series 2021 Bonds; (iv) delivery or timely delivery by the Depository to any Participant, or by any Participant or other nominees of beneficial owners to any beneficial owners, of any notice (including notice of redemption) or other communication which is required or permitted under the terms of the Master Resolution to be given to holders or owners of Series 2021 Bonds; (v) the selection of the beneficial owners to

receive payment in the event of any partial redemption of Series 2021 Bonds; or (vi) any action taken by the Depository or its nominee as the registered owner of the Series 2021 Bonds.

### **ARTICLE III**

#### **CREATION OF CERTAIN ACCOUNTS; DISBURSEMENTS OF PROCEEDS**

**Section 3.1 Debt Service Fund for Series 2021 Bonds.** There is hereby created and established with respect to the Series 2021 Bonds a debt service fund to be known as the “Syracuse Regional Airport Authority, Senior Revenue Refunding Bonds, Series 2021, Debt Service Fund,” (the “**Debt Service Fund**”), to be held by the Trustee or any agent of the Trustee and into which shall be deposited such amounts to be used to pay principal of and interest on the Series 2021 Bonds in the amounts and at the times required by this First Supplemental Resolution, the Certificate of Determination, and Sections 5.01, 5.06, 5.07, and 5.15 of the Master Resolution.

#### **Section 3.2 Interest Accounts for the Series 2021 Bonds.**

(a) There is hereby created and established within the Debt Service Fund with respect to the Series 2021 Bonds an account to be known as the “Interest Account, Series 2021” with such additional designation, if any, as provided in the Certificate of Determination.

(b) There is hereby created and established a sub-account within the Interest Account, Series, 2021 to be known as the “Interest Sub-Account PFC Bonds, Series 2021” with such additional designation, if any, as provided in the Certificate of Determination.

(c) In order to provide for the payment of interest on the Series 2021 Bonds, there shall be credited to the Interest Account, Series 2021 and Interest Sub-Account PFC Bonds, Series 2021, from the moneys, in the amounts and at the times required by this First Supplemental Resolution, the Certificate of Determination, and Sections 5.01, 5.06, 5.07, and 5.15 of the Master Resolution.

#### **Section 3.3 Principal Account for the Series 2021 Bonds.**

(a) There is hereby created and established a separate account within the Debt Service Fund with respect to the Series 2021 Bonds to be known as the “Principal Account, Series 2021” and with such additional designation, if any, as provided in the Certificate of Determination.

(b) There is hereby created and established a sub-account within Principal Account, Series 2021 to be known as the “Principal Sub-Account PFC Bonds, Series 2021” and with such additional designation, if any, as provided in the Certificate of Determination.

(c) In order to provide for the payment of principal on the Series 2021 Bonds, there shall be credited to the Principal Account, Series 2021 and Principal Sub-Account PFC Bonds, Series 2021, from the moneys, in the amounts and at the times required by this First Supplemental Resolution, the Certificate of Determination, and Sections 5.01, 5.06, 5.07, and 5.15 of the Master Resolution.



### **Section 3.4 Reserves for the Series 2021 Bonds.**

(a) The Reserve Fund Requirement with respect to the Series 2021 Bonds may be deposited into the Reserve Fund or a separately created Debt Service Fund, which shall be determined by the Authorized Officer of the Authority and set forth in the Certificate of Determination. The amounts to be deposited in the foregoing funds and any accounts or sub-accounts thereof shall be determined by the Authorized Officer of the Authority and set forth in the Certificate of Determination.

(b) Nothing contained in this section shall prohibit the use of a Reserve Fund Facility to satisfy the Reserve Requirement for the Series 2021 Bonds as permitted by the Master Resolution.

### **Section 3.5 Creation of Escrow Accounts; Redemption of Bonds on the Redemption Date; Instruction to Give Notice of Redemption of Bonds.**

(a) There are hereby created and established with the Escrow Agent pursuant to the respective Escrow Agreements, special trust funds to be designated for purposes of identification as (i) the “City of Syracuse General Obligation Airport Terminal Security and Access Improvement Bonds, Series 2011A Escrow Account” (the “**Series 2011A Escrow Fund**”), and (ii) the “Syracuse Regional Airport Authority Airport Terminal Grant Anticipation Notes (Syracuse Regional Airport Authority), Series 2019 Escrow Account” (the “**Series 2019 Escrow Fund**”) and, together with the Series 2011A Escrow Funds, the “**Escrow Funds**”), and there shall be deposited therein the amounts set forth in the Certificate of Determination from the proceeds of the Series 2021 Bonds, plus moneys transferred from any Accounts established for each of the Refunded Bonds, plus other funds of the Authority to be deposited therein pursuant to the Master Resolution. There shall be credited to the respective Escrow Funds an amount equal to (i) the sum of (A) the interest payable on the respective Refunded Bonds on the Refunded Bonds Redemption Date, and (B) the principal of and premium, if any, payable on the respective Refunded Bonds; and (ii) less any income derived by the Authority from the investment of the Escrow Funds. The moneys on credit to the Escrow Accounts shall be held by the Escrow Agent for the respective series or issuances of Refunded Bonds in trust solely for the benefit of the respective holders of the Refunded Bonds. The moneys credited to the respective Escrow Funds, if invested, shall be invested, as provided in the Master Resolution, solely in Government Obligations. Any income derived by the Authority from the investment of the Escrow Funds shall be applied to the payment of the principal of and premium, if any, and interest payable on the Refunded Bonds upon the redemption thereof on the Refunded Bonds Redemption Date. Any moneys remaining on deposit in the respective Escrow Funds after the payment of the redemption price of the Refunded Bonds on the Refunded Bonds Redemption Date shall be transferred to and deposited into the Debt Service Fund.

(b) The Authority hereby designates the Refunded Bonds for redemption on the Refunded Bonds Redemption Date from moneys deposited in the applicable Escrow Funds, together with the investment earnings thereon, if any.

(c) The Authority hereby instructs the Registrar and Paying Agent for the respective Refunding Bonds to give notice to the holders of the Refunded Bonds of the redemption of the Refunded Bonds on the Refunded Bonds Redemption Date.

**Section 3.6 Disposition of Proceeds of the Series 2021 Bonds.** The Authorized Officer of the Authority shall designate in the Certificate of Determination the application of the proceeds of the Series 2021 Bonds and the application of any other legally available moneys, including the payment of all required insurance premiums, if any, and the credits to the respective Escrow Accounts.

## ARTICLE IV

### FORM OF THE SERIES 2021 BONDS

**Section 4.1 Form of the Series 2021 Bonds.** The form of Series 2021 Bonds, the form of certificate of authentication thereof, if applicable, the form of endorsement thereon and the form of assignment pertaining thereto, shall be substantially in the form appended to the Certificate of Determination, which such necessary or appropriate variations, omissions and deletions therefrom, and insertions therein, as are insertions therein as are incidental to their Series, numbers, denominations, maturities, interest rate or rates, paying agencies, privileges of registration, redemption provisions, and other details thereof or as otherwise permitted by law or the Master Resolution.

## ARTICLE V

### CERTIFICATE OF DETERMINATION

#### Section 5.1 Delegation of Authority.

(a) There is hereby delegated to the Authorized Officer, subject to the limitations contained herein, the power to determine and effectuate the following with respect to the Series 2021 Bonds:

(i) The aggregate principal amount of the Series 2021 Bonds to be issued together with the principal amount of each Series of the Series 2021 Bonds;

(ii) The dated date or dates, maturity date or dates, and principal amount of each maturity of the Series 2021 Bonds, the initial Interest Payment Date or dates of the Series 2021 Bonds, the date from which the Series 2021 shall bear interest, and the identification designation for the Series 2021 Bonds;

(iii) The interest rate or rates of the Series 2021 Bonds; provided, however, that the interest rate or rates to be borne by the Series 2021 Bonds shall not exceed a true interest cost in excess of the maximum rate per annum permitted by law;

- (iv) The determination to deposit the Reserve Requirement into the Reserve Fund or into a separate Debt Service Reserve Fund with respect to the Series, 2021 Bonds, and the amount of the Reserve Fund Requirement with respect to the Series 2021 Bonds;
- (v) The application of the proceeds of the Series 2021 Bonds;
- (vi) The Series 2021 Bonds to be retired from Sinking Fund Installments and the dates and the amounts thereof;
- (vii) The redemption and purchase in lieu of redemption provisions of the Series 2021 Bonds;
- (viii) The numbering and identification of the Series 2021 Bonds;
- (ix) The definitive form of the Series 2021 Bonds and form of assignment thereon;
- (x) A determination of the number and principal amount of the Series 2021 Bonds to be designated as PFC Bonds;
- (xi) The establishment of such funds, accounts, and sub-accounts as required by the Master Resolution and deemed necessary;
- (xii) Matters relating to the Bond Insurance Policy, including, but not limited to, the determination to obtain one or more Bond Insurance Policies and the Negotiation of such Bond Insurance Policies;
- (xiii) Matters relating to the use of a surety bond, insurance policy, or letter of credit in an amount equal to, or a portion of, the Bond Reserve Fund Requirement for the Series 2021 Bonds, as permitted by the Master Resolution;
- (xiv) A determination of the best interests of the Authority relating to the refunding of the Refunded Bonds, including the exact amount of the Refunded Bonds to be Refunded, if less than all;
- (xv) The execution and delivery of certificates, agreements, and other documents or instruments necessary to provide for the delivery of the Series 2021 Bonds and the closing of the transactions contemplated hereby, including, without limitation, any updates to the Official Statement;
- (xvi) Confirmation of the findings and determinations set forth in Article VI of this First Supplemental Resolution and the certification required pursuant to Section 2.2 hereof;

(xvii) Any other provisions deemed necessary or advisable by the Designated Financial Officer and not materially in conflict with the provisions of this First Supplemental Resolution or of the Master Resolution, including, without limitation, the Interest Payment Dates and the Record Dates.

The Authorized Officer shall execute one or more certificates evidencing determinations or other actions taken pursuant to the authority granted herein, executed copies of which, or copies of which, certified by the Authorized Officer, shall be filed in the official records of the Authority. Each such certificate shall be deemed a Certificate of Determination and shall be conclusive evidence of the action or determination of such officer as to the matters stated therein. The provisions of each Certificate of Determination shall be deemed to be incorporated in and be part of this First Supplemental Resolution.

(b) There is hereby delegated to the Authorized Officer and each of the other Authorized Officers, subject to the limitations contained in this First Supplemental Resolution, the power to enter into the following agreements and execute the following documents, certificates, and other instruments on behalf of the Authority with respect to each Series of the Series 2021 Bonds in such forms as the person executing the same may deem appropriate, which such documents, certificates, and other instruments are hereby approved:

(i) The Bond Insurance Commitment, if applicable;

(ii) The Series 2021 Bonds Tax Certificate;

(iii) The Bond Purchase Agreement;

(iv) Such other agreements, documents, certificates, and other instruments as shall be necessary and proper related to a Series of the Series 2021 Bonds and the delivery thereof, including, but not limited to, any agreements, documents, and certificates necessary to provide for the delivery and closing of the Series 2021 Bonds.

The execution by an Authorized Officer of any agreement, certificate, document, or other instrument pursuant to this Section 5.1 shall be conclusive evidence of the determination and agreement off the terms and provisions thereto or therein. Any agreements, certificates, documents, and instruments executed pursuant to this Section 5.1 are hereby ratified, validated, confirmed, and approved.

## **ARTICLE VI**

### **APPROVAL OF SALE AND DOCUMENTS; OTHER MATTERS**

#### **Section 6.1 Sale of Series 2021 Bonds.**

(a) The members of the Authority hereby find and determine that the Series 2021 Bonds shall be sold pursuant to a Private Negotiated Sale in accordance with the terms and

provisions of Section 2799-jjj of the Act. The Authority hereby authorizes any Authorized Officer of the Authority to authorize the sale of the Series 2021 Bonds, for and on behalf of the Authority, in substantially the form approved by the members of the Authority concurrently with the adoption of this First Supplemental Resolution or as soon thereafter is as practicable.

(b) The Series 2021 Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 6.1 shall (i) be issued, executed and delivered at such time as the Authorized Office of the Authority shall determine, and (ii) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Series 2021 Bonds, this First Supplemental Resolution and the Official Statement, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this First Supplemental Resolution.

(c) The draft of the Preliminary Official Statement, setting forth certain information with respect to the Series 2021 Bonds, presented to the Board at the meeting at which this resolution is adopted is authorized to be finalized and the Authorized Officer of the Authority may make such modifications in the Preliminary Official Statement prior to the printing of definitive copies thereof as such officers, upon the advice of counsel to the Authority, deem appropriate and the Authority is further authorized to deliver definitive copies thereof to the Underwriter for distribution of the same to prospective investors in and purchasers of the Series 2021 Bonds.

(d) Upon the completion of the sale of the Series 2021 Bonds by the Underwriter and the execution and delivery of the Bond Purchase Agreement, any Authorized Officer is hereby authorized and directed to prepare and finalize, and an Authorized Officer is authorized to execute, copies of the final Official Statement, for and on behalf of the Authority and to deliver the same, or cause the same to be delivered, to the Underwriter. An Authorized Officer may make such modifications in the Official Statement prior to the printing of definitive copies as such officers, upon the advice of counsel to the Authority, deem appropriate and an Authorized Officer shall execute and deliver definitive copies thereof to the Underwriter. The execution and delivery of any official statement relating to the Series 2021 Bonds shall be evidence of the approval of the definitive Official Statement. The Authority hereby authorizes said definitive Official Statement, together with the appendices thereto and the information contained therein, to be used in connection with the offering and sale of the Series 2021 Bonds.

(e) Copies of the said Preliminary Official Statement and form of Official Statement shall be filed with the minutes of the meeting at which this First Supplemental Resolution is adopted.

## **Section 6.2 Execution and Delivery of Agreements; Continuing Disclosure.**

(a) Each of the Authorized Officers, individually, is hereby authorized for and on behalf of the Authority to execute and deliver such further documents and agreements, including any tax agreement intended to ensure compliance with the tax covenants of the Authority or take any and all such further action as upon the advice of counsel to the Authority that (i) he or

they shall deem necessary or desirable in order to effectuate the issuance, delivery and payment of the Series 2021 Bonds in accordance with the terms of the Resolution and this First Supplemental Resolution, or (ii) may be reasonably required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby and by the documents referred to therein or herein or approved thereby or hereby. In addition, the Authorized Officer is authorized to prepare and execute the Certificate of Determination pursuant to Article V hereof.

(b) A Continuing Disclosure Undertaking by the Authority, in substantially the form of the draft thereof presented at the meeting at which this First Supplemental Resolution is adopted and to be dated the date of initial delivery of the Bonds, is hereby authorized to be executed and delivered by an Authorized Officer. The Authority covenants with the holders from time to time of the Series 2021 Bonds that it will, and hereby authorizes the appropriate officers and employees of the Authority to take all action necessary or appropriate to, comply with, and carry out all of the provisions of the Continuing Disclosure Undertaking as amended from time to time. Notwithstanding any other provision of the Resolution, failure of the Authority or the Trustee to perform in accordance with the Continuing Disclosure Undertaking shall not constitute a default or an Event of Default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Undertaking may be enforced only as provided therein.

**Section 6.3 Special Covenants with Respect to Federal Tax Status of the Series 2021 Bonds.** So long as any of the Series 2021 Bonds shall be Outstanding, the Authority shall comply with all applicable provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended and all applicable regulations of the Internal Revenue Service proposed and promulgated thereunder.

**Section 6.4 Special Covenants with Respect to Passenger Facility Charges.** The Authority hereby covenants with respect to the Available PFC Revenues (a) that the Authority will take all action reasonably necessary to cause the collection and remittance to the Authority of all PFCs permitted by applicable federal law to be so-collected and remitted; and (b) to apply to the payments of principal and interest on the Series, 2021 Bonds designated as PFC Bonds by irrevocably depositing in the Available PFC Revenue Account the amount of Available PFC Revenues necessary for payment thereof in accordance with the Master Resolution.

### **Section 6.5 Findings and Determinations.**

(a) The Authority hereby finds, determines, and declares that (i) no Bonds have previously been issued under the Master Resolution; (ii) the Series 2021 Bonds are issued under the authorization of Section 2.01 of the Master Resolution; (iii) an Authorized Officer has delivered a report satisfying the requirements of Sections 2.02(f) and 2.05 of the Master Resolution; (iv) the Series 2021 Bonds shall be sold by means of a private negotiated sale, and the Authority accepts and endorses the written recommendation of the Chair of the Authority regarding the determination to sell the Series 2021 Bonds pursuant to a private negotiated sale, and further finds and determines, in accordance with, the Act, that it is in the best interests of the Authority to sell, and the interests of the Authority will be best served by a sale of, the Series 2021 Bonds by means of a private negotiated sale, and further ratifies and confirms all action taken by

the Authority and Authority staff with respect to the sale of the Series 2021 Bonds by means of a Private Negotiated Sale; (v) the requirements contained in Section 2799-jjj of the Act relating to the sale of the Series 2021 Bonds will be satisfied by the date of issuance of the Series 2021 Bonds, and (vi) all provisions and conditions of the Resolution and of other applicable law have been complied with in the issuance under the Resolution of the Series 2021 Bonds.

(b) The Authority hereby further finds, determines and declares that this First Supplemental Resolution (i) supplements the Master Resolution; (ii) constitutes and is a “Supplemental Resolution” within the meaning of the quoted words as defined and used in the Master Resolution; and (iii) is adopted pursuant to and under the authority of the Master Resolution.

(c) The Authority hereby further finds, determines and declares that the Series 2021 Bonds are to be issued under the Master Resolution and to constitute and be “Bonds” within the meaning of the quoted word as defined and used in the Master Resolution. As more fully set forth in the Master Resolution, the Series 2021 Bonds: (i) shall be entitled to the benefits, security and protection of the Master Resolution, equally and ratably with one another and with any other Bonds hereafter issued thereunder; (ii) shall be payable as provided in the Master Resolution solely from Net Revenues (including, as applicable, Available PFC Revenues) on a parity with one another and with all Bonds hereafter issued under the Master Resolution; and (iii) shall be equally and ratably secured under the Master Resolution with one another and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of this First Supplemental Resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery, or otherwise, by the liens, pledges, charges and assignments created by the Master Resolution.

(d) The Authority hereby further finds, determines and declares: (i) except for the Bonds, there are not outstanding any bonds, notes or other evidences of indebtedness payable from and secured by lien on or pledge or charge upon Net Revenues (including, as applicable, Available PFC Revenues); (ii) the Net Revenues (including, as applicable, Available PFC Revenues) are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge thereof created by the Master Resolution for the payment and security of the Bonds; and (iii) there does not exist an “Event of Default” as defined in Section 11.02 of the Master Resolution, nor does there exist any condition which, after the passage of time, would constitute, under such section, an “Event of Default”.

(e) The Authority hereby further finds, determines and declares that it is in the best interest of the Authority (i) to implement the Plan of Finance; and (ii) to take such actions and execute such documents from time to time as shall be deemed necessary or desirable in order to effectuate the issuance, delivery and payment of the Series 2021 Bonds, and the implementation of the Plan of Finance.

#### **Section 6.6 Laws Governing; Severability.**

(a) This First Supplemental Resolution shall be construed, interpreted, and enforced in accordance with the Constitution of the laws of the State.

(b) If any provision of this First Supplemental Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

(c) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this First Supplemental Resolution shall not affect the remaining portions of this First Supplemental Resolution or any part thereof or of the Series 2021 Bonds issued hereunder.

**Section 6.7 Section Headings; Table of Contents.** The headings or titles of the several sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning or construction, interpretation or effect of this First Supplemental Resolution.

**Section 6.8 Effective Date.** This First Supplemental Resolution shall become effective immediately upon its adoption.



**Resolution No.**

**2021**

**RESOLUTION CREATING THE TEMPORARY POSITION  
OF PROJECT MANAGER**

WHEREAS, the Syracuse Regional Airport Authority (the "Authority") is a public benefit corporation, formed and operating pursuant to Chapter 463 of the Laws of New York 2011 and Article 8, Title 34 of the New York Public Authorities Law, as amended (collectively, the "Enabling Act"); and

**WHEREAS**, Section 2799-ggg (12) of the Enabling Act authorizes the Authority to appoint such officers, employees and agents as the Authority may require for the performance of its duties, and to fix and determine their qualifications, duties and compensation; and

**WHEREAS**, the Authority desires to create the temporary position of Project Manager which involves responsibility for managing one or more large, complex programs or projects from inception to completion which includes development, organizing, administering, and monitoring one or more large projects simultaneously that impact internal and external organizations at Syracuse Hancock International Airport. This position is responsible for establishing project plans and goals for all phases of the project, and has primary responsibility for project fulfillment, including oversight of project budget and schedules; and

**WHEREAS**, the creation of this position is a necessary step required by the Onondaga County Personnel Department and the New York State Civil Service Commission; and

**WHEREAS**, the New York State and Local Employees' Retirement System requires certain specific language be included in such resolutions concerning the title of new positions being created and the standard workday for such new positions.

**NOW, THEREFORE**, after due deliberation having been had thereon, it is hereby

**RESOLVED**, that the Board of the Syracuse Regional Airport Authority, location code 51482, hereby creates the following temporary position with the following as standard workdays for such position and will report days worked to the New York State and Local Employees' Retirement System based on the time keeping system or the record of activities maintained and submitted by these members to the clerk of this body:

Position Title	Standard Work (Hrs/Day)
Project Manager (Temporary)	7.25 hours

, and it is further

**RESOLVED**, that the Executive Director of the Authority shall take any and all actions necessary to ensure this position is properly designated by the Onondaga County Civil Service Department or any similar governmental entity.

**RESOLUTION ADOPTED**

**DATE:** September \_\_, 2021

**VOTE:** Ayes \_\_\_\_ Nays \_\_\_\_ Abstentions \_\_\_\_

**SIGNED:** \_\_\_\_\_  
*Secretary*

## **PROJECT MANAGER (SRAA)**

### **Temporary**

#### **DISTINGUISHING FEATURES OF THE CLASS**

Responsible for managing one or more large, complex programs or projects from inception to completion which includes development, organizing, administering, and monitoring one or more large projects simultaneously that impact internal and external organizations at Syracuse Hancock International Airport. This position is responsible for establishing project plans and goals for all phases of the project, and has primary responsibility for project fulfillment, including oversight of project budget and schedules. An employee in this class may exercise direct or indirect supervision over individuals working on the project. General supervision is received from an administrative superior who allows the incumbent latitude for independent action and initiative in the area of the project. Does related work as required.

#### **TYPICAL WORK ACTIVITIES**

Contribute in the creation and implementation of key strategic and/or tactical project initiatives to address business challenges and objectives.

Overall responsibility to carry out the full scope of the project at a high-quality level, overseeing the project as assigned.

Manage all activities in the successful completion of project work, including project timelines, task assignments, and budget.

Determine need and budget for project resources.

Allocates resources, budgets, and hours to the project and adjusts allocations when necessary.

Solicit bids and quotes from outside contractors and vendors, in conjunction with Authority finance team.

Receive and evaluate proposals.

Ensure proper paperwork and invoicing is completed.

Interact daily with cross-functional project team members to provide direction, support, and training.

Provide regular oversight and direction of employees on the project.

Perform duties in a safe, efficient and expeditious manner and provide proper team leadership for acceptable completion of the project.

Prepares agendas, meeting notes and project updates and summaries.

Monitors task completion status to identify at risk project tasks and to develop mitigation plans.

Attend regularly scheduled and on-demand meetings, required system training sessions, tours and inspections as required based on the scope of the project(s).

Collaborate with stakeholders to ensure all necessary requirements are being considered in the scope of the project.

Communicate the progress of the project with supervisor, project team members, and stakeholders on a regular basis.

Comply with Airport safety and security program and trainings.

Perform other duties as assigned or required.

### **FULL PERFORMANCE KNOWLEDGES, SKILLS, ABILITIES AND PERSONAL CHARACTERISTICS**

Must have excellent project management, time management and organizational skills, including ability to develop, manage, and adhere to project timelines and budgets.

Good knowledge of skills and techniques of supervision.

Ability to read, understand, interpret, and apply technical, legal and financial data.

Ability to interpret and evaluate statistical data.

Ability to complete and organize records in an accurate and efficient manner, and in compliance with Federal, State, and organizational records management requirements.

Ability to communicate orally and in writing, and to prepare reports as needed.

Must be comfortable and effective at public speaking.

Ability to work professionally and respectfully with a diverse staff, vendors, contractors, insurance representatives, federal and state regulators, and the public.

Proficient in use of a personal computer, and Microsoft Office Suite products, including Word, Excel, PowerPoint, and Outlook.

Must be able to work within the primary work environment, which could vary depending on the needs of the project, from an internal office environment to conducting business in outside weather conditions, near moving machinery parts; on an active Airport ramp; near vehicles and jet aircraft.

Must be able to meet the physical requirements of the position with or without a reasonable accommodation.

## **MINIMUM QUALIFICATIONS**

- A. Bachelor's degree and two (2) years of professional level work experience, or its part time equivalent, in work that includes project management, to include oversight, development, implementation, and completion of projects.
- B. Six (6) years of paraprofessional or professional level work experience, or its part time equivalent in work that includes project management, to include oversight, development, implementation, and completion of projects.
- C. An equivalent combination of training and experience as defined by the limits of (A) and (B) above.

## **SPECIAL REQUIREMENTS**

- A. At time of appointment, possession of a valid driver's license as required by the New York State Department of Motor Vehicles for the class of vehicle being operated; or, a permit to obtain such license, if applicable for the project assignment.
- B. Must obtain and maintain Security Identification Display Area (SIDA) clearance
- C. Must have specific experience in the project assignment area (i.e. engineering, security, communications, marketing, human resources, finance, aviation, IT, etc.)

*Draft 7/2021*

**RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR AND/OR CHIEF FINANCIAL OFFICER TO: APPLY FOR AND ACCEPT GRANT OFFER AND ENTER INTO GRANT AGREEMENT WITH NEW YORK STATE DEPARTMENT OF TRANSPORTATION FOR UPSTATE AIRPORT ECONOMIC DEVELOPMENT AND REVITALIZATION GRANT; TO ENTER INTO CONTRACT TO UNDERTAKE AND COMPLETE GRANT RELATED PROJECTS; AND AUTHORIZING EXPENDITURE OF FUNDS ON PROJECTS**

WHEREAS, the Syracuse Regional Airport Authority (the "Authority") is a public benefit corporation, formed and operating pursuant to Chapter 463 of the Laws of New York 2011 (the "Enabling Act") and Article 8, Title 34 of the New York Public Authorities Law, as amended; and

WHEREAS, the Enabling Act provides that the purposes of the Authority include the construction, development, improvement, maintenance and operation of aviation and related facilities within central New York; and

WHEREAS, the Enabling Act authorizes the Authority to enter into contracts with the federal government, the state, the county, the city or any other source in furtherance of its corporate purposes; and

WHEREAS, the New York State Department of Transportation ("NYSDOT") has issued a solicitation for an Upstate Airport Economic Development and Revitalization Grant program pursuant to which New York State is making available up to \$230 million in funding, on a competitive basis, to promote, revitalize and accelerate investments in Upstate commercial passenger service airports (the "UAED Program"); and

WHEREAS, the Authority has made application to the UAED Program, the deadline for which was September 15, 2021, and if the Authority wins an award in the UAED Program the funds will be used to: 1) fund necessary reconstruction and relocation of the Authority's Federal

Inspection Services (“FIS”) facility; 2) fund the acquisition of passenger experience enhancing technology; 3) expand and enhance gate locations in the North Concourse of the Airport Terminal; and 4) upgrade ramp area lighting from incandescent to LED technology (collectively the “UAED Projects”); and

WHEREAS, the Authority wishes to obtain available funding for the UAED Projects and if successful, to accept UAED Program grant funds and expend such monies on the UAED Projects.

NOW, THEREFORE, after due deliberation having been had thereon, it is hereby RESOLVED, that the Board of the Syracuse Regional Airport Authority hereby: (1) retroactively approves the application for grants under the UAED Program; (2) if successful in the application, authorizes the Executive Director and/or Chief Financial Officer to accept any and all UAED Program grant monies available for the UAED Projects; (2) with the advice of counsel to the Authority, to negotiate and enter into such contracts as necessary to undertake and complete the UAED Projects; and (4) expend such grant monies and funds of the Authority for the UAED Projects, plus an additional twenty percent (20%) as may be necessary in order to accommodate change orders and other routine construction and contract administration matters in order to undertake and complete the UAED Projects.

Resolution Adopted Date: September \_\_, 2021

Vote: Ayes \_\_\_\_\_ Nay \_\_\_\_\_ Abstentions \_\_\_\_\_

Signed: \_\_\_\_\_  
Secretary

**Resolution No.**

**2021**

**RESOLUTION APPROVING THE FISCAL YEAR END  
2021 DRAFT AUDIT OF THE SYRACUSE REGIONAL  
AIRPORT AUTHORITY**

WHEREAS, the Syracuse Regional Airport Authority (the "Authority") is a public benefit corporation, formed and operating pursuant to Chapter 463 of the Laws of New York, 2011 and Article 8, Title 34 of the New York Public Authorities Law, as amended (collectively the "Enabling Act"); and

WHEREAS, Section 2799-vvv of the Enabling Act requires that the accounts of the Authority be subject to the supervision of the State Controller and that an annual audit be performed by an independent certified public accountant; and

WHEREAS, in compliance with said provision of the Enabling Act, the Authority engaged the independent certified public accounting firm of Fust Charles Chambers to audit the Authority's accounts and prepare a draft audit for the fiscal year ending June 30, 2021; and

WHEREAS, Fust Charles Chambers performed such audit and prepared a draft audit for Fiscal Year End 2021; and

WHEREAS, Fust Charles Chambers further presented the draft audit for Fiscal Year End 2021 to the Audit Committee of the Board at its September 24, 2021 meeting and responded to questions posed by Audit Committee members; and

WHEREAS, the Audit Committee has recommended to the Board that it adopt and accept the draft Audit for Fiscal Year End 2021.

NOW, THEREFORE, after due deliberation having been had thereon, it is hereby



RESOLVED, by the Board of the Syracuse Regional Airport Authority that it hereby approves and adopts the draft audit for the Authority's Fiscal Year End 2021 prepared by Fust Charles Chambers; and

BE IT FURTHER, RESOLVED, that this Resolution shall take effect immediately.

Resolution Adopted Date: September \_\_, 2021

Vote: Ayes: \_\_ Nays: \_\_ Abstentions: .

Signed: \_\_\_\_\_  
Secretary

DRAFT – For Discussion Purposes Only

**SYRACUSE REGIONAL AIRPORT AUTHORITY**

New York State Department of Transportation  
Single Audit Report

June 30, 2021

# DRAFT – For Discussion Purposes Only

## SYRACUSE REGIONAL AIRPORT AUTHORITY

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# DRAFT – For Discussion Purposes Only

## **Independent Auditor's Report on Compliance and on Internal Controls over State Transportation Assistance Expended based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Board Members

Syracuse Regional Airport Authority:

### Report on Compliance

We have audited the Syracuse Regional Airport Authority's compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYSCRR) that could have a direct and material effect on the state transportation assistance programs tested for the year ended June 30, 2021. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

The Syracuse Regional Airport Authority's management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to each program tested.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Syracuse Regional Airport Authority's state transportation assistance programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Draft Part 43 of NYSCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has occurred. An audit includes examining, on a test basis, evidence about the Syracuse Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state transportation assistance program. However, our audit does not provide a legal determination on the Syracuse Regional Airport Authority's compliance.

### Opinion on Each Transportation Assistance Program

In our opinion, the Syracuse Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state transportation assistance programs tested for the year ended June 30, 2021.

# DRAFT – For Discussion Purposes Only

Board Members

Page 2 of 3

## Report on Internal Control Over Compliance

Management of the Syracuse Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

In planning and performing our audit of compliance, we considered the Syracuse Regional Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on state transportation assistance programs tested to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for state transportation assistance programs and to test and report on internal control over compliance in accordance with Preliminary Draft Part 43 of the NYSCRR but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Syracuse Regional Airport Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state transportation assistance program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Draft Part 43 of the NYSCRR. Accordingly, this report is not suitable for any other purpose.

# DRAFT – For Discussion Purposes Only

Board Members

Page 3 of 3

## **Report on Schedule of State Transportation Assistance Expended Required by Draft Part 43**

We have audited the financial statements of the business-type activities of the Syracuse Regional Airport Authority as of and for the year ended June 30, 2021 which comprise the Syracuse Regional Airport Authority's basic financial statements, and have issued our report thereon dated September \_\_, 2021 which contained an unmodified opinion on those financial statements that comprise the Syracuse Regional Airport Authority's basic financial statements. The Schedule of State Transportation Assistance Expended is presented for purposes of additional analysis as required by Draft Part 43 of NYSCRR, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements as a whole.

\_\_\_\_\_, 2021

# DRAFT – For Discussion Purposes Only

## SYRACUSE REGIONAL AIRPORT AUTHORITY

### Schedule of State Transportation Assistance Expended

For the year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>NYSDOT Reference Number</u>	<u>Expenditures</u>
Matching grants for the FAA Airport Improvement Program (030):		
Master Agreement	Various	\$ 416,065
Airfield Equipment Cold Storage (3A10.91)	K007289	<u>414,262</u>
Total State Transportation Assistance Expended		\$ <u><u>830,327</u></u>

See notes to Schedule of State Transportation Assistance Expended and Independent Auditor's Report.

# DRAFT – For Discussion Purposes Only

## SYRACUSE REGIONAL AIRPORT AUTHORITY

### Notes to Schedule of State Transportation Assistance Expended

June 30, 2021

(1) General

The accompanying Schedule of State Transportation Assistance Expended presents the activity of all financial assistance programs provided by the New York State Department of Transportation and administered by the Syracuse Regional Airport Authority for year ended June 30, 2021.

(2) Basis of Accounting

The accompanying Schedule of State Transportation Assistance Expended is presented using the accrual basis of accounting. The amounts reported as expenditures of State Assistance were obtained from the accounting records utilized to record activity for the applicable programs and periods.

(3) Matching Costs

Matching costs (the Syracuse Regional Airport Authority's share of certain program costs) are not included in the reported expenditures.



# DRAFT – For Discussion Purposes Only

## SYRACUSE REGIONAL AIRPORT AUTHORITY

Schedule of Findings and Questioned Costs for State Transportation Assistance Expended

For the year ended June 30, 2021

### **Summary of Audit Results:**

#### **Internal control over state transportation assistance expended:**

Material weaknesses identified	None Reported
Reportable condition(s) identified that are not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs tested	Unmodified

#### **Identification of State Transportation Assistance Programs Tested:**

Matching Grants for the FAA Airport Improvement Program (030)

Airfield Equipment Cold Storage (3A10.91)

#### **Compliance Findings and Questions Costs:**

No matters were reported

DRAFT – For Discussion Purposes Only

**SYRACUSE REGIONAL AIRPORT AUTHORITY**

Reports Required by the Passenger Facilities Guide for Public Agencies

June 30, 2021

# DRAFT – For Discussion Purposes Only

## SYRACUSE REGIONAL AIRPORT AUTHORITY

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June 30, 2021

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# DRAFT – For Discussion Purposes Only

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES REQUIRED BY THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES**

Board Members

Syracuse Regional Airport Authority:

### Report on Compliance for the Passenger Facility Charge Program

We have audited the Syracuse Regional Airport Authority (The Authority)'s compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2021.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's passenger facility charge program based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Guide. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

### Opinion on The Passenger Facility Charge Program

In our opinion, the Syracuse Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2021.

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## Report on Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented or detected and corrected on a timely basis.

## **Report on Schedule of Expenditures of Passenger Facility Charges**

We have audited the financial statements of the business-type activities of the Authority, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which comprise the Authority's basic financial statements. We issued our report thereon dated \_\_\_\_\_, 2021 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as required by the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of passenger facility charges is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

\_\_\_\_\_, 2021

# DRAFT – For Discussion Purposes Only

## SYRACUSE REGIONAL AIRPORT AUTHORITY

### Schedule of Expenditures of Passenger Facility Charges

For the year ended June 30, 2021

<u>Projects</u>	<u>Application Number</u>	<u>Charge effective date</u>	<u>Approval of use date</u>	<u>Year ended June 30, 2021</u>	<u>Cumulative ended June 30, 2021</u>	<u>Amount approved for impose and use</u>
Passenger Terminal Security Access and Improvements	07-07-C-00-SYR	3/1/07	7/1/09	\$ 3,320,650	\$ 76,992,399	\$ 91,668,671
Passenger Terminal Security Access and Improvements	21-09-C-00-SYR	6/1/21	8/1/21	-	-	13,361,693

See Notes to Schedule of Expenditures of Passenger Facility Charges and Independent Auditor's Report.

# DRAFT – For Discussion Purposes Only

## SYRACUSE REGIONAL AIRPORT AUTHORITY

### Notes to Schedule of Expenditures of Passenger Facility Charges

June 30, 2021

(1) General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the imposition of local Passenger Facility Charges (PFC) and use of resulting PFC revenues for Federal Aviation Administration (FAA) approved projects. In August 1993, the FAA approved a \$3.00 Passenger Facility Charge collection at the Syracuse Hancock International Airport beginning November 1, 1993. Effective September 1, 2002, the FAA increased the PFC level to \$4.50.

(2) Basis of Presentation

The accompanying Schedule of Expenditures of Passenger Facility Charges presents the activity of passenger facility charge projects administered by the Authority located at the Syracuse Hancock International Airport.

(3) Expenditures of Passenger Facility Charges

The amounts reported as expenditures are those of passenger facility charge projects obtained from the PFC Quarterly Reports and the accounting records utilized to record activity for the applicable projects and period. The expenditures of passenger facility charges are recorded on the cash basis.



# DRAFT – For Discussion Purposes Only

September \_\_\_, 2021

Board Members

Syracuse Regional Airport Authority:

We have audited the financial statements of the Syracuse Regional Airport Authority (the Authority), a public benefit corporation of the State of New York and a discretely presented component unit of the City of Syracuse, New York, for the year ended June 30, 2021, and have issued our report thereon dated September \_\_\_, 2021. Professional standards and *Governmental Auditing Standards* require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 9, 2021 and our Audit Planning Presentation. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The Authority estimates an allowance for doubtful accounts in order to present accounts receivable at the appropriate net realizable amount.
- The Authority estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.
- The Authority estimates actuarial assumptions that are used to determine annual pension cost for the year in accordance with GASB Statement No. 68.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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The Board of Managers  
September \_\_\_, 2021  
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## Significant Audit Matters, Continued

### *Qualitative Aspects of Accounting Practices, Continued*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the COVID-19 pandemic disclosure in note 3 to the financial statements which describes the impacts from the COVID-19 pandemic including uncertainty as to future impacts, and relief provisions received as a result of the enactment of the CARES Act and other enacted relief legislation.

The financial statement disclosures are neutral, consistent and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September \_\_\_, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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The Board of Managers  
September \_\_\_\_, 2021  
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## Significant Audit Matters, Continued

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

As noted in the emphasis of matter paragraph in the independent auditor's report and more fully described in note 3 to the financial statements, the Authority has been and may continue to be materially impacted by the COVID-19 pandemic. Management has disclosed in the financial statements the uncertainty in relation to the full magnitude on the Authority's financial condition, liquidity and future results of operations.

### Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of the Authority's Pension Contributions, Schedule of Authority's Proportionate Share of the Net Pension Liability, Schedule of Funding Progress of Other Post-Employment Benefits and Related Ratios and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

\* \* \* \* \*

This information is intended solely for the use of the Board Members, Audit Committee and management of the Syracuse Regional Airport Authority, a public benefit corporation of the State of New York and a discretely presented component unit of the City of Syracuse, New York and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

**RESOLUTION AMENDING CODE OF ETHICS FOR THE SYRACUSE REGIONAL  
AIRPORT AUTHORITY**

WHEREAS, the Syracuse Regional Airport Authority (the "Authority") is a public benefit corporation, formed and operating pursuant to Chapter 463 of the Laws of New York 2011 (the "Enabling Act") and Article 8, Title 34 of the New York public Authorities Law, as amended; and

WHEREAS, the Authority has duly adopted a Code of Ethics applicable to each officer, member and employee of the Authority pursuant to Section 2824 (1) of the New York Public Authorities Law, as amended; and

WHEREAS, given the shortage of workers resulting from the Covid 19 pandemic and various government programs which were implemented in connection with the pandemic; and

WHEREAS, the worker shortage has also impacted the availability of workers for vendors and contractors performing work at the Airport; and

WHEREAS, the Code of Ethics in its current form prohibits Authority employees from working, on a Secondary Work basis, for vendors or contractors performing work at the Airport; and

WHEREAS, Authority management has asked the Board to consider amending the Code of Ethics to authorize Authority employees to work for vendors and contractors performing work at the Airport, subject to the written approval of the Executive Director which may be withdrawn in appropriate circumstances at the discretion of the Executive Director; and

Resolution No. \_\_

2021

WHEREAS, at its September 24, 2021 meeting the Board discussed such an amendment with Authority management and the proposed language for which was presented as attached to Exhibit A to this Resolution.

NOW, THEREFORE, after due deliberation having been had thereon, it is hereby

RESOLVED, by the Board of the Syracuse Regional Airport Authority that the Authority's Code of Ethics be amended to authorize secondary work for Authority employees for other employers at the Airport as shown on the draft amended Code of Ethics annexed to this Resolution.

Resolution Adopted Date: September \_\_, 2021

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

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Secretary

**Exhibit A**

**Proposed Changes to Code of Ethics**

**(Inserts and deletions as shown)**

SYRACUSE REGIONAL AIRPORT AUTHORITY

CODE OF ETHICS

ARTICLE I PURPOSE AND CONSTRUCTION

Section 1.1 This Code of Ethics is applicable to officers, members, staff and employees of the Syracuse Regional Airport Authority, is adopted as a supplement to the provisions of Article 18 of

the New York General Municipal Law and the City of Syracuse Code of Ethics and shall be construed to

give effect to that law and local law and its purposes.

ARTICLE II DEFINITIONS

Section 2.1 For purposes of this Code of Ethics, the following terms are defined as follows:

1. Authority shall mean the Syracuse Regional Airport Authority.
2. City shall mean the City of Syracuse.
3. Officer, member, staff or employee shall mean any officer, member, staff or employee of the Authority, paid or unpaid.
4. Agency shall include any board, commissioner, authority, office, committee, department, branch, bureau of other administrative subdivision of the Syracuse Regional Airport Authority.
5. Relative shall mean a spouse, child, parent, or sibling of the officer, member, staff or employee of the Authority, or a person claimed as a dependent on the officer's or employee's latest individual income tax return.
6. Vendor shall mean any individual, organization, or entity that has a contract to provide or perform services of any kind with the Syracuse Regional Airport Authority.

ARTICLE III CODE OF ETHICS

Section 3.1 There is hereby established and adopted a Code of Ethics containing standards of conduct for officers, members, staff and employees of the Syracuse Regional Airport

Authority.

Section 3.2 All officers, members, staff or employees of the Authority shall adhere to the following standards:

1. General prohibition. Authority officers, members, staff or employees shall not use their official position or office, or take or fail to take any action, in a manner which they know or have reason to know may result in a personal financial benefit for any of the following persons:

- a. The Authority officer, member, staff or employee;
- b. The outside employer or business of an Authority officer, member, staff or employee if the officer, member, staff or employee's outside employment compensation or business income would be affected by the action;
- c. A relative, where the action would affect them to a greater degree than the general public or a class of individuals similarly situated, including in the process of employment, recruitment, hiring, promotion, and discipline.

2. Secondary Employment. ~~No~~Subject to the written approval of the Executive Director, which approval may be withdrawn at his or her discretion at any time, an Authority employee may be employed on a secondary work basis by a ~~V~~endor or contractor engaged to perform services at the Airport.~~as a contractor or subcontractor for a Vendor while employed by the Authority, with the exception of rideshare, transportation network companies, and ground transportation contractors as long as not working at the airport.~~

3. Disclosure and recusal. Authority officers, members, staff or employees

- a. To the extent they know or should know thereof, publicly disclose to the appropriate Authority officer or agency, the nature of any potential conflict of interest between their official duties with the Authority and any outside interest; and
- b. Promptly recuse themselves from any debate, discussion, decisions or action of any matter before the Authority or agency when acting on the matter, or failing

to act on the matter, could reasonably be expected to be more beneficial financially to any of the persons listed in Section 3.2(1) above, than it would be to any member of the general public.

4. Revolving door. Persons who have served as officers, members, staff or employees of the Authority shall neither, after the termination of such service or employment, appear before the Authority or any agency of the Authority, nor render

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services on behalf of any person, firm, corporation or association, in relation to any case, proceeding or application with respect to which the officer, member, staff or employee was directly concerned or in which they personally participated during the period of their service or employment of which was under their active consideration, until the case, proceeding or application have been finally disposed of or for a period of two (2) years from the date of separation from Authority service or employment, whichever is earlier; nor shall the officer, member, staff or employee receive or agree to receive any compensation with respect to such matter.

5. Gifts.

a. No Authority officer, member, staff or employee shall directly or indirectly solicit any gift, or accept or receive any gift, having a value of seventy- five dollars (\$75.00) or more, whether the gift is in the form of money, property, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form under circumstances in which it could reasonably be inferred that the gift was intended to influence them, or could reasonably be expected to influence them, in the performance of their official duties or was intended as a financial reward for any official action on their part.

b. This subsection shall not apply to the acceptance of free invitations to charitable fund raising events, recognition dinners, or similar community events.

6. Confidential information. Authority officers, members, staff or employees shall not disclose confidential information acquired by them in the course of their official duties unless having first obtained proper authorization for use in official business purposes. Additionally, confidential information shall not be used to further their personal interests or those of the



persons listed in Section 3.2(1), or used in a way that intentionally harms the financial interests of

the Authority or its vendors. Confidential and proprietary information may include but is not limited to such things as pricing and financial data, customer names/addresses, private employee personnel data, including demographic and medical information, labor negotiations, information about current or prospective vendors, prospective air service development and marketing initiatives and other information not already made public.

7. Representation. Authority officers, members, staff or employees shall not:

a. Receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matters before any Authority agency of which they are an officer, member, staff or employee, or of any Authority agency over which they have jurisdiction, or to which they have the power to appoint any officer, member, staff or employee; or

b. Receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any agency of the Authority, whereby their compensation is to be dependent or

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contingent upon any action by the agency with respect to such matter. This subsection shall not prohibit the representation by an Authority officer, member, staff or employee before such other unaffiliated Authority agencies for fees based solely upon the reasonable value of the services.

#### ARTICLE IV CIVIL SERVICES EMPLOYEES

Section 4.1 This Code of Ethics shall not be deemed in any way to conflict with or modify any act of the Legislature of the State of New York relating to the civil service rights, privileges or

status of any employees of the Authority and shall not apply wherever and to the extent that to do so

would be to repeal or modify any such act or portion thereof.

#### ARTICLE V SEVERABILITY CLAUSE

Section 5.1 If any clause, sentence, paragraph, section or part of this Code of Ethics shall be

adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or

invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph,

section or part thereof directly involved in the controversy in which such judgment shall have been

rendered.

Adopted: November 18, 2011, Resolution No.: 2011-32

Revised: November 9, 2018, Resolution No.: 2018-37

Revised: March 15, 2019, Resolution No.: 2019-10

Revised: September 24, 2021, Resolution No.: \_\_\_\_\_