

**GENERAL ORDINANCE NO. 1-2008**  
**AMENDING GENERAL ORDINANCE NO. 4-2002**

An Ordinance of the Indianapolis Airport Authority,  
Amending its Master Bond Ordinance.

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**GENERAL ORDINANCE NO. 1-2008**

**AMENDING GENERAL ORDINANCE NO. 4-2002**

An Ordinance of the Indianapolis Airport Authority (the "Authority") amending its Master Bond Ordinance.

WHEREAS, the City Council of the City of Indianapolis did on May 1, 1961, adopt Special Ordinance No. 11-1961, authorizing the establishment of said airport authority district, which ordinance was duly approved by the Mayor of said City on May 2, 1961; and

WHEREAS, the Marion County Council did on June 8, 1961, and July 7, 1961, adopt its resolutions authorizing the establishment of said district; and

WHEREAS, the members of the board of the Authority (the "Board") were duly appointed and met in its initial organization meeting on January 1, 1962; and

WHEREAS, the Authority has continued to exist and is now governed by and operates pursuant to the recodified statutes set forth in IC 8-22-3, as amended (the "Act"), as a separate and distinct municipal corporation with authority to own and operate public airports; and

WHEREAS, the Board adopted General Ordinance No. 4-2002 on December 20, 2002 (as subsequently supplemented and as amended by General Ordinance No. 7-2005, the "Master Ordinance"), which authorized the issuance of Revenue Bonds (as defined therein); and

WHEREAS, the Board now finds it necessary and appropriate to further amend the Master Ordinance; and

WHEREAS, pursuant to Section 9.02 of the Master Ordinance, the Authority may make certain amendments to the Master Ordinance, without the consent of or notice to the Owners of the Revenue Bonds, or any other party; and

WHEREAS, pursuant to Section 9.03 of the Master Ordinance, the Authority may make certain amendments to the Master Ordinance which do not become effective until the Trustee has received consent (or deemed consent) to such amendments of the Owners (as defined therein) of a majority in principal amount of Outstanding (as defined therein) Revenue Bonds, which may be the consent of any insurer or other credit enhancement provider who, by virtue of providing credit enhancement for such bonds, receives the right to vote on behalf of such Owners; and

WHEREAS, the Board desires to approve this General Ordinance No. 1-2008 making such amendments and expects to obtain consent to the amendments from each purchaser of the Authority's Variable Rate Airport Revenue Bonds, Series 2008A (the "2008A Bonds") as well as any insurer or letter of credit or liquidity provider on behalf of the holders of all 2008A Bonds and all future purchasers of the 2008A Bonds (who will be deemed to have consented to such amendments by their purchase thereof);

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF THE INDIANAPOLIS AIRPORT AUTHORITY:

## ARTICLE I

### AMENDMENTS PURSUANT TO SECTION 9.02 OF THE MASTER ORDINANCE

SECTION 1.01. Amendments to Section 4.01 of the Master Ordinance. Paragraph (A) of Section 4.01 of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

(A). The Authority hereby covenants and agrees that all Gross Revenues shall be deposited and paid into the Airport System Fund hereinafter established, and shall be applied in the manner hereinafter set forth in Section 4.05.

Paragraph (D) of Section 4.01 of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

(D). All Revenue Bonds shall be in all respects on a parity with each other, except with respect to the Revenue Bond Reserve Fund or to the extent otherwise provided herein.

SECTION 1.02. Amendments to Section 4.07 of the Master Ordinance. Section 4.07 of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

Section 4.07. REVENUE BOND INTEREST AND PRINCIPAL FUND.

(a) In connection with the issuance of any series of Revenue Bonds, the Authority may create a Capitalized Interest Account of the Revenue Bond Principal and Interest Fund for any such series of Revenue Bonds.

(b) There shall initially be deposited into a Capitalized Interest Account the amount of capitalized interest included in the proceeds of any Revenue Bonds as specified by any Supplemental Bond Ordinance. Amounts in each Capitalized Interest Account shall be used to pay interest due on the applicable Revenue Bonds as directed by the Authority until amounts in such Account are exhausted.

(c) The Authority shall deposit into the Revenue Bond Interest and Principal Fund any moneys received by the Authority from a Qualified Derivative Agreement entered into in connection with Revenue Bonds.

(d) (1) As to any Revenue Bonds issued with interest payments that are made on a semiannual basis and principal payments made on an annual basis, on or before the last business day of each month so long as any Revenue Bonds remain Outstanding, after making all required payments and provision for payment of current Operation and Maintenance Expenses, there shall be transferred into the Revenue Bond

Interest and Principal Fund from the Airport System Fund the following amounts:

(i) 1/6 of the amounts as shall be necessary, after taking into consideration any Dedicated Revenues, to pay the remaining amount of interest on all Outstanding Revenue Bonds on the next interest payment date; and

(ii) 1/12 of the amounts as shall be necessary, after taking into consideration any Dedicated Revenues, to pay the remaining amount of principal on each series of Outstanding Revenue Bonds on the next applicable principal payment date for such series;

(iii) Such amounts as shall be necessary to enable the Authority to pay when due all expenses of providing for the full and timely payment of the principal of, premium, if any, and interest on the Revenue Bonds in accordance with their terms, including without limitation, all fees charged or incurred in connection with the services of the Trustee, Registrar and Paying Agent and in connection with bond insurance, letters of credit, lines of credit, standby bond purchase agreements, or other credit or liquidity facilities, remarketing agreements, interest rate indexing agreements, tender agent agreements and any similar or related agreements obtained or entered into by the Authority in connection with the Revenue Bonds; and

(iv) Such amounts as shall be due from the Authority on any Qualified Derivative Agreement entered into in connection with Revenue Bonds.

(2) As to any Revenue Bonds issued by the Authority that pay interest on a basis other than semiannually or pay principal on a basis other than annually, the Supplemental Ordinance authorizing the issuance of such bonds shall specify the timing of payments into the Revenue Bond Interest and Principal Fund so that sufficient amounts shall be on deposit as needed to pay interest and principal on all Revenue Bonds hereunder.

(e) Whenever the total amounts on deposit to the credit of the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all Outstanding Revenue Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further transfer need be made into the Revenue Bond Interest and Principal Fund or the Revenue Bond Reserve Fund. Moneys credited to the Revenue Bond Interest and Principal Fund

shall be used solely for the purposes described in Subsection (d) hereof. On or before each principal and/or interest payment date on the Revenue Bonds, (1) the Authority shall transfer to the Trustee any Dedicated Revenues which the Trustee shall deposit in the Revenue Bond Interest and Principal Fund, (2) the Trustee shall transfer from the Revenue Bond Interest and Principal Fund to the Paying Agent an amount equal to the principal, interest and redemption premiums, if any, payable on the Revenue Bonds on such date, and (3) the Authority shall transfer or shall authorize the Trustee to transfer any amount due to any counterparty on a Qualified Derivative Agreement. In the event that the moneys in the Revenue Bond Interest and Principal Fund shall be sufficient to pay the amounts described in Subsection (d) hereof, no further transfer shall be required. In the event that the moneys in the Revenue Bond Interest and Principal Fund shall be insufficient to pay the amounts described in Subsection (d) hereof, the Trustee shall apply the moneys in the Revenue Bond Interest and Principal Fund on a pro rata basis (except that Dedicated Revenues shall only be applied to the extent allowed by law) to pay such amounts prior to taking into consideration the amounts on deposit in any account of the Revenue Bond Reserve Fund.

The Trustee shall create separate accounts under the Revenue Bond Principal and Interest Fund for each series of Revenue Bonds.

SECTION 1.03. Amendments to Section 4.10 of the Master Ordinance. Section 4.10 of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

Section 4.10. SUBORDINATE SECURITIES INTEREST AND PRINCIPAL FUND. The Authority shall set forth in any Supplemental Ordinance authorizing a series of Subordinate Securities the provisions with respect to the Subordinate Securities Interest and Principal Fund and such provisions as are required pursuant to Section 5.04 hereof.

SECTION 1.04. Amendments to Section 4.20 of the Master Ordinance. Section 4.20 of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

Section 4.20. DESIGNATION OF RELEASED REVENUES. The Authority may identify and determine that any revenues (including revenues, fees, income and receipts that would otherwise be considered to be Gross Revenues) are to be designated as Released Revenues by filing the following items with the Trustee:

- (a) a written request of an Authorized Airport Representative to release such revenues, accompanied by a certificate of such Authorized Airport Representative certifying the Authority is in compliance with all requirements of this Ordinance;

(b) either (i) an Accountant's Certificate to the effect that Net Revenues, excluding the revenues proposed to become Released Revenues, for each of the two (2) latest Fiscal Years for which audited financial reports are available were equal to at least 135% of the Debt Service Requirement for each of such Fiscal Years; or (ii) a certificate of an Airport Consultant to the effect that based upon current knowledge of the operation of the Airport, Net Revenues, excluding the revenues proposed to become Released Revenues, for the current Fiscal Year will be equal to at least 135% of the Debt Service Requirement for such Fiscal Year;

(c) Proof of notice provided to each Rating Agency of the Authority's intent to release such revenues from the definition of Gross Revenues; and

(d) an opinion of bond counsel to the effect that the exclusion of such revenues from the definition of Gross Revenues and from the pledge, charge and lien of this Ordinance will not adversely affect the tax-exempt status of the interest on any Outstanding Tax-Exempt Bond.

In such event, the Released Revenues shall not be deposited in or shall be released from the Airport System Fund and shall not be pledged as security for the Revenue Bonds.

## ARTICLE II

### AMENDMENTS PURSUANT TO SECTION 9.03 OF THE MASTER ORDINANCE

SECTION 2.01. Amendments to Section 1.01 of the Master Ordinance. The following definitions shall be replaced, amended, modified and supplemented, as noted, for the definitions previously included in Section 1.01 of the Master Ordinance.

"Debt Service Requirement." The following paragraph (xiii) shall be added to the definition of "Debt Service Requirement" in the Master Ordinance:

(xiii) with respect to any Revenue Bond that does not clearly fit within (i)-(xii) above or as otherwise determined by the Authority to be necessary, the Debt Service Requirement on any Revenue Bond shall be the amount or amounts certified as reasonable by the Treasurer of the Authority in a certificate delivered to the Trustee.

"Qualified Derivative Agreement" means a Derivative Agreement with respect to which:

(i) the counterparty to such Derivative Agreement shall be rated or guaranteed by a party that is rated, at the time of execution of such Derivative Agreement in a category not lower than the A category now used by each Rating Agency (if such then exist) if the Revenue Bonds are not then rated; and

(ii) the Authority shall have determined by certificate filed with the Trustee to treat the Derivative Agreement as a Qualified Derivative Agreement under this Ordinance.

SECTION 2.02. Amendments to Section 4.01 of the Master Ordinance. A new paragraph (G) shall be added to Section 4.01 of the Master Ordinance which shall read as follows:

(G) For all purposes of this Section 4.01, regularly scheduled, periodic payments on Qualified Derivative Agreements and Repayment Obligations may, at the election of the Authority, have the same pledge and lien on Net Revenues as the Revenue Bonds to which they relate.

SECTION 2.03. Amendments to Section 4.03 of the Master Ordinance. Section 4.03(a) of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

(a) The Authority covenants that it will at all times fix, charge, impose and collect rentals, rates, fees and other charges for the use of the Airport System, and, to the extent it legally may do so, revise the same as may be necessary or appropriate, in order that upon measurement in each

Fiscal Year the Net Revenues, together with moneys in the Coverage Fund, will at all times be at least sufficient to equal the larger of either:

(i) all amounts required to be deposited in such Fiscal Year to the credit of the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund; or

(ii) an amount not less than 125% of the Debt Service Requirements due on all Revenue Bonds for such Fiscal Year.

SECTION 2.04. Amendments to Section 5.01(d) of the Master Ordinance. Section 5.01(d)(i) of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

(d) Coverage for Additional Revenue Bonds. The Authority shall also submit to the Trustee either of the following:

(i) a certification by an Authorized Airport Representative that, for either the Authority's most recent Fiscal Year or for any consecutive twelve (12) months out of the most recent eighteen (18) months, the Net Revenues of the Airport System, together with moneys in the Coverage Fund, were equal to at least 125% of the Debt Service Requirement for all Outstanding Revenue Bonds, including the proposed Additional Revenue Bonds, in any future Fiscal Year; or

SECTION 2.05. Amendments to Section 5.01(g) of the Master Ordinance. Section 5.01(g) of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

(g) Refunding Revenue Bonds. If Revenue Bonds are being issued for the purpose of refunding all or a portion of the previously issued Revenue Bonds or Subordinate Securities which are then Outstanding, none of the certifications described in (c) or (d) above are required so long as (for each Fiscal Year during which Revenue Bonds had been Outstanding) the Debt Service Requirement for all Outstanding Revenue Bonds in such Fiscal Year (after giving effect to the issuance of such Refunding Revenue Bonds) will not exceed the Debt Service Requirement for all Outstanding Revenue Bonds in such Fiscal Year (prior to giving effect to the issuance of such Refunding Revenue Bonds).

SECTION 2.06. Amendments to Section 6.04 of the Master Ordinance. Section 6.04 of the Master Ordinance is hereby amended and restated and shall hereafter read as follows:

Section 6.04. INSURANCE. The Authority further covenants and agrees that it will keep the Airport System insured with insurers of good standing against risks, accidents or casualties against which and to the extent customarily insured

against by, and with deductible and self-insurance provisions customarily utilized by operators operating similar properties, to the extent that such insurance is reasonably available. All net proceeds of such insurance shall be applied to repair or replace the insured property that is damaged or destroyed, to make other capital improvements to the Airport System, to redeem Revenue Bonds or to the Airport System Fund for the purposes thereof, except for proceeds of business interruption insurance, which shall only be credited to the Airport System Fund. To the extent that the Authority shall self-insure its insurance risks set forth above in the amount greater than \$5,000,000, the Authority shall provide to the Trustee a report of an independent insurance consultant satisfactory to the Trustee that its self-insurance program is funded in accordance with industry standards.

## ARTICLE III

### MISCELLANEOUS

SECTION 3.01. Further Procedures. Any Authorized Airport Representative and any other appropriate officials of the Authority, are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this ordinance.

SECTION 3.02. Limitation of Liability of Members of the Board and Officers of the Authority. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member of the governing body, officer, employee or agent of the Authority in his respective individual capacity, and neither the governing body of the Authority nor any officer thereof shall be liable personally on the Revenue Bonds or the sale thereof or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the governing body, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this ordinance or the Act, provided such member, officer, employee or agent acts in good faith and with due diligence.

SECTION 3.03. Construction and Severability. If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be inconsistent with the Revenue Bonds, invalid or unenforceable, the inconsistency, invalidity or unenforceability of such section, paragraph, clause or provision shall not affect the terms of the Revenue Bonds, or any of the remaining provisions of this ordinance.

SECTION 3.04. Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith, are hereby repealed to the extent of such inconsistency.

SECTION 3.05. Effective Date. Section 3.06. Pursuant to the provisions of Section 9.02 of the Master Ordinance, the amendments to the Master Ordinance identified in Article I hereof shall be in full force and effect upon the issuance of the 2008A Bonds.

(a) Pursuant to the provisions of Section 9.03 of the Master Ordinance, the amendments to the Master Ordinance identified in Article II hereof shall be effective only upon the Trustee's receipt of the consent (or deemed consent) of the Owners of a majority in principal amount of the Outstanding Revenue Bonds or the consent of any insurer or other credit provider who, by virtue of providing credit enhancement on such bonds, receive the right to vote on behalf of such Owners.

Adopted this \_\_\_\_\_ day of May, 2008.

INDIANAPOLIS AIRPORT AUTHORITY

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