

**MASTER INDENTURE OF TRUST**

**between**

**HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION**

**and**

**[\_\_\_\_\_],  
as Trustee**

**Dated as of February 1, 2018**

**Relating to**

**Hampton Roads Transportation Accountability Commission  
Hampton Roads Transportation Fund Revenue Bonds**

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This **MASTER INDENTURE OF TRUST** (this “Master Indenture”) is made as of February 1, 2018, between the **HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION**, a political subdivision of the Commonwealth of Virginia (“HRTAC” or the “Commission”), and [\_\_\_\_\_], and its successors (the “Trustee”).

## **RECITALS**

**WHEREAS**, HRTAC is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) having the power under the Code of Virginia of 1950, as amended (the “Virginia Code”), to receive all of the amounts dedicated to the Hampton Roads Transportation Fund (the “HRTF”) from the special sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues described in Section 58.1-2295.A.2 of the Virginia Code;

**WHEREAS**, as provided in Chapter 26, Title 33.2, of the Virginia Code (the “HRTAC Act”), the Commission shall use the moneys deposited in the HRTF solely for the purposes of funding new construction projects on new or existing highways, bridges, and tunnels in the Member Localities (as hereinafter defined), giving priority to projects expected to provide the greatest impact on reducing congestion for the greatest number of citizens residing within the Member Localities;

**WHEREAS**, Section 33.2-2606 of the HRTAC Act authorizes and empowers HRTAC to issue bonds and other evidences of debt and provides that the provisions of Article 5 (Section 33.2-1920 et seq.) of Chapter 19 of Title 33.2 of the Virginia Code shall apply, *mutatis mutandis*, to the issuance of such bonds and other evidences of debt (collectively, the “HRTAC Bonds”) for any of the Commission’s purposes;

**WHEREAS**, Section 33.2-1920 of the Virginia Code permits the HRTAC Bonds to be payable from and secured by a pledge of all or any part of the revenues, moneys or funds of HRTAC as specified in a resolution adopted or indenture entered into by HRTAC, but that such HRTAC Bonds shall not constitute debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than HRTAC, and that such HRTAC Bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction except as provided under Section 33.2-1920 of the Virginia Code; and

**WHEREAS**, HRTAC has found and determined that the purposes of HRTAC and the HRTAC Act will be furthered by providing, by the execution and delivery of this Master Indenture, for the financing and refinancing of the costs of Projects (as hereinafter defined) through the issuance from time to time of HRTAC Bonds payable from and secured by the HRTAC Revenues (as hereinafter defined).

**NOW, THEREFORE**, HRTAC hereby covenants and agrees with the Trustee and with the Owners, from time to time, of the HRTAC Bonds, as follows:

**ARTICLE I**  
**DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.1 Definitions.** The following words and terms shall have the following meanings in this Master Indenture unless the context requires otherwise:

**“Account”** means any account established in a Fund with respect to a Related Series of Bonds or otherwise pursuant to the terms of this Master Indenture or any Supplemental Indenture.

**“Accreted Amount”** means with respect to Capital Appreciation Bonds of any Series, the amount set forth in the Related Series Supplement as the amount representing the initial public offering price plus the accreted and compounded interest on such Bonds as of any point in time.

**“Agency Obligations”** means senior debt obligations of U.S. government-sponsored agencies that are not backed by the full faith and credit of the U.S. government, including, but not limited to, Federal Home Loan Mortgage Corporation debt obligations, Farm Credit System consolidated system wide bonds and notes, Federal Home Loan Banks consolidated debt obligations, Federal National Mortgage Association debt obligations, Student Loan Marketing Association debt obligations, Resolution Funding Corporation debt obligations, and U.S. Agency for International Development guaranteed notes.

**“Amortization Requirement”** as applied to any Term Bonds of any maturity for any Bond Year, means the principal amount or amounts fixed by, or computed in accordance with the terms of, the Related Series Supplement for the retirement of such Term Bonds by mandatory purchase or redemption on the Principal Payment Date or Dates established by such Related Series Supplement.

**“Annual Budget”** means the budget of HRTAC for any Fiscal Year as adopted by HRTAC in accordance with the HRTAC Act, as such budget may be amended from time to time throughout such Fiscal Year.

**“Bankruptcy Law”** means Title 11 of the United States Code, as it is amended from time to time and any successor to or replacement of such Title and any other applicable federal or state bankruptcy, insolvency or other similar law.

**“Bond”** or **“Bonds”** means any or all of the HRTAC Bonds issued pursuant to Article V or, as the context requires, any or all of the Subordinate Obligations.

**“Bond Counsel”** means (i) Kaufman & Canoles, a Professional Corporation, or (ii) other counsel selected by HRTAC which is nationally recognized as experienced in matters relating to obligations issued or incurred by states and their political subdivisions.

**“Bond Credit Facility”** means a line of credit, letter of credit, standby bond purchase agreement, municipal bond insurance or similar credit enhancement or liquidity facility established to provide credit or liquidity support for all or any portion of a Series of Bonds as provided in the Related Series Supplement.

**“Bond Credit Provider”** means, as to all or any portion of a Series of Bonds, the Person providing a Bond Credit Facility, as designated in the Related Series Supplement in respect of such Series of Bonds.

**“Business Day”** means any day on which commercial banking institutions generally are open for business in New York and the Commonwealth.

**“Capital Appreciation Bonds”** means a Series of Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in the Related Series Supplement and is payable upon redemption or on the maturity date of such Bonds.

**“Commonwealth”** means the Commonwealth of Virginia.

**“Convertible Capital Appreciation Bonds”** means a Series of Capital Appreciation Bonds having a conversion date after which the Bonds become Current Interest Bonds.

**“Cost of Issuance Fund”** means the Cost of Issuance Fund established with respect to a Series of Bonds as provided in Section 7.1.

**“Current Interest Bonds”** means a Series of Bonds the interest on which is payable currently on the Interest Payment Dates provided therefor in the Related Series Supplement.

**“Custodian”** means a bank or trust company that is (i) organized and existing under the laws of the United States or any of its states and (ii) selected by HRTAC and acceptable to the Trustee.

**“Debt Service Fund”** means, as the context requires, a Senior Debt Service Fund and/or a Subordinate Debt Service Fund.

**“Debt Service Reserve Fund”** means, as the context requires, a Senior Debt Service Reserve Fund and/or a Subordinate Debt Service Reserve Fund established with respect to a Series of Bonds or Subordinate Obligations pursuant to Section 7.1.

**“Defeasance Obligations”** means noncallable (i) Agency Obligations, (ii) Government Obligations, (iii) Government Certificates, (iv) Defeased Municipal Obligations, and (v) Defeased Municipal Obligation Certificates.

**“Defeased Municipal Obligation Certificates”** means evidence of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a Custodian.

**“Defeased Municipal Obligations”** means obligations of the Commonwealth or any county, city, town, district, authority, agency, political subdivision or other public body of the Commonwealth that are rated in the highest rating category by any Rating Agency and provision for the payment of the principal of and redemption premium, if any, and interest on which has been made by the deposit with a trustee or escrow agent of Government Obligations or Government Certificates, the maturing principal of and interest on which, when due and payable,



will along with any cash held by the trustee or escrow agent provide sufficient money to pay the principal of and redemption premium, if any, and interest on such obligations.

**“DSRF Credit Facility”** means a letter of credit, surety bond or similar credit enhancement facility acquired by HRTAC, from a provider with a long term credit rating of [\_\_\_\_\_] or better, to substitute for cash or investments required to be held in a Debt Service Reserve Fund for any Series of Bonds or Subordinate Obligations pursuant to the Related Series Supplement.

**“DSRF Credit Provider”** means the Person providing a DSRF Credit Facility.

**“Escrow Fund”** means an escrow fund relating to a Series of Refunding Bonds that may be established pursuant to the Related Series Supplement and Sections 7.1 and 7.2 hereof.

**“Event of Default”** means any of the events enumerated in Section 13.1.

**“Fiscal Year”** means the twelve-month period commencing on July 1 of one year and ending on June 30 of the following year.

**“Fund”** means any fund established pursuant to the terms of this Master Indenture or any Supplemental Indenture.

**“GAAP”** means generally accepted accounting principles, existing from time to time, as applicable to state and local governmental units.

**“Government Certificates”** mean certificates representing ownership of United States Treasury bond principal at maturity or interest coupons for accrued periods, which bonds or coupons are held in the capacity of custodian by a Custodian that is independent of the seller of such certificates.

**“Government Obligations”** means direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

**“HRTAC”** or **“Commission”** means the Hampton Roads Transportation Accountability Commission, a political subdivision of the Commonwealth.

**“HRTAC Act”** means Chapter 26, Title 33.2 of the Virginia Code, as the same may be amended from time to time, and any successor statutes.

**“HRTAC Bonds”** means any bonds or other evidences of debt that HRTAC is permitted to issue under the Virginia Code.

**“HRTAC Representative”** means (i) the Chair or Vice Chair of HRTAC, and (ii) any other member, officer or employee of HRTAC authorized by resolution of HRTAC to perform the act or sign the document in question.

**“HRTAC Revenues”** means, in any period, (i) all of the HRTF Revenues received by HRTAC during such period, and (ii) any and all other revenues available under the HRTAC Act that may be designated as HRTAC Revenues pursuant to a Supplemental Indenture, but shall not include Toll Revenues.

**“HRTF”** means the Hampton Roads Transportation Fund established pursuant to Section 33.2-2600 of the HRTAC Act.

**“HRTF Revenues”** means the revenues dedicated to the HRTF from the special sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues described in Section 58.1-2295.A.2 of the Virginia Code, together with any other funds that may be hereafter appropriated to the HRTF.

**“Initial Resolution”** means the resolution numbered 2016-08 and entitled “Resolution Authorizing Hampton Roads Transportation Fund Revenue Bonds,” adopted by HRTAC on June 16, 2016, as supplemented by the resolution numbered 2017-\_\_ adopted by HRTAC on December 14, 2017.

**“Interest Payment Date”** means any [January 1] or [July 1], as the case may be; provided, however, that “Interest Payment Date” may mean, if so provided in a Series Supplement, such other date or dates provided therein or permitted thereby.

**“Interest Requirement”** for any Interest Payment Date, as applied to all of the Current Interest Bonds or a portion thereof, means the total of the interest regularly scheduled to become due on such Bonds on such Interest Payment Date. Interest expense shall be excluded from the definition of Interest Requirement to the extent that proceeds of any Bonds or other funds are held by the Trustee to pay such interest. Unless HRTAC shall otherwise provide in a Supplemental Indenture, interest expense on Bond Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds, shall not be included in the determination of an Interest Requirement.

**“Majority Owners”** means the Owners of at least 51% of the aggregate principal amount of the Bonds Outstanding.

**“Master Indenture”** means this Master Indenture of Trust dated as of February 1, 2018, between HRTAC and the Trustee, as the same may be modified, altered, amended and supplemented in accordance with its terms by one or more Series Supplements and other Supplemental Indentures.

**“Member Localities”** means, collectively, each county and city located in Planning District 23, established pursuant to Chapter 42, Title 15.2, of the Virginia Code, currently consisting of the Counties of Isle of Wight, James City, Southampton and York, and the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg, and any other localities which may hereafter be added to Planning District 23 or to HRTAC by amendment to the Virginia Code.

**“Officer’s Certificate”** means a certificate signed by an HRTAC Representative and filed with the Trustee.

**“Operating Expenses”** means any expenditure made or to be made by HRTAC that is properly categorized as an “expense” under GAAP, including, without limitation, the administrative expenses of HRTAC and any expenses incurred by or on behalf of HRTAC with respect to the operation and maintenance of any Project, but shall exclude for this purpose expenses related to the payment of debt service on any Bonds or Subordinate Obligations or expenditures for capital improvements with respect to any Project.

**“Operating Fund”** means the Operating Fund established pursuant to Section 7.1(a).

**“Opinion”** or **“Opinion of Counsel”** means a written opinion of any attorney or firm of attorneys, who or which may be Bond Counsel or counsel for HRTAC or the Trustee.

**“Optional Tender Bonds”** means any Series of Bonds issued under this Master Indenture a feature of which is an option on the part of the Owners of such Bonds to tender to HRTAC, or to the Trustee, any Paying Agent or other fiduciary for such Owners, or to an agent of any of the foregoing, all or a portion of such Bonds for payment or purchase.

**“Outstanding”** when used in reference to the Bonds and as of a particular date, means all Bonds authenticated and delivered under this Master Indenture except:

(a) Any Bond canceled or required to be canceled by the Trustee at or before such date;

(b) Any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered under this Master Indenture;

(c) Any Bond deemed paid under Article XII except that any such Bond shall be considered Outstanding until its maturity or redemption date only for the purpose of actually being paid and for purposes of Articles III and IV and Section 6.1 (or the corresponding provisions of the Related Series Supplement, as the case may be); and

(d) Any Bond not deemed Outstanding under, but only to the extent provided for in, Section 15.2.

**“Owner”** means the registered owner of any Bond.

**“Paying Agent”** means any national banking association, state bank, bank and trust company or trust company appointed by HRTAC to fulfill the duties of a “paying agent” for the Bonds or any portion thereof as commonly understood in the municipal bond market and meeting the qualifications of, and subject to the obligations of, the Trustee in Article XIV. Unless otherwise provided in a Supplemental Indenture, the Trustee shall be the Paying Agent.

**“Payment Date”** means a date that is an Interest Payment Date or a Principal Payment Date or both.

**“Person”** means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

**“Principal”** or **“principal”** means (i) with respect to a Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unpaid interest) except when used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default in which case “principal” means the initial public offering price of the Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) and (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable in satisfaction of an Amortization Requirement, if applicable, or at maturity.

**“Principal and Interest Requirements”** for any Payment Date or for any period means the sum of the Principal Requirements and the Interest Requirements for such date or such period, respectively.

**“Principal Payment Date”** means any [July 1] upon which the principal amount of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of an Amortization Requirement or such other date or dates as may be provided by the Related Series Supplement.

**“Principal Requirement”** means for any Principal Payment Date, as applied to all Bonds or a portion thereof, the total of the principal regularly scheduled to become due on such Principal Payment Date. Principal payments shall be excluded from the definition of Principal Requirement to the extent that proceeds of any Bonds or other funds are held by the Trustee to pay such Principal.

**“Project”** means any transportation facility or project that HRTAC may finance or provide pursuant to the Virginia Code.

**“Project Fund”** means the Project Fund to be established with respect to a Series of Bonds as provided in Section 7.1(b).

**“Purchase Price”** means the purchase price established in any Series Supplement for Optional Tender Bonds as the purchase price to be paid for such Bonds upon an optional or mandatory tender of all or a portion of such Bonds.

**“Rating Agency”** means, with respect to any Bonds Outstanding, any nationally recognized credit rating agency if and for so long as such rating agency, at the request of HRTAC, maintains a rating on such Bonds.

**“Rating Confirmation”** means written evidence that no rating that has been requested by HRTAC and is then in effect from a Rating Agency with respect to a Series of Bonds will be withdrawn, reduced, or suspended solely as a result of an action to be taken hereunder.

**“Rebate Amount”** means the liability of HRTAC under Section 148 of the Tax Code (including any “yield reduction payments”) with respect to any Series of Bonds as may be calculated or specified (including with such reserves or error margin as HRTAC may deem appropriate) in accordance with the Related Series Supplement or the Related Tax Regulatory Agreement.

**“Rebate Fund”** means the Rebate Fund to be established with respect to a Series of Bonds as provided in Section 7.1(b).

**“Refunding Bonds”** shall have the meaning set forth in Section 5.3(f).

**“Reimbursement Fund”** means the Reimbursement Fund Related to a Series of Bonds that may be established by the Related Series Supplement and Section 7.2 hereof.

**“Reimbursement Obligations”** means any reimbursement or payment obligations of HRTAC for which moneys in the Reimbursement Fund are pledged or payable pursuant to the provisions of this Master Indenture or any Series Supplement.

**“Related”** means (i) when used with respect to any Fund, Account or Series of Bonds, the Fund, Account or Series of Bonds so authorized, designated and established by this Master Indenture and the Series Supplement authorizing a particular Series of Bonds, (ii) when used with respect to a Series Supplement, Tax Regulatory Agreement or other document contemplated hereunder, such document authorizing or related to a particular Series of Bonds, or Supplemental Indenture related thereto and (iii) when used with respect to a Bond Credit Facility, DSRF Credit Facility or Reimbursement Obligation, the Bond Credit Facility or DSRF Credit Facility securing a particular Series of Bonds and the Reimbursement Obligation entered into in connection therewith.

**“Reserve Determination Date”** means (i) the tenth day after each Interest Payment Date, or, if such day is not a Business Day, on the first Business Day thereafter or (ii) any other date set forth in a Series Supplement or an Officer’s Certificate for the valuation of a Debt Service Reserve Fund.

**“Reserve Requirement”** means, as the context requires, the Senior Debt Service Reserve Requirement and/or the Subordinate Debt Service Reserve Requirement.

**“Revenue Fund”** means the Revenue Fund established by Section 7.1(a).

**“Senior Debt Service Fund”** means a Debt Service Fund established with respect to a Series of Bonds pursuant to Section 7.1(b).

**“Senior Debt Service Reserve Fund”** means a Senior Debt Service Reserve Fund established with respect to a Series of Bonds pursuant to Section 7.1(b).

**“Senior Debt Service Reserve Requirement”** shall mean an amount, required to be maintained in a Senior Debt Service Reserve Fund established for a Series of Bonds, which shall be equal to [50% of] the least of (a) the maximum Principal and Interest Requirements on such Bonds in the then-current or any future Fiscal Year, (b) 10% of the original stated principal amount of such Bonds (or 10% of the issue price of such Bonds if required by the Code), or (c) 125% of the average annual Principal and Interest Requirements on such Bonds in the then-current or any future Fiscal Year.

**“Serial Bonds”** means the Bonds of a Series that are stated to mature in semiannual or annual installments as designated in the Related Series Supplement.

**“Series”** means all of the Bonds or Subordinate Obligations of a particular series authenticated and delivered pursuant to this Master Indenture and the Related Series Supplement and identified as such pursuant to such Series Supplement, and any Bonds or Subordinate Obligations of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds or Subordinate Obligations pursuant to this Master Indenture and such Series Supplement, regardless of variations in lien status, maturity, interest rate, sinking fund installments or other provisions.

**“Series Supplement”** means a Supplemental Indenture providing for the issuance of a Series of Bonds or Subordinate Obligations, as such Series Supplement may be modified, altered, amended and supplemented by a Supplemental Indenture in accordance with the provisions of this Master Indenture.

**“Subordinate Debt Service Fund”** means a Debt Service Fund established with respect to a Series of Subordinate Obligations pursuant to Section 7.1(b).

**“Subordinate Debt Service Reserve Fund”** means a Subordinate Debt Service Reserve Fund established with respect to a Series of Subordinate Obligations pursuant to Section 7.1(b).

**“Subordinate Debt Service Reserve Requirement”** shall mean an amount, required to be maintained in a Subordinate Debt Service Reserve Fund established for a Series of Subordinate Obligations, which shall be equal to the least of (a) the maximum Principal and Interest Requirements on such Subordinate Obligations in the then-current or any future Fiscal Year, (b) 10% of the original stated principal amount of such Subordinate Obligations (or 10% of the issue price of such Subordinate Obligations if required by the Code), or (c) 125% of the average annual Principal and Interest Requirements on such Subordinate Obligations in the then-current or any future Fiscal Year.

**“Subordinate Obligations”** means any HRTAC Bonds that are made specifically subordinate as to payment and security to the Bonds.

**“Supplemental Indenture”** means any indenture supplementary to or amendatory of this Master Indenture or any Supplemental Indenture or Series Supplement now or hereafter duly executed and delivered in accordance with the provisions of this Master Indenture, including a Series Supplement.

**“Tax Code”** means the Internal Revenue Code of 1986, as amended, as in effect upon the issuance of and thereafter applicable to any Series of Bonds and the regulations of the U.S. Department of the Treasury promulgated thereunder as in effect upon the issuance of and thereafter applicable to any Series of Bonds.

**“Tax Regulatory Agreement”** means, with respect to any Series of Bonds, the Tax Certificate and Regulatory Agreement, dated the date of the issuance of the Related Series of Bonds, entered into by HRTAC for the benefit of the Owners of the Bonds of such Series, as the same may be modified, altered, amended or supplemented pursuant to its terms.

**“Term Bonds”** means all or some of the Bonds of a Series, other than Serial Bonds, that shall be stated to mature on one or more dates and that are so designated in the Related Series Supplement.

**“Toll Revenues”** means revenues received from tolls established by HRTAC for the use of any new or improved highway, bridge, or tunnel within one or more of the Member Localities.

**“Trustee”** means [\_\_\_\_\_], and its successors serving in the same capacity under this Master Indenture.

**“Variable Rate Bonds”** means any Series of Bonds the interest rate on which is not established, at the time such Bonds are issued, at a single numerical rate for the entire term of such Bonds.

**“Verification Agent”** means (i) a firm of nationally-recognized independent certified public accountants or (ii) any other qualified firm acceptable to HRTAC and the Trustee.

**“Virginia Code”** means the Code of Virginia of 1950, as amended.

**Section 1.2 Rules of Construction.** The following rules shall apply to the construction of this Master Indenture unless the context requires otherwise:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(c) All references in this Master Indenture to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Master Indenture unless otherwise indicated.

(d) The headings and table of contents as used in this Master Indenture are solely for convenience of reference and shall not constitute a part of this Master Indenture nor shall they affect its meaning, construction or effect.

(e) Unless specifically provided otherwise in this Master Indenture or a Supplemental Indenture, any requirement that an obligation be or remain in a particular rating category assigned by a Rating Agency shall be applied without regard to any refinement or gradation of the rating category by numerical modifier or otherwise.

(f) Unless otherwise provided in a Supplemental Indenture, where the character or amount of any asset, liability or item of income or expense is required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes hereof or for the purpose of any document, affidavit or certificate to be executed and delivered in accordance with or pursuant this Master Indenture or a Supplemental Indenture, the same shall be done in accordance with GAAP; provided, however, that whenever the context makes clear that the requirement is that cash, or its equivalent, be available to pay

debt service on HRTAC Bonds, computations regarding such requirement shall be computed on a cash basis, and not on a GAAP basis.

## **ARTICLE II ESTABLISHMENT OF TRUST**

**Section 2.1 Security for Bonds.** (a) In order to provide for the payment of the principal of and the premium, if any, and interest on the Bonds and Subordinate Obligations issued hereunder, and to secure the performance of all of the obligations of HRTAC with respect to the Bonds, the Subordinate Obligations, this Master Indenture and the Series Supplements, subject to the terms hereof and thereof, HRTAC pledges and grants to the Trustee:

(1) All of the HRTAC Revenues; and

(2) All other property of any kind mortgaged, pledged or hypothecated to provide for the payment of or to secure the Bonds and Subordinate Obligations by HRTAC or by anyone on its behalf and with its written consent at any time as and for additional security under this Master Indenture and the Series Supplements in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of this Master Indenture and the Series Supplements.

(b) In order to provide for the payment of the principal of and the premium, if any, and interest on each Series of Bonds and Subordinate Obligations issued hereunder, and to secure the performance of all of the obligations of HRTAC with respect to such Series, this Master Indenture, and the Related Series Supplement, subject to the terms hereof and thereof, HRTAC pledges and grants to the Trustee with respect to such Series (and to such Series only) the money and investments held in the Related Project Fund (if any), Related Debt Service Fund, and Related Debt Service Reserve Fund (if any).

(c) HRTAC's authority to receive any or all of the HRTAC Revenues is subject to appropriation by the General Assembly of the Commonwealth, and neither the General Assembly nor the Commission can or will pledge, covenant or agree to impose or maintain at any particular rate or level any of the taxes and fees dedicated to the HRTF by the Commonwealth.

**Section 2.2 Bond Credit Facility.** Any Bond Credit Facility which is given to secure some, but not all, of the Bonds, together with money drawn or paid under it, shall be held by the Trustee solely as security for the Bonds of the Series to which such Bond Credit Facility is Related. Neither such Bond Credit Facility nor any money drawn or paid under it will secure the payment of any other Series of Bonds. The status of the Bond Credit Facility as a Bond or a Subordinate Obligation or otherwise will be provided for in the Related Series Supplement.

## **ARTICLE III GENERAL TERMS AND CONDITIONS OF BONDS**

**Section 3.1 Authority for Master Indenture.** This Master Indenture has been executed and delivered under the Initial Resolution. HRTAC has ascertained that the execution



of and the transactions contemplated by this Master Indenture are in furtherance of both HRTAC's purposes and the exercise of the powers granted to HRTAC by the Virginia Code.

**Section 3.2 Indenture Constitutes Contract.** In consideration of the Owners' purchase and acceptance of the Bonds, the provisions of this Master Indenture and the Supplemental Indentures shall be a part of HRTAC's contract with the Owners and shall be deemed to be and shall constitute a contract among HRTAC, the Trustee and the Owners from time to time of the Bonds.

**Section 3.3 Form and Details of Each Series of Bonds.** The forms, details and terms of each Series of Bonds, the funds and accounts to be established with respect to such Series, and such other matters as HRTAC may deem appropriate shall be set forth in the Related Series Supplement.

**Section 3.4 Obligation of Bonds.** This Master Indenture creates a continuing pledge and lien to secure the full and final payment of the principal of and premium, if any, and interest of each Series of Bonds. The Bonds of each Series are limited obligations of HRTAC payable solely from the revenues, money and other property pledged by this Master Indenture and the Related Series Supplement. Each Bond shall contain on its face a statement to the effect that (i) it shall not be a debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than HRTAC, and (ii) it shall not constitute indebtedness within the meaning of any debt limitation or restriction, except as may be provided under the Virginia Code.

**Section 3.5 Payment of Bonds.** The principal of and premium, if any, and interest on Bonds of each Series shall be payable in lawful money of the United States of America, but only from the revenues, money or property pledged to such payment pursuant to this Master Indenture and the Related Series Supplement. The principal of and premium, if any, and interest on Bonds of each Series shall be payable at such place or places and in such manner as specified in the Related Series Supplement. Unless otherwise provided in the Related Series Supplement, if a Payment Date for any Bonds of any Series or the date fixed for the redemption of any such Bonds is not a Business Day, then payment of the principal and premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and if made on such next succeeding Business Day no additional interest will accrue for the period after such Payment Date or date fixed for redemption.

**Section 3.6 Execution of Bonds.** (a) Except as may be otherwise provided in the Related Series Supplement, all of the Bonds of each Series shall be executed on behalf of HRTAC by, or bear the facsimile signature of the Chair or Vice Chair of HRTAC, and the corporate seal of HRTAC (which may be a facsimile) will be affixed (or imprinted or engraved if a facsimile) thereon and attested by the manual or facsimile signature of the Executive Director of HRTAC.

(b) If any of the officers who have signed or sealed any of the Bonds of a Series or whose facsimile signature is on such Bonds ceases to be an officer of HRTAC before the Bonds so signed and sealed have been actually authenticated by the Trustee or delivered by HRTAC, the Bonds nevertheless may be authenticated, issued and delivered with the same force

and effect as though such officer had not ceased to be an officer of HRTAC. Any Bond of a Series may be signed and sealed on behalf of HRTAC by those Persons who, at the actual date of the execution of the Bond, are the proper officers of HRTAC, although at the date of the original issuance of the Bond they were not officers of HRTAC.

**Section 3.7 Authentication of Bonds.** Except as may be otherwise provided in the Related Series Supplement, no Bond of any Series shall be secured by this Master Indenture, entitled to its benefits or be valid for any purpose unless there is endorsed on the Bond the Trustee's certificate or authentication, substantially in the form prescribed by the Related Series Supplement. The Trustee shall authenticate each Bond with the signature of an authorized officer or employee of the Trustee, but it shall not be necessary for the same Person to authenticate all of the Bonds. The Trustee's certificate of authentication on a Bond of any Series issued by HRTAC shall be conclusive evidence that the Bond has been duly authenticated and delivered under this Master Indenture.

**Section 3.8 Registration, Transfer and Exchange.** (a) Except as may be otherwise provided in the Related Series Supplement, HRTAC shall cause books for the registration and registration for transfer or exchange of the Bonds of each Series to be kept at the designated corporate trust office of the Trustee. HRTAC appoints the Trustee as its registrar and transfer agent to keep such books and to make registrations and registrations of transfer or exchange under such reasonable regulations as HRTAC or the Trustee may prescribe.

(b) Upon surrender for registration of transfer or exchange of any Bond at the designated corporate trust office of the Trustee, HRTAC shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of like date, tenor and of any authorized denomination for the aggregate principal amount which the Owner is entitled to receive, subject in each case to such reasonable regulations as HRTAC or the Trustee may prescribe. All Bonds presented for registration of transfer, exchange, redemption or payment shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to HRTAC and the Trustee, duly executed by the Owner or by the Owner's duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

(c) New Bonds of any Series delivered upon any transfer or exchange shall be valid obligations of HRTAC evidencing the same debt as the Bonds surrendered and shall be secured by this Master Indenture and the Related Series Supplement and entitled to their benefits to the same extent as the Bonds surrendered. Registrations of transfers or exchange will be made by the Trustee within such time periods as are customary in the municipal securities industry.

**Section 3.9 Charges for Exchange or Transfer.** Except as provided in Section 3.11, no charge shall be made for any registration of transfer or exchange of Bonds, but HRTAC or the Trustee may require payment by the Owner of the Bonds of a sum sufficient to cover any applicable tax or other governmental charge that may be imposed.

**Section 3.10 Temporary Bonds.** (a) Until Bonds of any Series in definitive form are ready for delivery, HRTAC may execute, and upon its request in writing, the Trustee shall authenticate and deliver in lieu of definitive Bonds and subject to the same provisions,

limitations and conditions, one or more printed, lithographed or typewritten Bonds in temporary form, in substantially the form set forth in the Related Series Supplement, with appropriate omissions, variations and insertions.

(b) Except as may be otherwise provided in the Related Series Supplement, HRTAC shall, without unreasonable delay, prepare, execute and deliver to the Trustee, and, upon the presentation and surrender of the Bond or Bonds of any Series in temporary form to the Trustee at its designated corporate trust office, the Trustee shall authenticate and deliver in exchange, a Bond or Bonds of the same maturity and Series in definitive form, in the authorized denominations, and for the same aggregate principal amount as the Bond or Bonds in temporary form surrendered. Such exchange shall be made at HRTAC's expense.

**Section 3.11 Mutilated, Lost, Stolen or Destroyed Bonds.** (a) If any Outstanding Bond is mutilated, lost, stolen or destroyed, HRTAC shall execute, and, upon HRTAC's request in writing, the Trustee shall authenticate and deliver, a new Bond of the same Series, principal amount, interest rate and maturity and of like tenor as the mutilated, lost, stolen or destroyed Bond in exchanged and substitution for a mutilated Bond, or in lieu of and substitution for a lost, stolen or destroyed Bond.

(b) Application for exchange and substitution of mutilated, lost, stolen or destroyed Bonds shall be made to the Trustee at its designated corporate trust office and the applicant shall furnish to HRTAC and the Trustee security or indemnification to their satisfaction. In every case of loss, theft or destruction of a Bond, the applicant shall also furnish to HRTAC and the Trustee evidence to their satisfaction of the loss, theft or destruction and of the identity of the applicant. In every case of mutilation of a Bond, the applicant shall surrender the Bond so mutilated for cancellation.

(c) Notwithstanding the foregoing provisions of this Section, if any Bond has matured and no default has occurred which is then continuing in the payment of the principal of or premium, if any, or interest on the Bond, HRTAC may authorize the payment of the Bond (without surrender except in the case of a mutilated Bond) instead of issuing a substitute Bond, provided security or indemnification is furnished as provided in this Section.

(d) HRTAC and the Trustee may charge the Owner their reasonable fees and expenses in connection with the issuance of any substitute Bond. Every substitute Bond issued pursuant to the provisions of this Section shall constitute a contractual obligation of HRTAC, whether or not the lost, stolen or destroyed Bond is found or delivered at any time, or is enforceable by anyone, and shall be entitled to all of the benefits of this Master Indenture and the Supplemental Indentures equally and proportionally with any and all other Bonds duly issued under this Master Indenture to the same extent as the Bond in substitution for which such Bond was issued.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all of the rights and remedies with respect to the payment of mutilated, lost, stolen, or destroyed Bonds, including those granted by any law or statute now existing or hereafter enacted.

**Section 3.12 Cancellation of Bonds.** Any temporary or mutilated Bond surrendered to the Trustee, or any Bond redeemed or paid at maturity, or any Bond delivered for transfer, exchange or replacement, or purchase pursuant to instructions from HRTAC, shall be canceled or destroyed, and the Trustee shall deliver the canceled Bond or a certificate of destruction of such Bond to HRTAC.

#### **ARTICLE IV REDEMPTION OF BONDS**

**Section 4.1 Redemption of Bonds.** The Bonds of each Series shall be subject to redemption as specified in the Related Series Supplement.

**Section 4.2 Selection of Bonds for Redemption.** Bonds of any Series to be called for redemption shall be selected as provided in the Related Series Supplement. The Trustee shall treat each Bond of a denomination greater than the minimum denomination authorized in the Related Series Supplement as representing the number of separate Bonds that can be obtained by dividing the Bond's actual principal amount by such minimum denomination.

**Section 4.3 Notice of Redemption.** (a) Except as otherwise provided in the Related Series Supplement, in the case of any redemption of the Bonds of any Series, the Trustee shall give notice in the name of HRTAC, when directed in writing by HRTAC and as provided for in this Section, that Bonds of a particular Series identified by serial or CUSIP numbers have been called for redemption and, in the case of Bonds to be redeemed in part only, the principal amount of the Bonds that have been called for redemption (or if all the Outstanding Bonds of a Series are to be redeemed, so stating, in which event serial or CUSIP numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying the date) upon surrender of the Bonds at the designated corporate trust office of the Trustee, at the applicable redemption price (specifying the price) together with any accrued interest to such date, and that all interest on the Bonds to be redeemed will cease to accrue on and after such date.

(a) Unless otherwise specified in the Related Series Supplement, such notice shall be mailed by first class mail, postage prepaid, not less than thirty nor more than sixty days before the date fixed for redemption, to the Owners of the Bonds called for redemption, at their respective addresses as they last appear on the registration books maintained by the Trustee; provided, however, that failure to give such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for the redemption of Bonds of any other Owners to whom notice was properly given. If, at the time of mailing of the notice of any optional redemption, there has not been deposited with the Trustee moneys sufficient to redeem all of the Bonds called for redemption, on written instructions of HRTAC the notice may state that it is conditional on the deposit of redemption moneys with the Trustee not later than the opening of business on the redemption date.

**Section 4.4 Payment of Redeemed Bonds.** (a) Except as otherwise provided in the Related Series Supplement, if notice of redemption has been given as provided in Section 4.3, the Bonds called for redemption shall be due and payable on the date fixed for redemption at a redemption price equal to the principal amount of and premium, if any, on the Bonds, together with accrued interest to the date fixed for redemption. Payment of the redemption price shall be

made by the Trustee upon surrender of the Bonds, if funds are on deposit for that purpose. If less than the full principal amount of a Bond is called for redemption, HRTAC shall execute and deliver and the Trustee shall authenticate, upon surrender of the Bond, and without charge to the Owner, Bonds of the same Series for the unredeemed portion of the principal amount of the Bond so surrendered.

(b) If any Bond has been duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption on the Bond has been made or provided for, then, notwithstanding that the Bond called for redemption has not been surrendered for cancellation, interest on the Bond shall cease to accrue from the date fixed for redemption. In addition, from and after the date fixed for redemption, the Bond shall no longer be entitled to any lien, benefit or security under this Master Indenture, and its Owner shall have no rights in respect of the Bond except to receive payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption of the Bond.

## **ARTICLE V ISSUANCE OF BONDS**

**Section 5.1 Issuance of Bonds.** (a) HRTAC may issue Bonds pursuant to Series Supplements as hereinafter provided, subject to the terms and conditions contained in this Master Indenture, for any purpose permitted to be financed from the proceeds of HRTAC Bonds under the HRTAC Act or any other provision of the Virginia Code, including without limitation the construction and acquisition of any Project and the refunding of any Bonds previously issued and Outstanding. Such Bonds may be issued in any form permitted by law, including, but not limited to, Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Optional Tender Bonds, Serial Bonds or Term Bonds or any combination thereof.

(b) HRTAC shall not issue or incur any HRTAC Bonds that will be secured by a pledge of revenues, money or property pledged by this Master Indenture to the payment of any Series of Bonds, except for Bonds and Subordinate Obligations; provided, however, that nothing contained in this Master Indenture shall prevent HRTAC from issuing or incurring HRTAC Bonds payable out of or secured by a pledge of revenues to be derived on and after the date the pledge and lien of this Master Indenture is discharged and satisfied as provided in Article XII.

(c) Subject to the restrictions set forth in subsection (b) of this Section, HRTAC reserves the right in its sole discretion and without the consent of the Trustee or any Owner of any Bond or the holder or owner of any Subordinate Obligation to issue from time to time HRTAC Bonds for any lawful purpose authorized by the Virginia Code.

**Section 5.2 Parity of Bonds.** This Master Indenture constitutes a continuing irrevocable pledge of the HRTAC Revenues and other revenues, money and property of HRTAC pledged in Section 2.1(a) to secure payment of the principal of and premium, if any, and interest on all Bonds which may, from time to time, be executed, authenticated and delivered under this Master Indenture. Except as otherwise provided in this Master Indenture, all Bonds shall in all respects be equally and ratably secured under this Master Indenture without preference, priority

or distinction on account of the time of their authentication, delivery or maturity, so that all Bonds at any time outstanding under this Master Indenture will have the same right, lien and preference under this Master Indenture with respect to the pledge set forth in Section 2.1(a) with like effect as if they had all been executed, authenticated and delivered simultaneously. Nothing in this Master Indenture shall be construed, however, as (i) requiring that any Bonds bear interest at the same rate or in the same manner as any other Bonds, have the same or an earlier or later maturity, have the same Principal or Interest Payment Dates as other Bonds, or be subject to mandatory or optional redemption before maturity on the same basis as any other Bonds, (ii) prohibiting HRTAC from entering into financial arrangements, including any Bond Credit Facility or DSRF Credit Facility, designed to assure that funds will be available for the payment of certain Bonds at their maturity or tender for purchase, or (iii) prohibiting HRTAC from pledging funds or assets of HRTAC other than those pledged under this Master Indenture or any Supplemental Indenture for the benefit of any Bonds.

**Section 5.3 Conditions of Issuing a Series of Bonds.** Before the issuance and authentication of any Series of Bonds or Subordinate Obligations by the Trustee, HRTAC shall deliver or cause to be delivered to the Trustee:

(a) In the case of the initial Series of Bonds issued under this Master Indenture only:

(1) An original executed counterpart of this Master Indenture;

(2) A certified copy of the Initial Resolution, which authorized the execution and delivery of this Master Indenture; and

(3) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, to the effect that this Master Indenture has been duly authorized, executed and delivered by HRTAC;

(b) An original executed counterpart of the Related Series Supplement which may include provisions (i) authorizing the issuance, fixing the principal amount and setting forth the details of the Bonds of the Series then to be issued, the interest rate or rates and the manner in which the Bonds are to bear interest, the Principal and Interest Payment Dates of the Bonds, the purposes for which the Bonds are being issued, the date and the manner of numbering the Bonds, the series designation, the denominations, the maturity dates and amounts, the Amortization Requirements or the manner for determining such Amortization Requirements, and any other provisions for redemption before maturity; (ii) for Bond Credit Facilities for the Series and for the Funds to be established with respect to the Series of Bonds as required or authorized under this Master Indenture; (iii) for the application of the proceeds of the Bonds of the Series; (iv) any term or condition necessary or expedient for the issuance of Bonds constituting Variable Rate Bonds or Optional Tender Bonds, including without limitation, tender and remarketing provisions, liquidity facility provisions and provisions for establishing the variable rate and changing interest rate modes; (v) for the amount, if any, to be deposited into the Related Debt Service Reserve Fund to cause the amount held therein to equal the applicable Reserve Requirement as adjusted to account for the Series of Bonds or Subordinate Obligations then to be issued; and (vi) for such other matters as HRTAC may deem appropriate;

(c) A certified copy of each resolution adopted by HRTAC authorizing the execution and delivery of the Related Series Supplement, any Related Bond Credit Facility and any Related Reimbursement Obligation and the issuance, sale, execution and delivery of the Series of Bonds then to be issued;

(d) Original executed counterparts of the Related Tax Regulatory Agreement, any Related Bond Credit Facility and any Related Reimbursement Obligation;

(e) *[Except for the initial Series of Bonds to be issued under this Master Indenture and for any Series of Refunding Bonds, an Officer's Certificate to the effect that during any twelve consecutive months of the eighteen months preceding the issuance of the Series of Bonds or Subordinate Obligations to be issued (i) the HRTAC Revenues were not less than [2.00] times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on the Bonds Outstanding and the Series of Bonds to be issued, and (ii) the HRTAC Revenues were not less than [1.35] times the annual Principal and Interest Requirements during the current or any future Fiscal Year on the Subordinate Obligations Outstanding and the Series of Subordinate Obligations to be issued.]*

(f) If the Bonds of the Series then to be issued are to be issued to refund Bonds issued and outstanding under this Master Indenture ("Refunding Bonds") evidence satisfactory to the Trustee that HRTAC has made provision for the payment or redemption of all of the Bonds to be refunded as required by this Master Indenture and the Related Series Supplement and for the payment of the estimated expenses of HRTAC and the Trustee incident to the refunding, including, if applicable, the fees of the Verification Agent and the escrow agent for the Related Escrow Fund;

(g) An opinion of Bond Counsel to the effect that (i) the Bonds of the Series then to be issued have been duly authorized, (ii) all conditions precedent to the issuance of such Bonds have been fulfilled, (iii) the Related Series Supplement has been duly authorized, executed and delivered by HRTAC and complies in all respects with the requirements of this Master Indenture and (iv) Bonds are valid and legally binding limited obligations of HRTAC and are secured by this Master Indenture and the Related Series Supplement to the extent provided herein and therein;

(h) An Officer's Certificate, dated the date of delivery of the Bonds of the Series then to be issued, to the effect that to the best of the knowledge of the signatory, upon and immediately following such delivery, no Event of Default under this Master Indenture or any Series Supplement with respect to any Series of Bonds Outstanding will have occurred and be continuing;

(i) A written order and authorization to the Trustee on behalf of HRTAC, signed by a HRTAC Representative, to authenticate and deliver the Bonds of the Series then to be issued to or upon the order of the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price (including accrued interest, if any) of such Series of Bonds; and

(j) Any additional document or instrument specified in the Related Series Supplement.

**Section 5.4 Modification of Certain Definitions.** (a) In the case of the following described types of Bonds, the definition of the term “Principal and Interest Requirements” for the purposes of preparing and delivering the Officer’s Certificate described in Section 5.3(e) above shall be modified as follows.

(1) **Optional Tender Bonds.** If any of the Outstanding Bonds or additional Bonds of the Series then to be issued constitute Optional Tender Bonds, then the options of the Owners of such Bonds to tender the same for payment prior to their stated maturity or maturities shall be disregarded, (ii) if such Bonds also constitute Variable Rate Bonds, HRTAC shall also make the adjustments described in subsection (a)(2) below, and (iii) any obligation HRTAC may have, other than its obligation on such additional Bonds (which need not be uniform as to all Owners thereof), to reimburse any Person for its having extended a Bond Credit Facility shall be disregarded.

(2) **Variable Rate Bonds.** If any of the Outstanding Bonds or Bonds of the Series then to be issued constitute Variable Rate Bonds, then the interest rate used in the above-described computations shall be the greater of (i) the interest rate on any additional Bonds issued as Variable Rate Bonds for the first period of calculation of such interest and (ii) the weighted average interest rate at which HRTAC could reasonably expect to have borrowed on the date of issuance of such Bonds by issuing such Bonds with a fixed rate or rates of interest. HRTAC’s reasonable expectation shall be established by an Officer’s Certificate and a letter of a knowledgeable professional, including HRTAC’s financial advisor, confirming the interest rate expectation as reasonable.

(b) The conversion of Bonds constituting Variable Rate Bonds to bear interest at fixed rate or rates or vice-versa, in accordance with their terms, shall not constitute a new issuance of Bonds under this Master Indenture.

**Section 5.5 Delivery of Bonds.** When the documents mentioned in Section 5.3 shall have been filed with the Trustee and when the Bonds of the Series then to be issued shall have been executed and authenticated as required by this Master Indenture, the Trustee shall deliver such Bonds at one time to or upon the order of the purchasers named in the Related Series Supplement, but only upon payment to or upon the order of HRTAC of the purchase price of such Bonds and the accrued interest, if any, thereon. Notwithstanding the foregoing, for so long as Cede & Co. or other nominee of DTC is the Owner of such Bonds, delivery shall be made in accordance with the DTC FAST System.

**Section 5.6 Application of Bond Proceeds.** The Trustee shall apply the proceeds of any Series of Bonds as provided in the Related Series Supplement.

**Section 5.7 Subordinate Obligations.** Nothing in this Master Indenture shall prohibit or prevent HRTAC from authorizing and issuing Subordinate Obligations for any lawful purpose payable from HRTAC Revenues subject and subordinate to the payment of any Bonds and to the deposits required to be made from HRTAC Revenues to the Senior Debt Service Funds, the Debt Service Reserve Funds and the Rebate Funds or any other Fund or Account established to secure any Bonds, or from securing any Subordinate Obligations and their payment by a lien and pledge of HRTAC Revenues junior and inferior to the lien on and pledge thereof for the payment and



security of the Bonds; provided, however, that such Subordinate Obligations may only be declared immediately due and payable upon the occurrence of a default thereunder if payment of the Bonds has been accelerated in accordance with Article XIII.

## **ARTICLE VI GENERAL COVENANTS AND PROVISIONS**

**Section 6.1 Payment of Bonds.** HRTAC shall promptly pay the principal of (whether at maturity, by mandatory sinking fund or optional redemption, or otherwise) and premium, if any, and interest on each Series of the Bonds on the dates and as provided in this Master Indenture, the Related Series Supplement and in such Series of Bonds; provided, however, that such obligations are limited obligations of HRTAC and are payable solely from revenues, moneys and other property pledged by HRTAC to the Trustee under Article II to secure payment of such Series of Bonds or all Series of Bonds issued under this Master Indenture.

**Section 6.2 Covenants and Representations of HRTAC.** HRTAC shall faithfully observe and perform all of its covenants, conditions and agreements contained in this Master Indenture, in every Bond executed, authenticated and delivered under this Master Indenture and in all pertinent proceedings of its members; provided, however, that HRTAC's liability for any breach of or default under any such covenant, condition or agreement shall be limited solely to and satisfied solely from the sources of payment described in Section 6.1.

**Section 6.3 Further Assurances.** Subject to the provisions of Section 6.1, HRTAC shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying and pledging to the Trustee of all the rights assigned by this Master Indenture and revenues, money and other property pledged by this Master Indenture to the payment of the principal of and premium, if any, and interest on the Bonds. HRTAC shall fully cooperate with the Trustee in protecting the Owners' rights and security.

**Section 6.4 Records and Accounts; Inspections and Reports.** HRTAC shall maintain or cause to be maintained proper books of record and account, separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the Bonds. All books and documents in HRTAC's possession relating to the Bonds shall at all times be open to inspection by such agents as may be designated by the Trustee or the Owners of 25% or more in aggregate Principal amount of Bonds then Outstanding. HRTAC shall have an annual audit made by an accountant or accounting firm within 270 days after the end of each Fiscal Year and shall furnish to the Trustee copies of the audit report as soon as such report is available, which report shall include statements in reasonable detail, certified by the accountant or accounting firm who or which prepared the report. Such audit report shall reflect HRTAC's financial position as of the end of such Fiscal Year and the results of its operations and changes in the financial position of its fund for such Fiscal Year.

**Section 6.5 Reports by Trustee.** The Trustee shall make periodic reports to HRTAC of all money received, invested and expended by it with respect to the HRTAC Bonds. The Trustee shall furnish to HRTAC upon request (i) a statement of the Principal amount of HRTAC

Bonds Outstanding and unpaid as of the date of such request, (ii) the balance in each of the Funds and Accounts held by it pursuant to this Master Indenture, and (iii) such information as may be necessary to complete the annual audit of HRTAC as required by the HRTAC Act or to make any other report required by any other law now or hereafter in effect.

**Section 6.6 Covenants with Bond Credit Providers and DSRF Credit Providers.**

HRTAC may make such covenants as it may in its sole discretion determine to be appropriate with any Bond Credit Provider or DSRF Provider that shall agree to provide for Bonds of any one or more Series a Bond Credit Facility or a DSRF Credit Facility that shall enhance the security or the value of such Bonds and thereby reduce the Principal and Interest Requirements on such Bonds or substitute for amounts in the Related Debt Service Reserve Fund. Such covenants (if any) shall be set forth in the Related Series Supplement or other Supplemental Indenture and, if so included, shall be binding on HRTAC, the Trustee, any Paying Agent and the Owners of the Bonds the same as if such covenants were set forth in full in this Master Indenture.

**ARTICLE VII  
ESTABLISHMENT OF FUNDS AND ACCOUNTS**

**Section 7.1 Establishment of Funds.**

(a) The Funds listed below are hereby established with respect to all of the Outstanding Bonds and Subordinate Obligations issued under or in accordance herewith and HRTAC's operations, and HRTAC shall hold each such Fund without commingling the monies held therein.

- (1) Revenue Fund;
- (2) Operating Fund; and
- (3) General Fund.

(b) The Funds listed below are to be established with respect to each separate Series of Bonds and Subordinate Obligations in the Related Series Supplement, and the Trustee shall hold such Funds without commingling the monies held therein, except that (i) HRTAC has the option not to establish a Debt Service Reserve Fund for a Series of Bonds and (ii) HRTAC shall hold each Cost of Issuance Fund.

- (1) Cost of Issuance Fund;
- (2) Project Fund and/or Escrow Fund, as appropriate;
- (3) Debt Service Fund;
- (4) Debt Service Reserve Fund; and
- (5) Rebate Fund.

(c) Without limiting the generality of the foregoing subsection, a Subordinate Debt Service Fund is to be established with respect to each Subordinate Obligation or Series thereof issued by HRTAC, and the Trustee shall hold each such Fund without commingling the monies held therein, and a Subordinate Debt Service Reserve Fund may be established by HRTAC and the Trustee with respect to any Subordinate Obligation or Series thereof.

(d) HRTAC may direct that a Debt Service Fund and/or Debt Service Reserve Fund established for a Series of Bonds or Subordinate Obligations shall also provide for the payment of and/or secure any Refunding Bonds or Subordinate Obligations issued to refund such Series of Bonds or Subordinate Obligations in whole or in part.

**Section 7.2 Establishment and Custody of Certain Special Funds.** (a) HRTAC may establish with the Trustee or an escrow agent satisfactory to the Trustee in connection with the issuance of any Series of Refunding Bonds an Escrow Fund to provide for the application and investment of the portion of the proceeds of such Series to be used to refund the refunded Bonds. Such Escrow Fund shall be established under or in accordance with the Related Series Supplement.

(b) HRTAC may establish with the Trustee in connection with the incurrence of any Reimbursement Obligation a Reimbursement Fund. Amounts held for the credit of any Reimbursement Fund shall be paid out by the Trustee as necessary to enable HRTAC to meet its obligations constituting Reimbursement Obligations. HRTAC may direct that amounts held for the credit of a Reimbursement Fund shall be pledged to the payment of any Related Reimbursement Obligation incurred by HRTAC.

## **ARTICLE VIII OPERATION OF REVENUE FUND, PLEDGED FUNDS AND GENERAL FUND**

**Section 8.1 Revenue Fund.** (a) HRTAC will hold the Revenue Fund as a separate Fund. The Revenue Fund itself is not pledged to secure any of the Bonds or the Subordinate Obligations. HRTAC will deposit into the Revenue Fund all HRTAC Revenues immediately upon receipt.

(b) At least once each month, not later than the last Business Day of each month, HRTAC shall make transfers from the Revenue Fund in the amounts and in the order of priority set forth below:

FIRST: To each Senior Debt Service Fund ratably, the amount, if any, required under the Related Series Supplement so that the balance therein on the next Payment Date shall equal the amount of principal, if any, and interest due on the next Payment Date on the Related Series of Bonds; provided that HRTAC shall receive a credit against such transfer for the amount, if any, held in a Senior Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

SECOND: To each Senior Debt Service Reserve Fund, ratably, the amount, if any, required so that the balance in each such Fund shall be equal to the respective Senior Debt Service Reserve Requirement (which shall include the

reimbursement of any DSRF Credit Provider for any drawings on a DSRF Credit Facility and the payment of any interest, penalties or fees assessed by the DSRF Credit Provider);

THIRD: To each Subordinate Debt Service Fund, ratably, the amount, if any, required so that the balance in each such Fund shall equal the amount of principal, if any, and interest due on the Related Subordinate Obligations on the next ensuing payment date; provided that HRTAC shall receive a credit against such transfer for the amount, if any, held in a Subordinate Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

FOURTH: To each Subordinate Debt Service Reserve Fund, ratably, the amount, if any, so that the balance in such Fund shall be equal to the respective Subordinate Debt Service Reserve Requirement (which shall include the reimbursement of any DSRF Credit Provider for any drawings on a DSRF Credit Facility and the payment of any interest, penalties or fees assessed by the DSRF Credit Provider);

FIFTH: To each Rebate Fund the amounts necessary to provide for the payment of any Rebate Amounts with respect to the Related Series of Bonds as confirmed in an Officer's Certificate;

SIXTH: To the Operating Fund, the amount of funds necessary in accordance with the Annual Budget to pay Operating Expenses; and

SEVENTH: To the General Fund, the balance remaining in the Revenue Fund.

(c) In the case of Bonds of a Series secured by a Bond Credit Facility, amounts on deposit in the Revenue Fund may be transferred to the Debt Service Fund or as the case may be, the Related Reimbursement Fund or elsewhere as provided in the Related Series Supplement to reimburse the Bond Credit Provider for amounts drawn under the Bond Credit Facility to pay the principal of and premium, if any, and interest on such Bonds.

**Section 8.2 Operating Fund.** HRTAC will hold the Operating Fund as a separate Fund for the purposes of paying Operating Expenses. Neither the Operating Fund nor any amount therein is pledged to secure the Bonds or the Subordinate Obligations. HRTAC shall pay Operating Expenses from the Operating Fund as they become due and in accordance with the purposes and amounts provided in the Annual Budget. In determining the balance on deposit in the Operating Fund for any purpose of this Master Indenture, there shall be deducted the amount of any issued but unpaid checks drawn against the Operating Fund. Investment earnings on amounts in the Operating Fund, if any, shall be transferred to the General Fund and applied for purposes of Section 8.6 below.

**Section 8.3 Senior Debt Service Funds.** (a) The Trustee shall promptly deposit the following amounts in each Senior Debt Service Fund:

(1) The amount, if any, of the proceeds of the Related Series of Bonds required by the Related Series Supplement to be deposited in the Senior Debt Service Fund with respect to accrued and/or capitalized interest;

(2) All amounts required to be transferred to the Senior Debt Service Fund from the Revenue Fund pursuant to Section 8.1(b);

(3) Any amounts required to be transferred to the Senior Debt Service Fund from a Debt Service Reserve Fund as provided under this Master Indenture; and

(4) Any other amounts required to be paid to the Senior Debt Service Fund or otherwise made available for deposit therein by HRTAC, including amounts made available pursuant to the Related Series Supplement.

(b) The Trustee shall pay out of each Senior Debt Service Fund ratably to the Trustee or, if applicable, the Paying Agent for the Related Series of Bonds (i) on each Interest Payment Date, the amount required for the payment of interest on such Bonds then due, (ii) on any redemption date, the amount required for the payment of accrued interest on such Bonds to be redeemed, unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Trustee or the Paying Agent, as applicable, to such payment, and (iii) the accrued interest included in the Purchase Price of any Bonds of the Related Series purchased for retirement pursuant to this Master Indenture.

(c) The Trustee shall pay out of each Senior Debt Service Fund for the Related Series of Bonds on each Principal Payment Date and redemption date for such Bonds, the amounts then required for the payment of such principal or redemption price, and such amounts shall be applied by the Trustee to such payments either itself or through the Paying Agent for such Bonds.

**Section 8.4 Debt Service Reserve Funds.** (a) Except as specifically provided below, the amount in each Debt Service Reserve Fund shall be used solely to cure deficiencies in the amount on deposit in the Related Debt Service Fund. If there are insufficient funds in the Related Debt Service Fund to pay the principal of and interest on a particular Series of Bonds when due, then the Trustee shall transfer the amount of deficiency from the amount, if any, on deposit in the Related Debt Service Reserve Fund to such Debt Service Fund. The Trustee promptly shall notify HRTAC of the transfer.

(b) On each Reserve Determination Date, the Trustee shall determine if the balance in each of the Debt Service Reserve Funds is at least equal to the Reserve Requirement for the Related Series of Bonds or Subordinate Obligations. In making each such determination, investments in each Debt Service Reserve Fund shall be valued as provided in Section 11.3 or as otherwise provided in the Related Series Supplement. If on any Reserve Determination Date the amount in any Debt Service Reserve Fund is less than its Reserve Requirement, the Trustee shall promptly notify HRTAC of such fact and the amount of the deficiency; provided, however, a deficiency shall not be restored except as provided in Section 8.1(b).

(c) Any interest earned from the investment of money in a Debt Service Reserve Fund shall be transferred upon receipt to the Revenue Fund and/or to the Related Rebate

Fund to pay any Rebate Amounts in accordance with the Series Supplements and Tax Regulatory Agreements (as confirmed in an Officer's Certificate) to the extent that such transfer will not cause the balance in the Debt Service Reserve Fund to be less than its Reserve Requirement. If on any Reserve Determination Date there exists a surplus in a Debt Service Reserve Fund, the Trustee shall transfer such surplus to the Revenue Fund and/or to the Related Rebate Fund to pay any Rebate Amounts in accordance with the Series Supplements and Tax Regulatory Agreements (as confirmed in an Officer's Certificate); provided, however, that if on any Reserve Determination Date there exists or will exist a surplus in a Debt Service Reserve Fund as the result of the payment at maturity, redemption or defeasance under Article XII of a portion of the Bonds of the Related Series on or as of such Reserve Determination Date, then the Trustee is authorized to transfer the surplus (including to an Escrow Fund for any such Bonds to be redeemed or defeased) as specified in (i) a Series Supplement (as confirmed in an Officer's Certificate) or (ii) an Officer's Certificate.

(d) In lieu of maintaining and depositing money or securities in a Debt Service Reserve Fund, HRTAC may deposit with the Trustee a DSRF Credit Facility in an amount equal to all or a portion of the applicable Reserve Requirement. Any DSRF Credit Facility will permit the Trustee to draw or obtain under it for deposit in the Debt Service Reserve Fund amounts that, when combined with the other amounts in such Fund, are not less than the applicable Reserve Requirement.

(1) The Trustee will make a drawing on or otherwise obtain funds under any DSRF Credit Facility before its expiration or termination (i) whenever money is required for the purposes for which Debt Service Reserve Fund money may be applied and (ii) unless such DSRF Credit Facility has been extended or a qualified replacement for it delivered to the Trustee, in the event HRTAC has not deposited immediately available funds equal to the applicable Reserve Requirement at least two Business Days preceding the expiration or termination of such DSRF Credit Facility.

(2) If HRTAC provides the Trustee with a DSRF Credit Facility as provided in this subsection, the Trustee will transfer the corresponding amount of funds then on deposit in the applicable Debt Service Reserve Fund to HRTAC, provided HRTAC delivers to the Trustee (i) an Opinion of Bond Counsel that such transfer of funds will not adversely affect the excludability from gross income for purposes of federal income taxation of interest on any Bonds the interest on which was excludable on the date of their issuance and (ii) HRTAC covenants to comply with any directions or restrictions contained in such opinion concerning the use of such funds.

**Section 8.5 Subordinate Debt Service Funds.** (a) The Trustee shall promptly deposit the following amounts in each Subordinate Debt Service Fund:

(1) The amount, if any, of the proceeds of the Related Subordinate Obligation, required to be deposited in the Subordinate Debt Service Fund in respect of accrued and/or capitalized interest;

(2) All amounts required to be transferred to the Subordinate Debt Service Fund from the Revenue Fund pursuant to Section 8.1(b); and

(3) Any other amounts required to be paid to the Subordinate Debt Service Fund or otherwise made available for deposit therein by HRTAC.

(b) The Trustee shall pay out of each Subordinate Debt Service Fund (i) on each interest payment date, the amount required for the payment of interest on the Related Subordinate Obligations then due and (ii) on any redemption date, the amount required for the payment of accrued interest on the Related Subordinate Obligations to be redeemed, unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied to such payment. The Trustee shall also pay out of the Subordinate Debt Service Fund the accrued interest included in the Purchase Price of any Subordinate Obligations purchased for retirement pursuant to this Master Indenture.

(c) The Trustee shall pay out of each Subordinate Debt Service Fund on each principal payment date and redemption date for the Related Subordinate Obligations, the amounts then required for the payment of such principal or redemption price, and such amounts shall be applied to such payments.

(d) To the extent there is a deficiency in the Subordinate Debt Service Fund on any payment date with respect to Related Subordinate Obligations, the Trustee shall transfer the amount of such deficiency from the amount, if any, on deposit in the Related Subordinate Debt Service Reserve Fund, if any. The Trustee promptly shall notify HRTAC of any such transfer.

**Section 8.6 General Fund.** (a) HRTAC shall hold the General Fund and, except as otherwise provided below, neither such Fund nor any amount therein is pledged to secure the Bonds or the Subordinate Obligations.

(b) HRTAC shall apply the balance in the General Fund as follows:

FIRST: To cure any deficiency in the amount required to be on deposit in any Senior Debt Service Fund, any Senior Debt Service Reserve Fund, any Rebate Fund, any Subordinate Debt Service Fund or any Subordinate Debt Service Reserve Fund, in that order; and

SECOND: To any other lawful purpose approved by resolution of HRTAC, including, without limitation, expenditures for capital improvements with respect to any Project.

## **ARTICLE IX OPERATION OF CERTAIN SERIES-SPECIFIC FUNDS**

**Section 9.1 Cost of Issuance Funds.** There shall be deposited in each Cost of Issuance Fund the portion of the proceeds of the Related Series of Bonds and such other amounts as may be specified in the Related Series Supplement. HRTAC shall use such amounts to pay costs of issuance incurred in connection with the issuance of the Related Series of Bonds. HRTAC shall transfer any amounts remaining on deposit in such Fund to the Revenue Fund, the Related Project Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Series Supplement or Tax Regulatory Agreement and

confirmed in an Officer's Certificate. Investment earnings on any Cost of Issuance Fund may be transferred therefrom periodically as provided in the Related Series Supplement and Tax Regulatory Agreement.

**Section 9.2 Project Funds.** There shall be deposited into each Project Fund such portion of the proceeds of the Related Series of Bonds and other amounts as may be specified in the Related Series Supplement. HRTAC shall use the amounts in each Project Fund in accordance with the requirements of the Related Series Supplement and Tax Regulatory Agreement. Upon the filing with the Trustee of an Officer's Certificate that each Project to be financed from the Related Project Fund is complete, the Trustee shall transfer any amounts remaining on deposit in such Project Fund to the Revenue Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Series Supplement or Tax Regulatory Agreement and confirmed in an Officer's Certificate. Investment earnings in a Project Fund may be transferred periodically therefrom as provided in the Related Series Supplement and Tax Regulatory Agreement.

**Section 9.3 Rebate Funds.** There shall be deposited in each Rebate Fund amounts to be used to pay Rebate Amounts with respect to the Related Series of Bonds as may be specified in the Related Series Supplement and the Related Tax Regulatory Agreement and confirmed in an Officer's Certificate. HRTAC shall use the balance in a Rebate Fund to pay the Rebate Amounts and any other obligations under Section 148 of the Tax Code in connection with the Related Series of Bonds. HRTAC may transfer any amounts on deposit in a Rebate Fund that are not needed for such purpose to the Revenue Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Series Supplement or Tax Regulatory Agreement and confirmed in an Officer's Certificate.

## **ARTICLE X GENERAL FUND AND ACCOUNT PROVISIONS**

**Section 10.1 Additional Funds and Accounts.** Upon payment of its additional reasonable costs and expenses, if any, the Trustee may create additional Funds and Accounts or subaccounts within any Fund or Account established by this Master Indenture or any Supplemental Indenture if HRTAC so directs in a Supplemental Indenture or the Trustee deems such additional Funds, Accounts or subaccounts to be necessary for the proper administration of the various Funds and Accounts. The Trustee shall make transfers to or from such Funds, Accounts or subaccounts so long as required transfers can be made consistently with the provisions of this Master Indenture or any Supplemental Indenture.

**Section 10.2 Non-Presentment of Bonds.** (a) If any Owner fails to present his or her Bond for payment when its principal becomes due (whether at maturity, by mandatory or optional redemption, by acceleration, or otherwise), all liability of HRTAC to the Owner for the payment of the Bond shall be completely discharged if the Trustee holds for the Owner's benefit money sufficient to pay the principal of and premium, if any, and interest due on such Bond to its maturity or redemption date and thereupon it shall be the Trustee's duty to hold this money, without liability to the Owner for interest on it, for the Owner's benefit, who shall thereafter be restricted exclusively to this money for any claim under this Master Indenture or on the Bond.



(b) Any money which shall have been set aside by the Trustee for the payment of the principal of and premium, if any, and interest on the Bonds and which shall remain unclaimed by the Owners of any of the Bonds for a period of four years and eleven months after the date on which such money shall have become payable, shall, unless otherwise required by law, be paid to HRTAC (along with any investment earnings on such money earned after the respective maturity or redemption date), and thereafter the Trustee shall have no further responsibility with respect to such money.

**Section 10.3 Trustee's Fees, Costs and Expenses.** The Trustee's initial or acceptance fees and expenses for a Series of Bonds shall be paid from the Related Cost of Issuance Fund. HRTAC shall pay or provide for the payment of all other fees and expenses of the Trustee as provided in Section 14.2. The Trustee shall not deposit any such payments it receives in the Funds or Accounts established by this Master Indenture.

**Section 10.4 Purchase of Term Bonds.** (a) Amounts made available by or on behalf of HRTAC for such purpose, if so directed by HRTAC in an Officer's Certificate, shall be applied by the Trustee prior to the 45th day preceding any mandatory sinking fund redemption date for Term Bonds of the Related Series to the purchase of the Term Bonds that are subject to such sinking fund redemption, at prices (including any brokerage and other charges) not exceeding the redemption price payable for such Term Bonds pursuant to such sinking fund redemption plus unpaid interest accrued to the date of purchase. Upon such purchase of any Term Bond, the Trustee shall then credit an amount equal to the principal of the Bond so purchased toward the next succeeding Amortization Requirement for such Term Bond.

(b) As soon as practicable after the 45th day preceding the date of any mandatory sinking fund redemption for the Term Bonds of the Related Series, the Trustee shall proceed to call for redemption on such redemption date the Term Bonds of the maturity for which sinking fund redemption is required in such amount as shall be necessary to complete the retirement of the principal amount specified for such sinking fund redemption. The Trustee shall so call such Term Bonds for redemption whether or not it then has moneys in the Related Debt Service Fund, as applicable, sufficient to pay the applicable redemption price thereof and interest thereon to the redemption date. The Trustee shall pay out of each such Fund directly to Owners or to the appropriate Paying Agents, on each such redemption date, the amount required for the redemption of the Related Term Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

## **ARTICLE XI SECURITY FOR DEPOSITS AND PERMITTED INVESTMENTS**

**Section 11.1 Security for Deposits.** All amounts deposited with HRTAC or the Trustee under the Master Indenture in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously held in bank accounts which are secured for the benefit of HRTAC and the Owners of the Bonds in the manner required and to the full extent permitted by the Virginia Security for Public Deposits Act, Chapter 44 of Title 2.2 of the Virginia Code or any successor provision of law; provided, however, that it shall not be necessary for the Trustee to give security for the deposit of any amounts with it for the payment of the principal of or premium, if any, or interest on any Bonds issued under the Master

Indenture, or for any Person to give security for any investments described in Section 11.2 below purchased under the provisions of this Article XI as an investment of such amounts.

**Section 11.2 Permitted Investments.** (a) Subject to the provisions of any Supplemental Indenture, any amounts held in any Fund or Account established by this Master Indenture or any Supplemental Indenture may be separately invested and reinvested by the Trustee, at the request of and as directed in writing by a HRTAC Representative, in any investments which are at the time legal investments for public funds of the type to be invested under Virginia law, including without limitation the Investment of Public Funds Act, Chapter 45 of Title 2.2 of the Virginia Code or any successor provision of law. Notwithstanding anything to the contrary contained herein, HRTAC may invest the amounts on deposit in the General Fund to the same extent as provided in Section 33.1-23.03:5 of the Virginia Code for excess funds in the Transportation Trust Fund.

(b) Subject to the provision of any Supplemental Indenture, all Investments shall be held by or under the control of the Trustee or HRTAC, as the case may be, and while so held shall be deemed a part of the Fund or Account in which the amounts were originally held. The Trustee, at the direction of HRTAC, shall sell and reduce to cash a sufficient amount of investments whenever the cash balance in any Fund or Account is insufficient for its purposes.

**Section 11.3 Valuation of Investments.** (a) Unless otherwise provided in a Supplemental Indenture, HRTAC or the Trustee shall value the investments in each Fund and Account established under this Master Indenture or any Supplemental Indenture and held by it or at its direction as of the last Business Day of each month; provided that, notwithstanding the foregoing, a Debt Service Reserve Fund shall be valued only on Reserve Determination Dates.

(b) Unless otherwise provided in a Supplemental Indenture, each such investment shall be valued (i) at amortized cost if the weighted average life of all investments held in the same Fund or Account is five years or less or (ii) at its fair market value or the amortized cost thereof, whichever is lower if the weighted average life of all investments held in the same Fund or Account exceeds five years. A DSRF Credit Facility shall be valued at the amount that the Trustee is authorized to draw thereon to pay debt service on the Series of Bonds secured thereby.

**Section 11.4 Investments through Trustee's Bond Department.** Unless otherwise directed by HRTAC, the Trustee may make investments permitted by Section 11.2 through its own trust or bond department.

## **ARTICLE XII DISCHARGE AND DEFEASANCE**

**Section 12.1 Discharge.** If the following conditions exist:

(a) the principal of any and all of the Series of Bonds and the interest due or to become due thereon together with any redemption premium required by redemption of any of the Bonds prior to maturity shall be paid, or is caused to be paid, or is provided for under Section 12.2 below, at the times and in the manner to which reference is made in the Bonds, according to

the true intent and meaning thereof, or the Outstanding Bonds shall have been paid and discharged in accordance with this Article, and

(b) all of the covenants, agreements, obligations, terms and conditions of HRTAC under this Master Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Bond Registrar and the Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof, then the right, title and interest of the Trustee in the trust estate granted pursuant to Article II above shall thereupon cease and the Trustee, on the request of and at the expense of HRTAC, shall release this Master Indenture and the trust estate and shall execute such documents to evidence such release as may be reasonably required by HRTAC and shall turn over to HRTAC, or to such other Person as may be entitled to receive the same, all balances remaining in any Funds and Accounts established hereunder except for amounts required to pay such Bonds.

**Section 12.2 Defeasance.** (a) If HRTAC shall pay or provide for the payment of the entire indebtedness on particular Bonds in any one or more of the following ways:

(1) by paying or causing to be paid the principal of and premium, if any, and interest on such Bonds, as and when the same shall become due and payable;

(2) by delivering such Bonds to the Trustee for cancellation; or

(3) by depositing with the Trustee (or an escrow agent acceptable to the Trustee), in trust, cash and/or Defeasance Obligations in such amount as will, together with the income or increment to accrue on such Defeasance Obligations (the “Defeasance Amount”), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity dates, without consideration of any reinvestment of the Defeasance Amount, as a Verification Agent shall verify to the Trustee’s satisfaction;

(4) and if HRTAC shall also pay or provide for the payment of all other sums payable hereunder by HRTAC with respect to such Bonds, and, if such Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as provided in Article IV of this Master Indenture (or the corresponding provisions of the Related Series Supplements) or provisions satisfactory to the Trustee shall have been made for the giving of such notice, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture except as provided in subsection (d) below.

(b) HRTAC may at any time surrender to the Trustee for cancellation any Bonds previously authenticated and delivered that HRTAC may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired as provided in this Section.

(c) Upon such defeasance all rights of HRTAC, including its right to provide for optional redemption of Bonds on dates other than planned pursuant to such defeasance, shall cease unless specifically retained by filing a written notification thereof with the Trustee on or prior to the date the Defeasance Amount is deposited with the Trustee or escrow agent.

(d) When a Bond is deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Master Indenture, except for the purposes of any such payment (to the exclusion of all other Owners) from the Defeasance Amount and except for the provisions of this Section, Articles III and IV (and the corresponding sections of the Series Supplements) and Section 6.1 of this Master Indenture.

**ARTICLE XIII**  
**DEFAULT PROVISIONS AND REMEDIES OF**  
**TRUSTEE AND OWNERS**

**Section 13.1 Events of Default.** (a) The occurrence and continuation of one or more of the following events shall constitute an Event of Default with respect to the Bonds:

(1) default in the payment of any installment of interest in respect of the Bonds of any Series as the same shall become due and payable; or

(2) default in the payment of the principal of or premium, if any, in respect of the Bonds of any Series as the same shall become due and payable either at maturity, upon redemption, or otherwise; or

(3) default in the payment of any Amortization Requirement in respect of any Term Bond as the same shall become due and payable; or

(4) failure on the part of HRTAC duly to observe or perform any other of the covenants or agreements on the part of HRTAC contained in this Master Indenture, a Series Supplement, a Tax Regulatory Agreement or any Bond, subject to the provisions of Section 13.10 below; or

(5) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the HRTAC Revenues and the other Funds and Accounts pledged pursuant to this Master Indenture, or the filing by HRTAC of any petition for reorganization of HRTAC or rearrangement or readjustment of the obligations of HRTAC under the provisions of any applicable Bankruptcy Law.

(b) Notwithstanding any other provision of this Master Indenture, failure to pay the principal or any Amortization Requirement of or interest on any Subordinate Obligation will not constitute an Event of Default with respect to any of the Bonds.

(c) HRTAC may, pursuant to a Series Supplement, provide for a particular Series of Bonds different or additional Events of Default and remedies upon the occurrence thereof including, but not limited to, Events of Default upon the occurrence of events specified in any agreement entered into in connection with the delivery of a Bond Credit Facility and acceleration of the full principal amount of such Bonds.

**Section 13.2 Remedies Upon Default.** (a) If an Event of Default under Section 13.1 above occurs and is continuing, the Trustee may, and upon the written request to the Trustee by the Majority Owners shall, subject to the requirements of Section 14.1(l) below, by written

notice to HRTAC, declare the principal of the Bonds and all interest accrued thereon to the date of acceleration to be immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before the entry of a judgment or decree for payment of the money due, the Trustee may, or the Majority Owners may by written notice to HRTAC and the Trustee, and subject to the requirements of Section 14.1(l), direct the Trustee to, rescind and annul such declaration and its consequences if:

(1) there has been paid to or deposited with the Trustee by or for the account of HRTAC, or provision satisfactory to the Trustee has been made for the payment of a sum sufficient to pay: (i) all overdue installments of interest on the Bonds; (ii) the principal of, and redemption premium, if any, on any Bonds which have become due other than by such declaration of acceleration and interest thereon; (iii) to the extent lawful, interest upon overdue installments of interest and redemption premium, if any; and (iv) all sums paid or advanced by the Trustee hereunder, together with the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel prior to the date of notice of rescission; and

(2) all Events of Default, other than the nonpayment of principal of, redemption premium, if any, and interest on the Bonds which have occasioned such acceleration, have been cured or waived.

(c) No such rescission and annulment shall affect any subsequent default or impair any consequent right arising therefrom.

**Section 13.3 Other Remedies.** (a) Upon the occurrence and continuation of an Event of Default, the Trustee may in its discretion, and shall at the written request of the Majority Owners, and having been indemnified as provided in Section 14.1(1), pursue any available remedy, at law or in equity, to enforce the payment of the principal of and premium, if any, and interest on the Bonds, to enforce any covenant or condition under this Master Indenture or the Supplemental Indentures or to remedy any Event of Default.

(b) Notwithstanding anything in this Master Indenture or the Supplemental Indentures to the contrary, upon the occurrence and continuation of an Event of Default, the Majority Owners will control and direct all actions of the Trustee in exercising such of the rights and powers conferred by this Section on the Trustee or the Owners.

(c) So long as any Bonds are Outstanding, no owner or holder of any Subordinate Obligation may exercise any remedy under this Master Indenture or any Supplemental Indenture.

**Section 13.4 Effect of Discontinuance or Abandonment.** If any proceeding taken by the Trustee on account of any default has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, then HRTAC, the Trustee, and the Owners will be restored to their former positions and rights under this Master Indenture and all rights, remedies and powers of the Trustee will continue as though no such proceeding had been taken.

**Section 13.5 Restriction on Owners' Actions.** In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Master Indenture or any remedy under this Master Indenture or any Supplemental Indenture or the Bonds, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified as provided in Section 14.1(h), or of which by such Section it is deemed to have notice; (ii) the Majority Owners of the Bonds have been made written request of the Trustee to institute the suit, action, proceeding or other remedy, after the right to exercise the powers or rights of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in this Master Indenture or to institute the action, suit or proceeding in its or their name; (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred as provided in Section 14.1(1); and (iv) the Trustee has not complied with the request within a reasonable time. Such notification, request and offer of indemnity are declared, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Master Indenture or for any other remedy under this Master Indenture. It is intended that no one or more Owners will have any right to affect, disturb or prejudice the security of this Master Indenture, or to enforce any right under this Master Indenture or the Bonds, except in the manner provided for in this Master Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in this Master Indenture and for the benefit of all Owners. Nothing in this Master Indenture will affect or impair the right of the Owners generally to enforce payment of the Bonds in accordance with their terms.

**Section 13.6 Power of Trustee to Enforce.** All rights of action under this Master Indenture or under any of the Bonds secured by it which are enforceable by the Trustee may be enforced without the possession of any of the Bonds, or their production at the trial or other related proceedings. Any suit, action or proceedings instituted by the Trustee may be brought in its own name, as trustee, for the equal and ratable benefit of the Owners subject to the provisions of this Master Indenture.

**Section 13.7 Remedies Not Exclusive.** No remedy in this Master Indenture conferred on or reserved to the Trustee, or on or to the Owners, is intended to be exclusive of any other remedy, and each remedy is cumulative, and is in addition to every other remedy given under this Master Indenture or now or hereafter existing at law, in equity or by statute.

**Section 13.8 Waiver of Events of Default; Effect of Waiver.** (a) The Trustee will waive any Event of Default and its consequences at the written request of the Majority Owners. If any Event of Default with respect to the Bonds has been waived as provided in this Master Indenture, the Trustee will promptly give written notice of the waiver to HRTAC and by first class mail, postage prepaid, to all Owners if the Owners had previously been given notice of the Event of Default. No waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right, power or remedy available under this Master Indenture.

(b) No delay or omission of the Trustee or of any Owner to exercise any right, power or remedy accruing upon any default or Event of Default will impair any such right, power or remedy or will be construed to be a waiver of or acquiescence in any such default or

Event of Default. Every right, power and remedy given by this Article to the Trustee and to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

**Section 13.9 Application of Money.** (a) Any amounts received by the Trustee pursuant to this Article will, after payment of the costs and expenses of the proceedings resulting in the collection of the money, the expenses, liabilities and advances incurred or made by the Trustee and the fees (whether ordinary or extraordinary) of the Trustee and expenses of HRTAC in carrying out the provisions of this Master Indenture, be deposited in an appropriate Account that the Trustee will establish in the Revenue Fund. The amounts in such Account shall be applied as follows:

FIRST: To the payment of the persons entitled to it of all installments of interest then due on the Bonds, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege;

SECOND: To the payment of the persons entitled to it of the unpaid principal or Amortization Requirements of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of this Master Indenture), in the order of their due dates and, if the amount available is not sufficient to pay in full such Bonds due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it without any discrimination or privilege;

THIRD: To the payment of the persons entitled to it of all installments of interest then due on the Subordinate Obligations, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege; and

FOURTH: To the payment of the persons entitled to it of the unpaid principal or Amortization Requirements of any of the Subordinate Obligations that have become due (other than Subordinate Obligations matured or called for redemption for the payment of which money is held pursuant to the provisions of this Master Indenture), in the order of their due dates and, if the amount available is not sufficient to pay in full such Subordinate Obligations due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it without any discrimination or privilege.

(a) Whenever money is to be applied pursuant to the provisions of this Section, it will be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee applies such

money, it will fix the date on which payment is to be made, and interest on the amount of principal to be paid on such date will cease to accrue. The Trustee will give, in such form as it may deem appropriate, notice to the Owners of the fixing of such payment date.

**Section 13.10 Notice of Certain Defaults; Opportunity to Cure Such Defaults.**

Notwithstanding anything to the contrary in this Master Indenture, no default under Section 13.1(a)(4) will constitute an Event of Default until actual notice of the default is given to HRTAC by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Outstanding Bonds, and HRTAC has had (i) 30 days after receipt of the notice with respect to any default in the payment of money or (ii) 90 days after receipt of the notice of any other default to correct the default or to cause the default to be corrected; provided, however, that if the default can be corrected, but cannot within the 90-day period, it will not constitute an Event of Default if corrective action is instituted by HRTAC within the 90-day period and diligently pursued (as determined by the Trustee) until the default is corrected.

**Section 13.11 Rights of Bond Credit Provider.** Notwithstanding anything contained in this Master Indenture to the contrary, until HRTAC has reimbursed a Bond Credit Provider for amounts paid under a Bond Credit Facility to pay the interest on or the principal of any Bonds on any Payment Date, (i) such Bonds shall be deemed to be Outstanding and such Bond Credit Provider shall succeed to the rights and interests of the Owners to the extent of the amounts paid under the Bond Credit Facility until such amounts have been reimbursed and (ii) upon presentation to the Trustee, such Bond shall be registered in the name of the Bond Credit Provider or its nominee.

**ARTICLE XIV  
THE TRUSTEE**

**Section 14.1 Acceptance of Trusts and Obligations.** The Trustee hereby accepts the trusts and obligations imposed upon it by this Master Indenture and agrees to perform such trusts and obligations, but only upon and subject to the following express terms and conditions and no implied covenants or obligations shall be read into this Master Indenture against the Trustee:

(a) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture and as a corporate trustee ordinarily would perform such duties under a corporate indenture. If an Event of Default has occurred (that has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and the Related Series Supplement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee may execute any of the trusts or powers under this Master Indenture and perform any of its duties by or through attorneys, accountants, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standards specified in subsection (a) of this Section. The Trustee also shall be entitled to act on the opinion or advice of its counsel concerning all matters of trust and the duties under this Master Indenture, and may be reimbursed for reasonable compensation to all such attorneys, accountants, agents,



receivers and employees as may reasonably be employed in connection with this Master Indenture. The Trustee may act on an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance on such Opinion of Counsel. In addition, the Trustee may condition any permissive action it is authorized (but not required) to take hereunder on the receipt of an approving Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital or representation in this Master Indenture, in any Supplemental Indenture or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for the filing or re-filing of any financing or continuation statement or other document or instrument, or for insuring any property of HRTAC or collecting any insurance money, or for the validity of HRTAC's execution of this Master Indenture or of any supplements to it or instruments of further assurance, or for the sufficiency of the security for the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of money made by it in accordance with Article XI.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered under this Master Indenture. The bank or trust company acting as Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in the Bonds and may join in any action which any Owner may be entitled to take with like effect as if such bank or trust company were not the Trustee. To the extent permitted by law, such bank or trust company may also receive tenders and purchase in good faith Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not the Trustee.

(e) The Trustee shall be protected in acting on any Officer's Certificate, notice, request, consent, certificate, order, direction, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee under this Master Indenture at the request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Bond shall be conclusive and binding on all future Owners of the same Bond and on Bonds issued in exchange for it or in place of it.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely on an Officer's Certificate as sufficient evidence of the facts therein contained. Before the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by such subsection it is deemed to have notice, the Trustee may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept an Officer's Certificate to the effect that an attached resolution has been adopted by HRTAC as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The Trustee's permissive right to do things enumerated in this Master Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default under this Master Indenture, except defaults arising from the failure by HRTAC to make any payments due on the Bonds or the failure by HRTAC to file with the Trustee any document required by this Master Indenture to be so filed, unless the Trustee shall be notified of such default by HRTAC or by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding.

(i) The Trustee shall not be required to give any bond or surety with respect to the execution of its rights and obligations under this Master Indenture.

(j) Notwithstanding any other provision of this Master Indenture, the Trustee shall have the right, but shall not be required, to demand, as a condition of (i) any action by the Trustee in respect of the authentication of any Bonds, (ii) the withdrawal of any cash, (iii) the release of any property or (iv) any action whatsoever within the purview of this Master Indenture, any showings, certificates (including Officer's Certificates), opinions, appraisals or other information or corporate action or evidence thereof reasonably required by the Trustee, in addition to that required by the terms of this Master Indenture.

(k) All money the Trustee receives shall, until used or applied or invested as provided in this Master Indenture, be held in trust for the purposes for which it was received but need not be segregated from other funds except to the extent required by this Master Indenture or by law. The Trustee shall not be under any liability for interest on any money received under this Master Indenture except as may be agreed upon in writing.

(l) Before taking any action under this Master Indenture, the Trustee may require that indemnity to its satisfaction be furnished to it for the reimbursement of all expenses which may be incurred by it and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct.

**Section 14.2 Fees, Charges and Expenses of Trustee.** (a) HRTAC covenants and agrees:

(1) to pay to the Trustee compensation for all services rendered by it hereunder and under the other agreements relating to the Bonds to which the Trustee is a party in accordance with terms agreed to from time to time, and, subsequent to default, in accordance with the Trustee's then-current fee schedule for default administration; and

(2) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Master Indenture, any other agreement relating to the Bonds to which it is a party or in complying with any request by HRTAC or any Rating Agency with respect to the Bonds, including the reasonable compensation, expenses and disbursements of its agents and counsel, except any such expense, disbursement or advance attributable to the Trustee's negligence or bad faith.

(b) If the Trustee incurs expenses or renders services in any proceedings under Bankruptcy Law relating to HRTAC, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under Bankruptcy Law.

(c) The obligations of HRTAC to make the payments described in this Section shall survive discharge of this Master Indenture, the resignation or removal of the Trustee and payment in full of the Bonds.

**Section 14.3 Notice Required of Trustee.** If HRTAC fails to make any payment on a Series of Bonds on the day such payment is due and payable, the Trustee shall give notice thereof by telephone, e-mail or facsimile to HRTAC on the next succeeding Business Day. If (i) any such failure of HRTAC to make a payment on a Series of Bonds continues for thirty days, or (ii) the owners of not less than 25% in aggregate principal amount of Bonds then Outstanding notify the Trustee of any default under this Master Indenture, then the Trustee shall give notice of such default by registered or certified mail to the Owner of each Bond of such Series then Outstanding. The Trustee's failure to give any notice required by this Section shall not subject the Trustee to any liability to any person, firm, corporation or other entity to make payments under the Bonds and this Master Indenture or waive the Trustee's right to exercise its remedies under this Master Indenture.

**Section 14.4 Intervention by Trustee.** In any judicial proceeding to which HRTAC is a party and that in the Trustee's opinion has a substantial bearing on the Owners' interests, the Trustee may intervene on the Owners' behalf and, subject to Section 14.1(1), shall do so if requested by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding. The Trustee's rights and obligations under this Section are subject to the approval of a court of competent jurisdiction.

**Section 14.5 Merger or Consolidation of Trustee.** Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee under this Master Indenture and vested with all the trusts, powers, discretion, immunities, privileges and all other matters as were vested in its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to this Master Indenture, anything herein to the contrary notwithstanding, if such corporation or association satisfies the requirements of the last sentence of Section 14.8.

**Section 14.6 Resignation by Trustee.** If the Trustee desires to resign at any time from the trusts created by this Master Indenture, its shall give notice to HRTAC and each Owner of Bonds then Outstanding, but shall continue to serve as Trustee until such time as a successor Trustee is appointed. If a successor Trustee has not been appointed within thirty days, the Trustee shall have the right to petition a court of competent jurisdiction for appointment of a successor Trustee and such resignation shall become effective upon designation of such successor Trustee.

**Section 14.7 Removal of Trustee.** The Trustee may be removed at any time (i) by an instrument or concurrent instruments in writing delivered to the Trustee and to HRTAC and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding or (ii) by HRTAC by notice in writing given by a HRTAC Representative to the Trustee not less than sixty days before the removal date; provided, however, that HRTAC shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists that with the giving of notice or the passage of time, or both, would be an Event of Default. If applicable, the removed Trustee shall return to HRTAC the amount of the Trustee's annual fee allocable to the portion of the then current year remaining after the removal date. Notwithstanding the foregoing, nothing contained in this Master Indenture shall relieve HRTAC of its obligation to pay the Trustee's fees and expenses incurred to the effective date of such removal.

**Section 14.8 Appointment of Successor Trustee; Temporary Trustee.** If the Trustee shall resign, be removed, be dissolved, be in the course of dissolution or liquidation or otherwise become incapable of acting hereunder, or if it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, then, unless an Event of Default with respect to any Series of Bonds has occurred and is continuing, a successor may be appointed by HRTAC by an instrument in writing signed by a HRTAC Representative. If an Event of Default has occurred and is continuing, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Owners. In case of such vacancy, HRTAC, by an instrument signed by a HRTAC Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners as provided above and any such temporary Trustee so appointed by HRTAC shall immediately and without further act be replaced by the Trustee so appointed by such Owners. Any Trustee appointed under this Section shall be, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, (i) a bank or trust company within or without the Commonwealth of Virginia, in good standing and having a reported capital, surplus and undivided profits of not less than \$100,000,000, or (ii) a subsidiary trust company whose parent bank or bank holding company has undertaken to be fully responsible for the acts and omissions of such subsidiary trust company, and whose capital, surplus and undivided profits, together with that of its parent bank or bank holding company, as the case may be, is not less than \$100,000,000.

**Section 14.9 Concerning any Successor Trustee.** Every successor Trustee appointed under this Master Indenture shall execute, acknowledge and deliver to its predecessor and also to HRTAC an instrument in writing accepting such appointment, and thereafter such successor, without any further act, deed or conveyance, shall become fully vested with all the properties, rights, powers, trusts, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of HRTAC or the Trustee's successor, execute and deliver an instrument transferring to such successor Trustee all the properties, rights, powers and trusts of such predecessor under this Master Indenture; and every predecessor Trustee shall deliver all securities and money held by it as Trustee under this Master Indenture to its successor. Should any instrument in writing from HRTAC be required by any successor Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by HRTAC. The resignation of any Trustee

and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in each recording office where this Master Indenture may have been filed and/or recorded.

**Section 14.10 Trustee Protected in Relying on Resolutions.** The resolutions, opinions, certificates and other instruments provided for in this Master Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property, the withdrawal of cash hereunder or the taking of any other action by the Trustee as provided under this Master Indenture, unless the Trustee has actual knowledge or notice to the contrary.

## **ARTICLE XV SUPPLEMENTAL INDENTURES**

**Section 15.1 Supplemental Indentures Not Requiring Consent of Owners.** HRTAC and the Trustee may, without the consent of, or notice to, any of the Owners of the Bonds, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of this Master Indenture or any Series Supplement for any one or more of the following purposes:

(a) To cure or correct any ambiguity, formal defect, omission or inconsistent provision in this Master Indenture or in a Series Supplement.

(b) To grant to or confer on the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Owners or the Trustee or either of them.

(c) To permit the appointment of a co-trustee or additional Paying Agents under this Master Indenture;

(d) To subject to the lien and pledge of this Master Indenture additional revenues, properties or collateral.

(e) To provide for the issuance of coupon Bonds if authorized under the Related Series Supplement.

(f) To amend certain provisions of this Master Indenture or any Series Supplement in any manner consistent with Sections 103 and 141 through 150 of the Tax Code (or such other sections of the Tax Code as may be applicable to the Bonds) as in effect at the time of the amendment.

(g) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Master Indenture or any Series Supplement of the HRTAC Revenues or any other moneys, property or Funds or Accounts.

(h) To modify, amend or supplement this Master Indenture or any Supplemental Indenture as required to permit its qualification under the Trust Indenture Act of

1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of any of the Bonds for sale under the securities laws of any of the states of the United States, and, if HRTAC and the Trustee so determine, to add to this Master Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute.

(i) To add to the covenants and agreements of HRTAC contained in this Master Indenture or any Supplemental Indenture other covenants and agreements thereafter to be observed for the Owners' protection, including, but not limited to, additional requirements imposed by virtue of a change of law, or to surrender or to limit any right, power or authority therein reserved to or conferred upon HRTAC.

(j) To amend, modify or change the terms of any agreements governing any book-entry-only system for any of the Bonds.

(k) In the case of Series Supplements, to provide for the issuance of additional Series of Bonds (including Refunding Bonds) and to provide for such other related matters as may be required or contemplated by or appropriate under this Master Indenture.

(l) To make any changes necessary to comply with the requirements of a Rating Agency, a Bond Credit Provider, or a DSRF Credit Provider that, as expressed in a finding or determination by HRTAC (which is included in the Supplemental Indenture), would not materially adversely affect the security for the Bonds.

(m) To make any other changes that (i) will have no adverse effect upon the ratings currently assigned to the applicable Series of Bonds by any Rating Agency, as expressed in a Rating Confirmation or (ii) shall not prejudice in any material respect the rights of the Owners of the Bonds then Outstanding, as expressed in a determination or finding by HRTAC (which shall be stated in the Supplemental Indenture, and may be based upon an Opinion of Counsel and/or the opinion of HRTAC's financial advisor).

(n) To restate in one document this Master Indenture and all effective Series Supplements and other Supplemental Indentures, which restatement shall then become this Master Indenture for all purposes, effective as of the date of this Master Indenture with respect to matters set forth therein and as of the date of any Supplemental Indenture included in the restatement as to matters set forth in any such Supplemental Indenture. Series Supplements and the Bonds issued thereunder prior to a restatement shall be deemed to relate to the restated Master Indenture without any further action or amendment.

**Section 15.2 Supplemental Indentures Requiring Consent.** Exclusive of Supplemental Indentures covered by Section 15.1 and subject to the terms and provisions contained in this Section, the Majority Owners shall have the right from time to time, notwithstanding any other provision of this Indenture, to consent to and approve the execution by HRTAC and the Trustee of such other Supplemental Indenture or Supplemental Indentures as HRTAC shall deem necessary or desirable to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Master Indenture or in any Supplemental Indenture; provided, however, that without the consent and approval of the

Owners of all of the affected Bonds then Outstanding nothing in this Master Indenture shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest on it, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as otherwise provided herein, or (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture.

If at any time HRTAC shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of the Supplemental Indenture to be mailed to each Owner of Bonds then Outstanding by registered or certified mail to the address of each such Owner as it appears on the registration books for the Bonds; provided, however, that failure to give such notice by mailing, or any defect in it, shall not affect the validity of any proceedings under this Section. Such notice shall briefly state the nature of the proposed Supplemental Indenture and shall state that copies of it are on file at the Trustee's designated corporate trust office for inspection by all Owners. If, within six months or such longer period as shall be prescribed by HRTAC following the giving of such notice, the Majority Owners shall have consented to and approved its execution as provided under this Section, no Owner of any Bond shall have any right to object to any of the terms and provisions contained in it, or its operation, or in any manner to question the propriety of its execution, or to enjoin or restrain the Trustee or HRTAC from executing such Supplemental Indenture or from taking any action under its provisions. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Master Indenture shall be deemed to be modified and amended in accordance therewith.

Bonds owned or held by or for the account of HRTAC or any Person controlling, controlled by or under common control with HRTAC shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Bonds provided for in this Article XV. At the time of any such calculation, HRTAC shall furnish the Trustee an Officer's Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded.

Anything contained in this Master Indenture to the contrary notwithstanding, HRTAC and the Trustee may enter into any Supplemental Indenture upon receipt of the consent of the Owners of all Bonds then Outstanding.

**Section 15.3 Opinion of Counsel Required.** The Trustee shall not execute any Supplemental Indenture unless there shall have been filed with the Trustee an Opinion (or Opinions) of Counsel, subject to customary exceptions and qualifications, stating that (i) such Supplemental Indenture is authorized or permitted by this Master Indenture and (ii) upon execution the Supplemental Indenture will be valid and binding on HRTAC in accordance with its terms.

**Section 15.4 No Unreasonable Refusal.** The Trustee shall not unreasonably refuse to enter into any Supplemental Indenture permitted under this Article; provided, however, that such refusal shall not be deemed unreasonable if the Trustee believes in good faith that such Supplemental Indenture will or may prejudice any right of the Owners of the Bonds then Outstanding or adversely affect the rights and immunities, or increase the duties, of the Trustee.

**ARTICLE XVI  
MISCELLANEOUS**

**Section 16.1 Consents of Owners.** Any consent, request, direction, approval, objection or other instrument required by this Master Indenture to be signed and executed by the Owners of the Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agents appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agents, if made in the manner stated in the next sentence, shall be sufficient for any of the purposes of this Master Indenture, and shall be conclusive in the Trustee's favor with regard to any action taken under such request or other instrument. The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

**Section 16.2 Limitation of Rights.** With the exception of the rights expressly conferred in this Master Indenture, nothing expressed or mentioned or to be implied from this Master Indenture or the Bonds is intended or shall be construed to give to any person or entity other than the parties to this Master Indenture and the Owners any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and agreements contained in it; this Master Indenture and all of the covenants, conditions and agreements in it being intended to be and being for the sole and exclusive benefit of the parties to it and the Owners.

**Section 16.3 Limitation of Liability of Members, Officers, Etc.** No covenant, agreement or obligation contained in this Master Indenture shall be deemed to be a covenant, agreement or obligation of any present or future member, commissioner, officer, employee or agent of HRTAC or the Trustee in his or her individual capacity, and neither the members of HRTAC or the Trustee nor any commissioner, officer, employee or agent thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of their execution or issuance. No member, commissioner, officer, employee, agent or adviser of HRTAC or the Trustee shall incur any personal liability with respect to any action taken by him or her under this Master Indenture or the Act, provided such member, commissioner, officer, employee, agent or adviser acts in good faith.

**Section 16.4 Notices.** Unless otherwise provided in this Master Indenture, all demands, notices, approvals, consents, requests, opinions and other communications under this Master Indenture shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail addressed (i) if to HRTAC, at 723 Woodlake Drive, Chesapeake, Virginia 23220, Attention: Executive Director; or (ii) if to the Trustee, at \_\_\_\_\_, Attention: \_\_\_\_\_. HRTAC and the Trustee may by notice given under this Section, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.



**Section 16.5 Successors and Assigns.** This Master Indenture shall be binding on, inure to the benefit of and be enforceable by the parties to it and their respective successors and assigns.

**Section 16.6 Severability.** If any clause, provision or section of this Master Indenture be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections of this Master Indenture, and this Master Indenture shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in it. If any agreement or obligation contained in this Master Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the parties to this Master Indenture to the full extent permitted by law.

**Section 16.7 Applicable Law.** This Master Indenture shall be governed by the laws of the Commonwealth.

**Section 16.8 Counterparts.** This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

**IN WITNESS WHEREOF**, HRTAC and the Trustee have caused this Master Indenture to be executed in their respective corporate names by their duly authorized representatives, all as of the date first above written.

**HAMPTON ROADS TRANSPORTATION  
ACCOUNTABILITY COMMISSION**

By: \_\_\_\_\_  
William D. Sessoms Jr.  
Chair

[\_\_\_\_\_] , as Trustee

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

[Signature Page of Master Indenture of Trust]