

Rhode Island Commerce Corporation

REQUEST FOR PROPOSALS FROM BANKS TO
PROVIDE A FIXED RATE DIRECT LOAN TO BENEFIT
THE RI AIRPORT CORPORATION

September 24, 2014

INTRODUCTION

The Rhode Island Commerce Corporation (Commerce RI) is seeking Request for Proposals (RFP) from banks to provide a fixed rate direct loan of up to \$50 million for the benefit of the Rhode Island Airport Corporation (RIAC). The proceeds of the loan, and other available funds totaling approximately \$5.6 million, will be used to refund the \$48.6 million portion of RIAC’s outstanding Airport Revenue Bonds, 2004 Series A that mature on or after July 1, 2015. Such bonds may currently be redeemed at the option of RIAC.

Information is provided below on RIAC’s outstanding debt, the information which interested banks are requested to submit to Commerce RI, and the process for submitting a proposal to the Commerce RI.

Please note that Commerce RI will not prepare an Official Statement or any other type of disclosure document in connection with this transaction. Additional information about Commerce RI and RIAC, including audited financial statements, can be found on the websites at www.commerceri.com and www.pvdairport.com.

Request for Proposal Requirements

Proposing firm shall submit five (5) printed copies and one (1) electronic copy (thumb drive) of the proposal to:

Rhode Island Commerce Corporation
Attn: Direct Bank Loan for Airport Revenue Refunding Bonds
315 Iron Horse Way, Suite 101
Providence, RI 02908

The proposal must be submitted no later than 4:30pm, **Wednesday, October 22, 2014** Eastern Daylight Savings Time. Late submissions will not be accepted.

Questions, interpretations, or clarifications concerning this RFP should be directed by e-mail to Adam Quinlan at quinlan@commerceri.com no later than 4:30pm on Thursday, October 2, 2014. Responses to questions, interpretations, or clarifications concerning this RFP will be posted online via addendum at www.commerceri.com, www.pvdairport.com/corporate/procurement and www.purchasing.ri.gov by Thursday, October 9, 2014 to ensure equal awareness of important facts and details.

Commerce RI accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. The proposals in response to this RFP become the property of Commerce RI and may be used by Commerce RI in any way it deems appropriate. By submitting a proposal, the firm certifies that it has fully read and understands the RFP, has full knowledge of the proposal to be provided, and accepts the terms and conditions under which the loan will be provided.

Source of Repayment for the Direct Loan

The loan will be issued pursuant to a Master Indenture of Trust (Master Indenture), dated as of October 1, 1993, and the Eleventh Supplemental Indenture of Trust (Supplemental Indenture), and will be secured by a first lien upon and pledge of the Net Revenues derived by RIAC from the operation of its Airports. The loan will be issued on a parity basis with RIAC’s outstanding Airport Revenue Bonds. A summary of RIAC’s outstanding Airport Revenue Bond Debt Service is provided in **Appendix A**. In addition, the direct loan will be secured by a lien upon and pledge of a Passenger Facility Charge (the “PFC”) levied by RIAC pursuant to federal legislation and collected by air carriers serving the Airport. A copy of the Master Indenture is provided in **Appendix B**. The Master Indenture specifies that a series of bonds may be secured by a reserve account. Please indicate if you will require a reserve account to be established with respect to the loan. Commerce RI will **not** agree to any additions, changes or modifications to the Master Indenture that may be requested by banks in connection with this transaction.

RIAC’s Current Rating on its Airport Revenue Bonds

RIAC’s current underlying ratings on its outstanding Airport Revenue Bonds are A3/BBB+/BBB+ by Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings, respectively.

Proposed Principal Repayment Structure

Provided below is an estimated principal repayment schedule for the direct loan. The loan amount of \$43,395,000 provided below is an estimate and could change depending on the amount of legally available funds applied to the refunding. The final maturity of the loan would be July 1, 2024.

Maturity Date (July 1)	Principal
2015	\$1,095,000
2016	\$4,640,000
2017	\$4,785,000
2018	\$4,925,000
2019	\$5,070,000
2020	\$5,230,000
2021	\$5,385,000
2022	\$5,545,000
2023	\$5,710,000
2024	\$1,010,000
Total	\$43,395,000

Information Requested from Banks

Banks submitting responses to this RFP are hereby requested to provide a proposal to Commerce RI which provides the types of information shown in the table below. Commerce RI reserves the right to request any supplemental information it deems necessary to evaluate a bank's experience or qualifications and/or clarify or substantiate any area contained in the bank's proposal.

Information Requested in Proposals to Provide a Direct Loan to Commerce RI

<u>Category</u>	<u>Information Requested</u>
1. Amount of Loan	Specify that the bank is willing to offer a fixed rate loan of up to \$50 million.
2. Source of Repayment	Confirm that the bank understands that the loan will be secured by a pledge of RIAC's Net Revenues generated from the Airports and Passenger Facility Charge Revenues, as described in the Request for Proposal, and will be issued pursuant to the Master Trust Indenture on a parity with RIAC outstanding Airport Revenue Bonds.
3. Final Maturity	The final maturity of the loan will be July 1, 2024
4. Tax Status	Banks understands and acknowledges that the direct loan will be subject to the alternative minimum tax ("AMT"). The loan will not be "bank-eligible". The purchaser will receive an approving opinion by Commerce RI's bond counsel.
5. Fixed Rate	<p>Banks may propose a fixed interest rate using one of the following approaches:</p> <p>A fixed rate that will be held for at least 60 days from the date that Commerce RI accepts the bank's proposal; or</p> <p>A formula on which the fixed rate on the loan will be set at least five business days prior to the closing. Provide the example rate on such loan that would be produced using that formula as of the date of the submission of your proposal. Please also specify how long the example fixed rate stated in your proposal will be available to Commerce RI.</p> <p><u>Banks may propose rates using either or both of the approaches described above. However, Commerce RI would prefer proposals in which the rate will be held for at least 60 days from the date the proposal is accepted (No. 1 above), and will give a preference in its evaluation process to banks offering this approach.</u></p>

6. Prepayment option	<p>Please indicate how the interest rate of the fixed rate loan might change if the following prepayment options were available to Commerce RI:</p> <ul style="list-style-type: none"> - Prepayable without penalty at any time - Prepayable without penalty after a certain term - Prepayable with some type of breakage fee - Not prepayable
7. Bank origination or upfront fees	<p>You must specify any upfront fees that the bank would charge in connection with this transaction.</p>
8. Bank expenses	<p>You must specify any expenses related to this transaction, including legal fees (if any), for which the bank would expect to be reimbursed.</p>
9. Outside bank legal counsel (if any)	<p>Please specify whether or not the bank would propose to use an outside counsel on this transaction. If so, identify the firm that the bank would propose to use.</p>
10. Other fees or expenses	<p>Please identify any other fees you would expect Commerce RI to pay on this transaction, or any other expenses for which the bank would expect to be reimbursed. Please provide a cap on your fees with the understanding that any fees above the cap would not be paid by Commerce RI.</p>
11. Key Terms and Conditions	<p>Please confirm that you have reviewed the Master Indenture, and that the covenants, terms and conditions contained in it are acceptable to you for this transaction.</p> <p>Commerce RI will not agree to any additions, changes or modifications to the Master Trust Indenture that may be requested by banks in connection with this transaction. Commerce RI will not accept proposals to maintain minimum balances in any bank account as a condition for the loan.</p>
12. Credit Approval	<p>Please indicate the status of your bank's credit approval for this transaction. If you do not yet have final credit approval, please indicate how long it will take for you to obtain such approval.</p>

ADDITIONAL REQUIREMENTS

Campaign Finance Compliance

Every person or business entity providing goods or services at a cost of \$5,000 cumulated value is required to file an affidavit regarding political campaign contributions with the RI State Board of Elections even if no reportable contributions have been made (RI General Law 17-27). Forms may be obtained at Board of Elections, Campaign Finance Division, 50 Branch Avenue, Providence, RI 02904, (401-222-2056).

Major State Decision-Maker

Does any Rhode Island "Major State Decision-Maker", as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a \$5,000 or greater cash interest in this business?

For purposes of this question, "Major State Decision-Maker" means:

- (i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in R.I.G.L § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of president, senior vice president, general counsel, director, executive director, deputy director, assistant director, executive counsel or chief of staff;
- (ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff; and
- (iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is "Yes", please identify the Major State Decision-Maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §36-14-16, 17 and 18.

OTHER REQUIREMENTS:

In submitting a response to this Request for Proposal, firms hereby understand the following:

1. The Proposer agrees that:
 - a. He/she shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, national origin, ancestry, or physical handicap;
 - b. In all solicitations or advertisements for employees, he/she shall include the phrase, 'Equal Opportunity Employer,' or a similar phrase;
 - c. If he/she fails to comply, he shall be deemed to have breached the present contract, and it may be canceled, terminated, or suspended, in whole or in part, by Commerce RI;
 - d. If he/she is found guilty of discrimination under a decision, he/she shall be deemed to have breached the present contract, and it may be canceled, terminated, or suspended, in whole or in part, by Commerce RI; and,
 - e. He/she shall include the provisions of subsections (a) through (d) inclusively of this paragraph in every subcontract or purchase order so that such provision will be binding upon such subcontractor or vendor.

- END OF RFP -

Appendix A

SUMMARY OF RIAC'S OUTSTANDING AIRPORT REVENUE BOND DEBT SERVICE

Bond Year Ending July 1st	Principal	Interest	Total
2015	9,655,000	10,661,755	20,316,755
2016	13,403,000	11,346,187	24,749,187
2017	14,302,000	10,752,070	25,054,070
2018	14,963,000	10,088,847	25,051,847
2019	15,622,000	9,388,757	25,010,757
2020	16,354,000	8,649,660	25,003,660
2021	17,124,000	7,870,016	24,994,016
2022	17,954,000	7,049,147	25,003,147
2023	18,762,000	6,212,407	24,974,407
2024	14,732,000	5,343,552	20,075,552
2025	13,240,000	4,665,800	17,905,800
2026	13,831,000	4,049,213	17,880,213
2027	14,460,000	3,397,780	17,857,780
2028	15,128,000	2,705,732	17,833,732
2029	8,148,000	1,974,467	10,122,467
2030	8,522,000	1,572,244	10,094,244
2031	3,406,000	1,152,353	4,558,353
2032	3,542,000	987,922	4,529,922
2033	3,686,000	816,322	4,502,322
2034	3,837,000	637,118	4,474,118
2035	3,989,000	450,193	4,439,193
2036	1,900,000	307,575	2,207,575
2037	1,990,000	210,025	2,200,025
2038	2,100,000	107,850	2,207,850
Total	250,650,000	110,396,991	361,046,991

Appendix B

MASTER INDENTURE OF TRUST

among

RHODE ISLAND PORT AUTHORITY AND ECONOMIC
DEVELOPMENT CORPORATION

and

RHODE ISLAND AIRPORT CORPORATION

and

RHODE ISLAND HOSPITAL TRUST NATIONAL BANK,

as Trustee

securing

Airport Revenue Bonds

Dated as of October 1, 1993

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THIS MASTER INDENTURE OF TRUST, made and entered into as of the first day of October, 1993, by and among the RHODE ISLAND PORT AUTHORITY AND ECONOMIC DEVELOPMENT CORPORATION (the "Authority" or "Issuer"), a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations, the RHODE ISLAND AIRPORT CORPORATION, a public corporation organized as a subsidiary public corporation of the Authority pursuant to Rhode Island General Laws § 42-64-7.1 (the "Corporation" or "Borrower"), and RHODE ISLAND HOSPITAL TRUST NATIONAL BANK, a national banking association organized under the laws of the United States and having its principal place of business in Providence, Rhode Island as Trustee (the "Trustee"),

W I T N E S S E T H :

WHEREAS, pursuant to Rhode Island General Laws § 42-64-1 et seq. as amended (the "Act"), the Authority is authorized to issue its revenue bonds for the purpose of financing the Cost of Airport Facilities, within the meaning of the Act and as defined below; and

WHEREAS, the Authority intends to issue its airport revenue bonds (the "Bonds"), potentially in several series (each a "Series of Bonds"), to provide funds to the Corporation to finance, among other things, the Cost of certain Airport Facilities located at, related to, or in connection with the Airports, to finance Capitalized Interest, to fund the Debt Service Reserve Fund, and to finance related costs of issuing the Bonds; and

WHEREAS, each Series of Bonds will be issued pursuant to a Supplemental Indenture which will provide for the terms for such Series of Bonds; and

WHEREAS, the proceeds of each Series of Bonds are expected to be loaned to the Corporation pursuant to the terms of a loan agreement; and

WHEREAS, the Corporation is expected to covenant to pay, pursuant to the terms of the loan agreement, the amount necessary to pay the Principal Amount of and interest on any specified indebtedness, including mandatory sinking fund redemptions; and

WHEREAS, the Trustee agrees to accept and administer the trusts created hereby;

GRANTING CLAUSES:

NOW, THEREFORE, THIS MASTER INDENTURE FURTHER WITNESSETH: In consideration of the premises, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of each Series of Bonds by the Holders thereof, and for the purpose of fixing and declaring the general terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders thereof, and to secure the payment of the Principal Amount of each Series of Bonds at any time issued and Outstanding hereunder and the Interest and Redemption Premium, if any, thereon according to their tenor, purpose, and effect, and to grant certain rights to the applicable Credit Providers, if any, as hereinafter defined, and to secure the performance and observance of all of the covenants, agreements and conditions contained therein and herein or in any Reimbursement Agreement, the Authority and Corporation have executed this Master Indenture and do hereby grant a security interest in, assign, transfer, pledge, grant and convey unto the Trustee and its successors and assigns forever, each as their interests may lie for the benefit of the Bondholders as further provided in Sections 701 and 801 and each Credit Provider, if any, until the applicable Credit Facility is no longer outstanding and no amounts are due under the applicable Reimbursement Agreement, the following property, which constitutes the Trust Estate:

A. Net Revenues;

B. Amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings thereon, subject to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; provided, however, that there expressly is excluded from any pledge, assignment, lien or security interest created by this Master Indenture any amount on deposit in the Construction Fund, which has been committed or encumbered to pay lawfully incurred debts of the Corporation in connection with paying the Costs of Airport Facilities, the T.F. Green Operation and Maintenance Fund, the Rebate Fund, the Passenger Facility Charge Fund, the Subordinated Indebtedness Fund, the General Purpose Fund, and the Purchase Fund, if any;

C. The Authority's right, title and interest in the Loan Agreements and all amounts received by the Authority from the Corporation thereunder;

D. Any and all other revenues and property of any kind from time to time hereafter acquired by delivery or by writing specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Bonds, by the Authority or the Corporation or by anyone on their behalf, or with their written consent in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all said properties pledged, assigned and conveyed by the Authority and the Corporation hereunder, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved hereunder.

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all Bonds issued, authenticated, delivered and Outstanding hereunder, without preference, priority or distinction as to lien or otherwise of any of such Bonds over any other such Bonds, except to the extent otherwise provided in Section 103 hereof.

PROVIDED, HOWEVER, that if the Authority or the Corporation shall pay fully and promptly when due all liabilities, obligations and sums at any time secured hereby or provide for the payment thereof in accordance with the provisions hereof, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein and in each Reimbursement Agreement, if any, then and in such event, except for the provisions of Article XII, as applicable, this Master Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereafter set forth.

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions. The following terms, for all purposes of this Master Indenture, shall have the following meanings unless a different meaning clearly applies from the context:

"Account" shall mean any account or subaccount created in any Fund created hereunder or under a Supplemental Indenture.

"Act" shall mean, Rhode Island General Laws § 42-64-1 et seq. as amended from time to time.

"Additional Bonds" shall mean all Bonds issued pursuant to Section 214.

"Airline Agreements" or "New Airline Agreements" shall mean those certain airport use and lease agreements between the Corporation and the Signatory Airlines relating to the use of the premises and facilities at Theodore Francis Green Airport.

"Airport Consultant" shall mean a firm or firms of national recognition experienced in matters relating to the planning, development, operation and management (including financial operations) of airports and aviation facilities, selected and employed by the Authority and/or the Corporation, from time to time.

"Airport Facility" shall mean developments consisting of runways, hangars, control towers, ramps, wharves, bulkheads, buildings, structures, parking areas, improvements, facilities, or other real or personal property necessary, convenient, or desirable for the landing, taking off, accommodation, and servicing of aircraft of all types, operated by carriers engaged in the transportation of passengers or cargo, or for the loading, unloading, interchange, or transfer of the passengers or their baggage, or the cargo, or otherwise for the accommodation, use or convenience of the passengers or the carriers or their employees (including related facilities and accommodations at sites removed from landing fields and other landing areas whether or not on real property owned by the State, the Authority, or the Corporation), or for the landing, taking off, accommodation, and servicing of aircraft owned or operated by persons other than carriers. It shall also mean facilities providing access to an Airport Facility, consisting of rail, rapid transit, roads, or other forms of mass transportation which furnish a connection between the air terminal and other points within the State, including appropriate mass transportation terminal facilities at and within the air terminal itself and suitable offsite facilities for the accommodation of air passengers, baggage, mail, express, freight, and other users of the connecting facility. It shall also mean items necessary to implement noise abatement programs.

"Airports" shall mean the T.F. Green Airport, located in Warwick, Rhode Island, the Outlying Airports, and any other

airport over which the Corporation assumes ownership or operating responsibility and that the Corporation designates as a part of the Airports under this Master Indenture, a Supplemental Indenture or any appropriate document.

"Amounts Available to Pay Debt Service" shall mean for any Fiscal Year of the Authority, the Net Revenues for such Fiscal Year of the Authority, plus Pledged PFC Revenue for such Fiscal Year of the Authority, plus amounts transferred from the General Purpose Fund to the Revenue Fund, plus amounts in any Coverage Account at the beginning of the Fiscal Year of the Authority.

"Annual Debt Service" shall mean the amount of payments required to be made for the Principal Amount of and Interest on any specified indebtedness, including mandatory sinking fund redemptions and payments pursuant to agreements with Credit Providers with respect to such indebtedness to reimburse such Credit Providers for debt service payments made, to pay Credit Facility fees, or payments due under an Interest Rate Swap scheduled to come due within a specified Fiscal Year of the Authority or within one day thereafter and including Trustee Fees, Paying Agent Fees, Remarketing Agent Fees, if any, Authenticating Agent Fees, and Registrar Fees.

Except for any historical period for which the actual rate or rates are determinable and except as otherwise provided herein, Variable Rate Bonds shall be deemed to bear Interest at a fixed rate equal to (a) the average of the Interest rates on such indebtedness during the 365 consecutive days (or any lesser period such indebtedness has been outstanding) next preceding the date of computation; or (b) with respect to any Variable Rate Bonds which are being issued on the date of computation, the initial rate of such Variable Rate Bonds shall be the rate most recently published by the Bond Buyer as the 25-Bond Revenue index for revenue bonds maturing in 30 years, or if such index ceases to be published, such other successor index as may be designated by an Authorized Representative of the Corporation.

Further, in any computation relating to the issuance of Additional Bonds required by Section 214 and any computation required by Section 804, there shall be excluded from the computation of Annual Debt Service, the Principal Amount of and Interest on indebtedness for which moneys are irrevocably committed, including without limitation any such moneys in an escrow account or any such moneys constituting interest capitalized on any Bond through the period of construction held in any Fund or Account created by this Master Indenture.

"Authenticating Agent" shall mean, with respect to each Series of Bonds, the entity or entities designated as such for such Series of Bonds in the applicable Supplemental Indenture.

"Authority" shall mean the Rhode Island Port Authority and Economic Development Corporation.

"Authorized Representative" shall mean, with respect to the Authority, the Chairman, Vice Chairman or Executive Director of the Authority or such other person as may be designated to act on behalf of the Authority by written certificate or resolution furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by the Chairman or Vice Chairman and shall mean, with respect to the Corporation, the Chairman or Vice Chairman or such other person as may be designated to act on behalf of the Corporation by written certificate or resolution furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by the Chairman or Vice Chairman.

"Bond" or "Bonds" shall mean any airport revenue bonds or any other evidences of indebtedness for borrowed money issued from time to time pursuant to Article II and the terms of a Supplemental Indenture. The term "Bonds" shall not include Bond Anticipation Notes or other forms of short-term indebtedness.

"Bond Anticipation Notes" shall mean notes issued by the Authority with a final maturity not longer than four (4) years (or such longer period as may be permitted by the provisions of the Act) in anticipation of the refinancing thereof from all or a portion of the proceeds of Series of Bonds. Bond Anticipation Notes may take the form of commercial paper.

"Bond Counsel" shall mean an attorney or firm or firms of attorneys of national recognition, selected or employed by the Authority and acceptable to the Corporation and the Trustee, experienced in the field of municipal bonds, whose opinions are generally accepted by purchasers of municipal bonds.

"Bond Fund" shall mean the Airport Bond Fund created pursuant to Section 601(c).

"Bond Purchase Contract" shall mean the contract of purchase, with respect to a Series of Bonds, by and among the

Authority, the Corporation, and the Original Purchaser pertaining to the sale of such Series of Bonds.

"Bond Year" shall mean, with respect to a Series of Bonds, the annual period with respect to such Series of Bonds set forth in the applicable Supplemental Indenture.

"Borrower" shall mean the Rhode Island Airport Corporation.

"Business Day" shall mean, unless specified otherwise in the applicable Supplemental Indenture, any day of the week other than Saturday, Sunday or a day which shall be, in the State of Rhode Island, the State of New York or in the jurisdiction in which the Corporate Trust Office of the Trustee or the principal office of the Registrar is located, a legal holiday or a day on which banking corporations are authorized or obligated by law or executive order to close.

"Capital Appreciation Bonds" shall mean any Bond which provides that all or any part of the accrued, but unpaid, Interest thereon be added to the Principal Amount.

"Capital Projects Account" shall mean the Account of that name in the General Purpose Fund created pursuant to Section 601(h).

"Code" shall mean the Internal Revenue Code of 1986, as amended, including applicable Treasury Regulations, rulings and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

"Completion Bonds" shall mean all Bonds issued pursuant to Section 214(c).

"Construction Fund" shall mean the Airport Construction Fund created pursuant to Section 401.

"Construction Manager" shall mean the individual or entity designated by the Corporation to act as construction manager with respect to a certain Project or Projects.

"Corporate Trust Office" shall mean the designated office of the Trustee at which its corporate trust business is conducted, which at the date hereof is located in Canton, Massachusetts.

"Corporation" shall mean the Rhode Island Airport Corporation, a public corporation organized as a subsidiary

public corporation of the Authority pursuant to Rhode Island General Laws § 42-64-1.

"Cost" or "Project Cost", when used with respect to an Airport Facility, shall mean, but is not necessarily limited to, the costs of all necessary studies, surveys, plans, and specifications, architectural, engineering, or other special services, acquisition of land and any buildings thereon, site preparation and development, construction, reconstruction, rehabilitation, improvement, and the acquisition of such machinery and equipment or other personal property as may be deemed necessary in connection therewith (other than raw materials, work in process, or stock in trade); the necessary expenses incurred in connection with the initial occupancy of a Project; an allocable portion of the administrative and operating expenses of the Authority or the Corporation; the cost of financing a Project, including Capitalized Interest from the date of issuance of any Bonds to one year from the date when the Authority or the Corporation shall deem a Project substantially occupied; and the cost of such other items, including any indemnity or surety bonds and premiums on insurance, legal fees, real estate brokers and agent fees, fees and expenses of Trustees, Depositories, and Paying Agent.

"Cost of Issuance Account" shall mean, with respect to a Series of Bonds, the Account of that name in the Construction Fund created for such Series of Bonds pursuant to Section 401.

"Coverage Account" shall mean, with respect to a Series of Bonds, the Account of that name in the Revenue Fund created for such Series of Bonds pursuant to Section 601(a).

"Credit Facility" shall mean, with respect to a Series of Bonds, the irrevocable letter of credit, line of credit, municipal bond insurance, or other form of credit enhancement or liquidity support, if any, for such Series of Bonds, provided for in the applicable Supplemental Indenture, including any alternate Credit Facility with respect to such Series of Bonds delivered in accordance with provisions of the Supplemental Indenture providing for the issuance of such Series of Bonds.

"Credit Provider" shall mean, with respect to a Series of Bonds, the provider of the Credit Facility for such Series of Bonds specified in the applicable Supplemental Indenture.

"Date of Beneficial Occupancy" or "DBO" shall mean the date when the Corporation shall deem a Project substantially occupied.

"Debt Service Reserve Fund" shall mean the Airport Debt Service Reserve Fund created pursuant to Section 601(d).

"Debt Service Reserve Fund Requirement" shall mean with respect to a Series of Bonds, the amount designated in the Supplemental Indenture for a Series of Bonds.

"Deferred Interest Bonds" shall mean any Bond issued pursuant to the provisions of Section 202(f) hereof.

"Defeasance Obligations" shall mean moneys, noncallable Government Obligations, noncallable Government Certificates or refunded municipal obligations described in paragraph (c) of the definition of Permitted Investments in this Section, or any combination thereof.

"Depository" shall mean any national banking association, savings or savings and loan institution or trust company selected by the Authority or the Corporation and authorized by law to act as a depository of money and securities held under the provisions of this Master Indenture, and may include the Trustee.

"Discount Bonds" shall mean any Bond which bears a stated rate of interest such that such Bond is sold to the public at a price less than the aggregated Principal Amount thereof.

"Event of Default" shall mean any one or more of those events set forth in Section 901.

"Financial Advisor" shall mean an attorney or firm or firms of national recognition experienced in matters relating to the planning and marketing of obligations similar in nature to the Bonds.

"Fiscal Year of the Authority" shall mean the fiscal year of the Authority commencing July 1 and ending June 30 or such other period as may be designated in writing by the Authority to the Trustee.

"Fiscal Year of the Corporation" shall mean the fiscal year of the Corporation commencing July 1 and ending June 30 or such other period as may be designated in writing by the Corporation to the Trustee.

"Fitch" shall mean Fitch Investors Service, Inc., a corporation existing under the laws of the State of New York,

its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall mean any other nationally recognized Rating Agency designated by the Authority and acceptable to the Credit Provider.

"Fixed Rate Bonds" shall mean any Bond which bears a fixed rate or rates of Interest during the term thereof.

"Fund" shall mean any fund created hereunder or under a Supplemental Indenture.

"General Obligation Bond Reimbursement Account" shall mean the Account of that name in the General Purpose Fund created pursuant to Section 601(h).

"General Purpose Fund" shall mean the Airport General Purpose Fund created pursuant to Section 601(h).

"Government Certificates" shall mean evidences of ownership of proportionate interest in future interest or principal payments of Government Obligations, including depository receipts thereof. Investments in such proportionate interest must be limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying Government Obligations; (ii) the owner of the investment is the real party-in-interest and has the right to proceed directly and individually against the obligor of the underlying Government Obligations; and (iii) the underlying Government Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Government Obligations" shall mean direct and general obligations of, or obligations the timely payment of principal and interest on which, are unconditionally guaranteed by the United States of America.

"Holder" or "Bondholder" shall mean the registered owner of any Bond.

"Immediate Notice" shall mean oral or telephonic notice, promptly followed by written notice, by telex, telecopier or other electronic means, or first class mail to such address as the addressee shall have directed in writing; provided, however, that verbal or telephonic notice shall be effective notwithstanding any failure to receive such written notice.

"Interest" shall mean that portion of debt service other than the Principal Amount or Redemption Premium payable with respect to any Bond.

"Interest Account" shall mean the Account of that name in the Bond Fund created pursuant to Section 601(c) (i).

"Interest Payment Date" shall mean, with respect to each Series of Bonds, each date set forth in the applicable Supplemental Indenture with respect to such Series of Bonds on which Interest is payable.

"Interest Rate Swap" shall mean an agreement in writing by and among the Authority, the Corporation, and another entity (the "Counterparty") pursuant to which (i) the Authority agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest payable on the debt of the Counterparty specified in such agreement in the period specified in such agreement and (ii) the Counterparty agrees to pay to the Authority an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of Interest payable on all or a portion of a Series of Bonds specified in such agreement in the period specified in such agreement. The Interest Rate Swap shall provide (a) for either one-time payment by both parties or for periodic payments by both parties, but not a one time payment by one party and periodic payments by the other party and (b) for immediate termination of the Interest Rate Swap for non-payment by the Counterparty. The senior unsecured debt of such Counterparty shall be in one of the three highest rating categories without regard to gradations within such categories by each of the Rating Agencies.

"Issuer" shall mean the Rhode Island Port Authority and Economic Development Corporation.

"Lease Agreement" or the "State Lease Agreement" shall mean that certain Lease and Operating Agreement by and among the State, the Rhode Island Department of Transportation, and the Corporation.

"Loan" shall mean the loan of the Bond proceeds of a Series of Bonds by the Authority to the Corporation pursuant to a Loan Agreement.

"Loan Agreement" or "Loan Agreements" shall mean, with respect to each Series of Bonds, that certain Loan Agreement by and between the Authority and the Corporation providing for the

loan of Bond proceeds to the Corporation and the repayment thereof by the Corporation.

"Master Indenture" shall mean this Master Indenture of Trust, dated as of October 1, 1993, among the Authority, the Corporation, and the Trustee and when amended or supplemented, such Indenture, as amended or supplemented.

"Maximum Annual Debt Service" shall mean the maximum Annual Debt Service with respect to any specified indebtedness for any Fiscal Year of the Authority during the term of such indebtedness.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall mean any other nationally recognized Rating Agency designated by the Authority and acceptable to the Credit Provider.

"Net Revenues" for any Fiscal Year of the Corporation or other period of time shall mean Revenues for such year or period, less the amount needed for the payment of T.F. Green Operation and Maintenance Expenses for such Fiscal Year of the Corporation or period.

"Opinion of Bond Counsel" shall mean a written opinion of Bond Counsel.

"Opinion of Counsel" shall mean a written opinion of an attorney or firm or firms of attorneys acceptable to the Trustee, the Authority, or the Corporation, and who (except as otherwise expressly provided herein) may be either counsel for the Authority, the Corporation, or the Trustee.

"Original Purchaser" shall mean the person or entity designated in each Bond Purchase Contract as the initial purchaser or purchasers of a Series of Bonds or, if so designated in such Bond Purchase Contract, the representatives or lead or managing underwriters of such initial purchasers.

"Outlying Airports" shall mean Westerly State Airport, Newport Airport, Block Island Airport, Quonset Airport, and North Central Airport.

"Outlying Airports' Operation and Maintenance Account" shall mean the Account of that name in the General Purpose Fund created pursuant to Section 601(h).

"Outlying Airports' Operation and Maintenance Expenses" shall mean expenses of the Corporation paid or accrued for the operation, maintenance, administration, and ordinary current repairs of the Outlying Airports less the amount received by virtue of the operation of the Quonset Airport and applied for the purpose of meeting the reasonably foreseeable needs of Quonset Airport.

"Outstanding," when used with reference to a Series of Bonds, shall mean, as of any date of determination, all Bonds of such Series theretofore authenticated and delivered except: (a) Bonds of such Series theretofore cancelled by the Trustee or delivered to the Trustee for cancellation; (b) Bonds of such Series which are deemed paid and no longer Outstanding as provided in this Master Indenture; (c) Bonds of such Series in lieu of which other Bonds of such Series have been issued pursuant to the provisions of this Master Indenture relating to Bonds mutilated, destroyed, lost or stolen, unless evidence satisfactory to the Trustee has been received that any such Bond is held by a bona fide purchaser; (d) after any tender date as may be provided for in the applicable Supplemental Indenture, any Bond of such Series held by a Bondholder who has given a tender notice or was required to tender such Bond in accordance with the provisions of the applicable Supplemental Indenture and which was not so tendered and for which sufficient funds for the payment of the purchase price of which have been deposited with the Trustee or the Paying Agent, if any, or any Remarketing Agent appointed under such Supplemental Indenture; and (e) for purposes of any consent or other action to be taken under this Master Indenture by the Holders of a specified percentage of Principal Amount of Bonds of a Series or all Series, Bonds held by or for the account of the Authority.

"Passenger Facility Charge" or "PFC" shall mean a charge imposed by the Corporation as authorized under § 1113(e) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1513(e)), and any similar charges imposed pursuant to United States Department of Transportation approval.

"Passenger Facility Charge Fund" shall mean the Fund of that name created pursuant to Section 501.

"Paying Agent" shall mean, with respect to each Series of Bonds, the banks or trust companies, if any, and their successors designated in the applicable Supplemental Indenture as the paying agent for such Series of Bonds.

"Payment of a Series of Bonds" shall mean payment in full of all the Principal Amount, Redemption Premium, if any, and Interest on a Series of Bonds.

"Permitted Investments" shall mean and include any of the following, if and to the extent the same are at the time legal for the investment of the Authority's or the Corporation's money, except as may be provided in the applicable Supplemental Indenture:

(a) Government Obligations and Government Certificates.

(b) Obligations issued or guaranteed by any of the following:

- (i) Federal Home Loan Bank System;
- (ii) Export-Import Bank of the United States;
- (iii) Federal Financing Bank;
- (iv) Government National Mortgage Association;
- (v) Farmers' Home Administration;
- (vi) Federal Home Loan Mortgage Company;
- (vii) Federal Housing Administration;
- (viii) Private Export Funding Corp;
- (ix) Federal Farm Credit Bank; and
- (xx) Resolution Trust Corporation,

or any indebtedness issued or guaranteed by any instrumentality or agency of the United States.

(c) Pre-refunded municipal obligations rated in the highest rating category by at least two Rating Agencies and meeting the following conditions:

(i) such obligations are (A) not to be redeemed prior to maturity or the trustee for such municipal obligations has been given irrevocable instructions concerning their calling and redemption and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations or Government Certificates that may be applied only to principal, premium payments and interest of such obligations;

(iii) the principal of and interest on such Government Obligations or Government Certificates (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations or Government Certificates serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations or Government Certificates are not available to satisfy any other claims, including those against the trustee or escrow agent.

(d) Direct and general long-term obligations of any state of the United States of America or the District of Columbia to the payment of which the full faith and credit of such state is pledged and that are rated in either of the two highest rating categories by at least two Rating Agencies.

(e) Direct and general short-term obligations of any state, to the payment of which the full faith and credit of such state is pledged and that are rated in the highest rating category by at least two Rating Agencies.

(f) Interest-bearing demand or time deposits with, or interests in money market portfolios rated AAA-m by Standard & Poor's issued by, state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC"). Such deposits or interests must be (i) continuously and fully insured by FDIC, (ii) if they have a maturity of one year or less, with or issued by banks that are rated in one of the two highest short term rating categories by at least two Rating Agencies, (iii) if they have a maturity longer than one year, with or issued by banks that are rated in one of the two highest rating categories by at least two Rating Agencies, or (iv) fully secured by Government Obligations and Government Certificates. Such Government Obligations and Government Certificates must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations and Government Certificates must be held by a third party (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. Such third party should have a perfected first lien in the Government Obligations and Government Certificates serving as collateral, and such collateral is to be free from all other third party liens.

(g) Eurodollar time deposits issued by a bank with a deposit rating in one of the top two short-term deposit rating categories by at least two Rating Agencies.

(h) Long-term or medium-term corporate debt guaranteed by any corporation that is rated by at least two Rating Agencies in one of their two highest rating categories.

(i) Repurchase agreements, (i) the maturities of which are 30 days or less or (ii) the maturities of which are

longer than 30 days provided the collateral subject to such agreements are marked to market weekly, entered into with financial institutions such as banks or trust companies organized under State law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York or with a dealer or parent holding company that is rated investment grade ("A" or better) by at least two Rating Agencies. The repurchase agreement shall be collateralized with Government Obligations and Government Certificates or obligations described in paragraph (b) of this definition (the "Collateral"). The repurchase agreement securities and, to the extent necessary, Government Obligations and Government Certificates or obligations described in paragraph (b), exclusive of accrued interest, shall be maintained in an amount at least equal to the amount invested in the repurchase agreements. In addition, the provisions of the repurchase agreement shall meet the following additional criteria:

(A) the third party (who shall not be the provider of the collateral) has possession of the Collateral;

(B) failure to maintain the requisite collateral levels will require the third party having possession of the securities to liquidate the securities immediately.

(j) Prime commercial paper of a corporation, finance company or banking institution rated in the highest short-term rating category by at least two Rating Agencies.

(k) Public housing bonds issued by public agencies. Such bonds must be: fully secured by a pledge of annual contributions under a contract with the United States of America; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States of America; or state or public agency or municipality obligations rated in the highest credit rating category by at least two Rating Agencies.

(l) Shares of a diversified open-end management investment company, as defined in the Investment Company Act of 1940, or shares in a regulated investment company, as defined in Section 851(a) of the Code, that is a money market fund that has been rated in the highest rating category by at least two Rating Agencies.

(m) Money market accounts of any state or federal bank, or bank whose holding parent company is, rated in the two

short-term or long-term rating categories by at least two Rating Agencies.

(n) Investment agreements, the issuer of which is rated in one of the two highest rating categories, by at least two Rating Agencies.

(o) Any debt or fixed income security, the issuer of which is rated in the highest rating category by at least two Rating Agencies.

"PFC Project Account" shall mean one or more Accounts created in the Passenger Facility Charge Fund in a Supplemental Indenture. PFC Revenue may be deposited in the PFC Account and may be used directly to fund the Cost of Projects or may be transferred into the Capital Projects Account in the General Purpose Fund.

"PFC Revenue" shall mean the revenue derived from a PFC.

"Pledged PFC Account" shall mean any Account created in the Passenger Facility Charge Fund established in a Supplemental Indenture. Pledged PFC Revenue shall be deposited in the Pledged PFC Series Account and shall be pledged to pay debt service on a Series of Bonds.

"Pledged PFC Revenue" shall mean any PFC Revenue specifically designated as such by the Corporation and pledged to pay debt service on any Series of Bonds pursuant to the provisions of a Supplemental Indenture.

"Principal Account" shall mean the Account of that name in the Bond Fund created pursuant to Section 601(c)(ii).

"Principal Amount" with respect to any Bond shall mean the stated principal amount thereof or such other amount payable thereon, whether at maturity or upon redemption prior thereto, and with respect to any Capital Appreciation Bond or Discount Bond the amount designated as the Principal Amount thereof pursuant to the applicable Supplemental Indenture.

"Projects" shall mean the acquisition, construction or improvement of certain Airport Facilities. Projects shall be defined in detail in the applicable Supplemental Indenture, and may be financed in whole or in part with the proceeds of one or more Series of Bonds.

"Project Account" shall mean, with respect to a Series of Bonds, the Account of that name in the Construction Fund created for such Series of Bonds pursuant to Section 401.

"Project Manager" shall mean the individual or entity designated from time to time by a resolution of the Corporation to act as project manager with respect to a certain Project or Projects.

"Purchase Fund" shall mean, with respect to a Series of Bonds, the Fund of that name as may be created in the related Supplemental Indenture as provided in Section 615.

"Purchase Price" shall mean the price at which a Series of Bonds is purchased.

"Rate Covenant" shall mean the covenant by the Corporation contained in Section 804.

"Rating Agency" shall mean, with respect to a Series of Bonds, Moody's, Standard & Poor's, or Fitch, or any other nationally recognized credit rating agency designated by the Authority, with the approval of the Corporation, the Trustee and the Credit Provider.

"Rebate Fund" shall mean the Airport Rebate Fund created by Section 601(g).

"Redemption Account" shall mean the Account of that name in the Bond Fund created pursuant to Section 601(c)(iii).

"Redemption Premium" shall mean with respect to any Bond or portion thereof the premium, if any, payable upon redemption thereof.

"Refunding Bonds" shall mean any Bonds authorized pursuant to Section 214(b).

"Register" shall mean, with respect to each Series of Bonds, the registration books of the Authority kept to evidence the registration and registration of transfer of such Series of Bonds.

"Registrar" shall mean the entity set forth with respect to a Series of Bonds in the applicable Supplemental Indenture, serving as keeper of the Register for such Series of Bonds.

"Reimbursement Agreement" shall mean, with respect to a Series of Bonds, any agreement or agreements in each case

between a Credit Provider or Credit Providers and the Authority and the Corporation under or pursuant to which a Credit Facility for such Series of Bonds is issued, and any agreement that replaces such original agreement that sets forth the obligations of the Authority and the Corporation to such Credit Provider or Credit Providers and the obligations of such Credit Provider or Credit Providers to the Authority and the Corporation.

"Remarketing Agent" shall mean, with respect to a Series of Bonds, the placement, tender, or remarketing agent or agents, if any, at the time serving as such under the Remarketing Agreement and designated in a Supplemental Indenture as the Remarketing Agent with respect to such Series of Bonds for purposes of this Master Indenture.

"Remarketing Agreement" shall mean the remarketing agreement, if any, with respect to a Series of Bonds, between the Authority, the Corporation, and the Remarketing Agent as from time to time amended and supplemented, or if such remarketing agreement shall be terminated, then such other agreement which may from time to time be entered into with any Remarketing Agent with respect to the tender and subsequent remarketing or placement of such Series of Bonds.

"Repair and Rehabilitation Fund" shall mean the Repair and Rehabilitation Fund created pursuant to Section 601(e).

"Repair and Rehabilitation Fund Requirement" shall mean an amount determined on July 1 commencing on July 1, 1997 and redetermined at least once every other year, by the Corporation. Initially, such Repair and Rehabilitation Fund Requirement shall be \$500,000 and shall be funded over a three year period pursuant to the Supplemental Indenture.

"Responsible Officer" shall mean an officer of the Trustee assigned to the Trustee's corporate trust department, including, without limitation, any Vice-President, any Assistant Vice-President, any Trust Officer, or any other officer and also means any other officer of the Trustee to whom any corporate trust matter involving the Authority or the Corporation is referred because of his or her knowledge of and familiarity with the particular subject.

"Revenue Fund" shall mean the Airport Revenue Fund created pursuant to Section 601(a).

"Revenues" shall mean all income and revenues received or accrued by the Authority or the Corporation in connection

with the ownership, operation or use of, or otherwise related to the Airports including, but not limited to, (a) rentals, fees, and other charges for the use of or with respect to the Airports, (subject to certain deed restrictions relating to Quonset Airport which require that revenues generated at Quonset Airport be used first to pay operation and maintenance expenses at Quonset Airport), (b) proceeds of business interruption insurance, and such other moneys designated as "Revenues" pursuant to the terms of a Supplemental Indenture; , provided, however, that Revenues shall not include (A) interest income on, and any profit realized from, the investment of moneys in any Fund or Account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or the Bond Fund; (B) interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Facility Bonds; (C) amounts received by the Authority or the Corporation from, or in connection with, Special Facilities, unless such funds are treated as Revenues by the Authority or the Corporation; (D) grants-in-aid, donations, bequests and/or amounts received as reimbursements for previously expended money unless the Corporation has lawfully elected that such grant, donation, bequest or reimbursement is to be treated as Revenues; (E) insurance proceeds which are not deemed to be Revenues in accordance with generally accepted accounting principles; (F) the proceeds of any condemnation awards; (G) the proceeds of any sale of land, buildings or equipment; (H) proceeds of a drawing under a Credit Facility; (I) PFC Revenue; (J) Bond proceeds; and (K) any other amounts which are not deemed to be Revenues in accordance with generally accepted accounting principles or which are restricted as to their use.

"Series of Bonds" or "Bonds of a Series" or "Series" shall mean a series of bonds issued pursuant to this Master Indenture and the terms of a Supplemental Indenture.

"Signatory Airlines" shall mean each airline which has executed an Airline Agreement.

"Special Facility" shall mean any facility, improvement, structure, equipment or assets acquired or constructed on any land or in or on any structure or building at the Airports, the cost of construction and acquisition, of which are paid for (a) by the primary user under a Special Facility Agreement, or (b) from the proceeds of Special Facility Bonds, or (c) both.

"Special Facility Agreement" shall mean an agreement entered into by the Authority and the Corporation and one or

more other parties, relating to the design, construction, and/or financing of any Special Facility, all or a portion of the payments under which (a) are intended to be excluded from Revenues and (b) may be pledged to the payment of Special Facility Bonds.

"Special Facility Bonds" shall mean any revenue bonds, notes, or other obligations of the Authority, other than Bonds or Subordinated Indebtedness issued to finance a Special Facility, the payment of principal of, premium, if any, and interest on which are payable from and secured by the proceeds thereof and rentals, payments, and other charges payable by the obligor under a Special Facility Agreement.

"Standard & Poor's" shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, and its successors and assigns and, if such corporation shall no longer perform the functions of a securities rating agency, Standard & Poor's shall mean any other nationally recognized securities rating agency designated by the Authority and acceptable to the Credit Provider.

"State" shall mean the State of Rhode Island and Providence Plantations.

"Subordinated Indebtedness" shall mean bonds or other forms of indebtedness which have a subordinated claim to the Trust Estate.

"Subordinated Indebtedness Fund" shall mean the Fund of that name created pursuant to Section 601(f).

"Supplemental Indenture" shall mean an indenture supplementing or modifying the provisions of this Master Indenture entered into by the Authority, the Corporation, and the Trustee in accordance with Article XI.

"Swap Agreement" means (a) an agreement (including terms and conditions incorporated by reference therein) which is an Interest Rate Swap basis, forward rate agreement, commodity swap, interest rate option, forward foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, embedded cap, cross-currency rate swap agreement, currency option, any other similar agreement (including any option to enter into any of the foregoing), (b) any combination of the foregoing, or (c) a master agreement for any of the foregoing together with all supplements.

"Taxable Bonds" shall mean Bonds on which the interest is not excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Code.

"Tax-Exempt Bonds" shall mean Bonds on which the interest is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Code.

"Tender Bonds" shall mean any Variable Rate Bonds or Fixed Rate Bonds issued with an option, exercisable by the Holders thereof, to have such Bonds either repurchased or redeemed prior to the maturity thereof, provided however, such Tender Bonds shall only be payable from moneys provided by a Swap Agreement or Credit Facility obtained for such purpose.

"T.F. Green Operation and Maintenance Expenses" shall mean all expenses of the Corporation paid or accrued for the operation, maintenance, administration, and ordinary current repairs of T.F. Green Airport, including certain payments to the State pursuant to the Lease Agreement. T.F. Green Operation and Maintenance Expenses shall not include (a) the Principal Amount of, Redemption Premium, if any, or Interest on any Bonds; (b) any allowance for amortization or depreciation of T.F. Green Airport; (c) any other expense for which (or to the extent to which) the Corporation is or will be paid or reimbursed from or through any source that is not included or includable as Revenues; (d) any extraordinary items arising from the early extinguishment of debt; (e) Outlying Airports' Operation and Maintenance Expenses; or (f) any expense paid with amounts from the Repair and Rehabilitation Fund.

"T.F. Green Operation and Maintenance Fund" shall mean the T.F. Green Airport Operation and Maintenance Fund created pursuant to Section 601(b).

"T.F. Green Operation and Maintenance Reserve Account" shall mean the Operation and Maintenance Reserve Account created in the T.F. Green Operation and Maintenance Fund pursuant to Section 601(b).

"T.F. Green Operation and Maintenance Reserve Account Requirement" shall mean an amount equal to one-sixth (1/6th) of the amount budgeted for the then current Fiscal Year of the Corporation for T.F. Green Operation and Maintenance Expenses, which shall initially be funded as set forth in the Supplemental Indenture.

"T.F. Green Airport" shall mean Theodore Francis Green Airport, formerly Theodore Francis Green State Airport

including improvements and additions thereto and all other facilities relating to or otherwise used in connection therewith, including without limitation, buildings, structures, terminals, parking, ground transportation facilities, roadways, land, hangars, cargo facilities, runways and taxiways, as presently existing and those that may be acquired, developed or constructed after the date hereof.

"Trustee" shall mean Rhode Island Hospital Trust National Bank.

"Trust Estate" shall mean:

A. Net Revenues;

B. Amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings thereon, subject to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; provided, however, that there expressly is excluded from any pledge, assignment, lien or security interest created by this Master Indenture any amount on deposit in the Construction Fund, which has been committed or encumbered to pay lawfully incurred debts of the Corporation in connection with paying the Costs of Airport Facilities, the T.F. Green Operation and Maintenance Fund, the Rebate Fund, the Passenger Facility Charge Fund, the Subordinated Indebtedness Fund, the General Purpose Fund, and the Purchase Fund, if any;

C. The Authority's right, title and interest in the Loan Agreements;

D. Any and all other property of any kind from time to time hereafter acquired by delivery or by writing specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Bonds, by the Authority or the Corporation or by anyone on their behalf, or with their written consent in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

"Variable Rate Bonds" shall mean any Bond which provides for a variable, adjustable, convertible or other similar rates of Interest, not fixed as to percentage at the date of issuance thereof.

"Variable Rate Ceiling" shall mean the maximum Interest rate payable on Variable Rate Bonds during such period

as such Bonds shall be Variable Rate Bonds and as stated in the applicable Supplemental Indenture.

Section 102. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Master Indenture.

(a) Any reference herein to the Authority or the Corporation, the boards thereof or any officer thereof shall include any persons or entities succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) The use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine and feminine gender.

(c) Words importing the singular number shall include the plural number and vice versa.

(d) 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.

(e) All references herein to particular articles or sections are references to articles or sections of this Master Indenture.

(f) The Headings and Table of Contents herein 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.

(g) All references to terms such as herein, hereunder, hereto, refer to this Master Indenture, as amended or supplemented.

(h) All references herein to payment of Bonds are references to payment of the Principal Amount of, Redemption Premium, if any, and Interest on Bonds.

Section 103. Parity as to Net Revenues; Bonds of a Series Equally and Ratably Secured. All Bonds issued hereunder and at any time Outstanding shall be equally and ratably secured with all other Outstanding Bonds, with the same right, lien and preference with respect to Net Revenues, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds.

All Bonds of a particular Series shall in all respects be equally and ratably secured and shall have the same right, lien and preference hereunder established for the benefit of such Series of Bonds, including, without limitation, rights in any related Project Account in the Construction Fund, the Bond Fund or the Series Debt Service Reserve Account (except as otherwise provided in Section 606).

Amounts drawn under any Credit Facility with respect to a particular Series and all other amounts held in accounts or funds established with respect to such Series pursuant to the provisions of Article VI and the Supplemental Indenture providing for the terms of such Series shall be applied solely to make payments on such Series of Bonds.

ARTICLE II

TERMS OF BONDS

Section 201. Issuance. The Authority may issue Bonds from time to time in one or more Series as hereinafter provided without limitation as to amount, except as may be limited by the applicable Supplemental Indenture or by Section 214 hereof, for the purpose of providing funds to finance or refinance all or a part of the Cost of Airport Facilities. Unless otherwise provided in the Supplemental Indenture providing for the issuance of a Series of Bonds, the Bonds shall be designated "Rhode Island Port Authority and Economic Development Corporation Airport Revenue Bonds" and shall bear an appropriate designation to indicate the Series.

Section 202. Terms. Each Series of Bonds shall have the terms provided herein and in the applicable Supplemental Indenture.

The Bonds may be issued as Fixed Rate Bonds, Variable Rate Bonds, Tender Bonds, Capital Appreciation Bonds, Deferred Interest Bonds, Discount Bonds, Refunding Bonds, Completion Bonds, Tax-Exempt Bonds, or Taxable Bonds, or any combination thereof in accordance with applicable provisions set forth below and in the applicable Supplemental Indenture.

(a) The Authority may issue Fixed Rate Bonds. The applicable Supplemental Indenture shall specify the rate or rates of Interest borne by such Bonds and the Interest Payment Dates thereof.

(b) The Authority may issue Variable Rate Bonds. Any Variable Rate Bond issued hereunder may be issued with

provisions allowing for conversion of such Bond, at the option of the Authority, the Corporation, or the Holder thereof, into a Fixed Rate Bond.

If any Variable Rate Bonds are issued hereunder, the applicable Supplemental Indenture shall specify:

- (i) the Variable Rate Ceiling payable on such Bonds during the period such Bonds are Variable Rate Bonds;
- (ii) the method or methods for determining the rate of Interest borne by such Bonds and the frequency of change thereof; and
- (iii) if deemed desirable by the Authority and the Corporation provisions with respect to the conversion of such Bonds to Fixed Rate Bonds.

Any Variable Rate Bonds which contain an option to convert such Bonds to Fixed Rate Bonds shall be deemed Variable Rate Bonds hereunder until the date of such conversion.

The method or methods for determining the rate of Interest on Variable Rate Bonds pursuant to (ii) above may include the selection of such rate by a Remarketing Agent, as provided in a Remarketing Agreement, the utilization of an index or indices as described in the applicable Supplemental Indenture, or such other standard or standards set forth by the Authority and the Corporation in the applicable Supplemental Indenture or any combination of the foregoing.

(c) The Authority may provide that Bonds issued as Variable Rate Bonds or Fixed Rate Bonds may include an option exercisable by the Holders thereof to have such Bonds either repurchased or redeemed prior to the maturity thereof. If any Tender Bonds are issued hereunder, the applicable Supplemental Indenture shall specify:

- (i) the period or periods during which and the circumstances under which such option may be exercised, including provisions for the variation of such periods;
- (ii) provisions, as the Authority or Corporation shall deem desirable, with respect to the repurchase of such Bonds and the remarketing thereof, including provisions with respect

to the appointment of a Remarketing Agent therefor;

(iii) provisions, as the Authority shall deem desirable, for the adjustment of the rate of Interest or redemption date of such Bonds upon the exercise of any such option; and

(iv) the Purchase Price.

Unless otherwise provided in the applicable Supplemental Indenture, any Tender Bonds which shall have been repurchased pursuant to any Remarketing Agreement and not otherwise redeemed by the Authority shall continue to be Outstanding Bonds hereunder.

(d) The Authority may issue Capital Appreciation Bonds upon such terms, with respect thereto, as set forth in the applicable Supplemental Indenture. In the applicable Supplemental Indenture for any Capital Appreciation Bonds, the Authority and the Corporation shall provide for the determination of the Principal Amount and Interest payable on such Bonds and for the purposes hereof, such terms, with respect to such Bonds, shall have the meaning given in such applicable Supplemental Indenture.

(e) The Authority may issue Discount Bonds in order to provide such yield thereon as deemed appropriate and desirable thereon by the Authority. In the applicable Supplemental Indenture for any Discount Bonds, the Authority and the Corporation shall provide for the determination of the Principal Amount and Interest payable on such Bonds and for the purposes hereof, such terms, with respect to such Bonds shall have the meaning given in such applicable Supplemental Indenture.

(f) The Authority may issue Deferred Interest Bonds. In the applicable Supplemental Indenture for any Deferred Interest Bonds, the Authority and the Corporation shall provide for the rate at which Interest accrues on such Deferred Interest Bonds, the time period during which the Deferred Interest Bonds do not pay Interest on a current basis, the amount by which the Principal Amount of such Deferred Interest Bond will increase when Interest is not paid on a current basis, and the amount of Interest payable annually, if any.

(g) The Authority may issue Refunding Bonds, upon such terms with respect thereto, as set forth in the applicable

Supplemental Indenture and upon compliance with the provisions contained in Section 214(b) hereof.

(h) The Authority may issue Taxable Bonds upon such terms with respect thereto, as set forth in the applicable Supplemental Indenture.

Section 203. Medium and Place of Payment. (a) The Principal Amount of, Redemption Premium, if any, and Interest on the Bonds shall be payable in currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The Principal Amount of, Redemption Premium, if any, and Interest on a Series of Bonds shall be payable in the manner and at the place specified in the Supplemental Indenture providing for the issuance of such Series of Bonds.

(b) In the event of a default by the Authority in the payment of Interest due on a Bond on any Interest Payment Date, such defaulted Interest will be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted Interest established by notice mailed by the Registrar for such Bond to the Holder thereof not less than ten (10) days preceding such special record date.

Section 204. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Trustee or if the Authority, the Registrar, and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Trustee such security or indemnity as may be required by them to hold the Authority, the Registrar, and the Trustee harmless, then, in the absence of notice to the Authority, the Registrar, or the Trustee that such Bond has been acquired by a bona fide purchaser and upon the Holder's paying the reasonable expenses of the Authority, the Registrar, and the Trustee, then the Authority shall cause to be executed and the applicable Authenticating Agent shall authenticate and deliver, in exchange for such mutilated Bond or in lieu of such destroyed, lost, or stolen Bond, a new Bond of the same Series and tenor. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, then the Trustee and any Paying Agent may, in their discretion, pay such Bond when due instead of delivering a new Bond.

Section 205. Execution and Authentication of Bonds. All Bonds shall be executed for and on behalf of the Authority by its Chairman or Vice Chairman and attested by its Secretary

or Treasurer. The signatures of the Chairman or Vice Chairman and the Secretary or Treasurer may be mechanically or photographically reproduced on the Bonds. If any officer of the Authority whose signature appears on any Bond ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Each Bond shall be authenticated manually by an authorized officer of the Authenticating Agent, without which authentication, no Bond shall be entitled to the benefits hereof.

Section 206. Exchange of Bonds. Bonds, upon presentation and surrender thereof to the Registrar together with written instructions satisfactory to the Registrar, duly executed by the Holder or his or her attorney duly authorized in writing, may be exchanged for an equal aggregate Principal Amount of fully registered Bonds of the same Series and tenor.

Section 207. Negotiability and Transfer of Bonds.

(a) All Bonds issued under this Master Indenture shall be negotiable, notwithstanding the provisions for registration and registration of transfer thereof contained herein or in the Bonds.

(b) The Authority shall cause the Register, with respect to each Series of Bonds, to be maintained at the offices of the Registrar therefor and shall provide for the registration and registration of transfer of any Bond of such Series under such reasonable regulations as the Authority or the Registrar may prescribe. The Registrar with respect to each Series of Bonds shall maintain the Register for purposes of exchanging and registering Bonds in accordance with the provisions hereof.

(c) Each Bond of a Series shall be registered or registered for transfer only upon the Register maintained by the Registrar, by the Holder thereof in person or by his or her attorney duly authorized in writing, upon presentation and surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his or her duly authorized attorney. Upon surrender for registration of transfer of any such Bond, the Authority shall cause to be executed and the Authenticating Agent shall authenticate and deliver, in the name of the transferee, one or more new Bonds of the same Series, Interest rate, maturity, Principal Amount and date as the surrendered Bond, as fully registered Bonds only.

Section 208. Persons Deemed Owners. Except as provided in the applicable Supplemental Indenture, as to any

Bond, the person in whose name such Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the Principal Amount of, Redemption Premium, if any, and Interest on any Bond shall be made, as provided in the applicable Supplemental Indenture, only to or upon the written order of the registered Holder thereof. Such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the amount so paid.

Section 209. Provisions with Respect to Transfers and Exchanges. (a) All Bonds surrendered in any exchange or registration of transfer of Bonds shall forthwith be cancelled by the Registrar.

(b) In connection with any such exchange or registration of transfer of Bonds, the Holder requesting such exchange or registration of transfer shall, as a condition precedent to the exercise of the privilege of making such exchange or registration of transfer, remit to the Registrar an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer.

(c) Except with respect to Bonds of a Series that are subject to optional tender or are purchased, paid, or held by a Credit Provider, neither the Authority nor the Registrar shall be obligated to register the transfer or exchange of any Bond which has been or is being called for redemption, in whole or in part.

Section 210. Conditions for Delivery of Bonds. Upon the execution and delivery of a Supplemental Indenture providing for the issuance of a Series of Bonds, the Authority shall execute and deliver such Series of Bonds to the Trustee, the Trustee shall deliver such Series of Bonds to the Authenticating Agent for authentication and delivery to or for the account of the Original Purchaser as directed by the Authority, and the Authenticating Agent shall authenticate such Series of Bonds; provided, however, that prior to delivery by the Trustee of such Series of Bonds there shall be delivered to the Trustee the following:

(a) A certified copy of the applicable resolution authorizing the issuance of such Series of Bonds, including the resolutions authorizing the execution and delivery on behalf of the Authority and the Corporation of such Supplemental Indenture, the applicable Reimbursement Agreement, if any, any applicable Remarketing Agreement, such Series of Bonds, the

applicable Bond Purchase Contract, and any other applicable agreement.

(b) Executed or true counterparts of this Master Indenture, such Supplemental Indenture, each Bond Purchase Contract, such Reimbursement Agreement, if any, and the executed Credit Facility, Remarketing Agreement, if any, and any other applicable agreement.

(c) A request and authorization by the Authority to the Authenticating Agent to authenticate and deliver the Series of Bonds, describing such Series of Bonds, designating the Original Purchaser to whom such Bonds are to be delivered upon payment therefor and stating the Purchase Price.

(d) The amounts specified in the Supplemental Indenture for deposit to the credit of the applicable Funds and Accounts created hereunder or thereunder.

(e) Any other items required by the Supplemental Indenture pursuant to which such Series of Bonds is being issued.

(f) Such other closing documents as the Authority, the Corporation, the Trustee or their Counsel may reasonably require.

Section 211. Form of Bonds. The definitive Bonds of each Series shall be in substantially the form set forth in or as an exhibit to the Supplemental Indenture providing for the issuance of such Series of Bonds.

Section 212. Book-Entry System. The provisions of this Article II may be modified as set forth in a Supplemental Indenture authorizing the issuance of a Series of Bonds in order to implement and maintain a book-entry system of registration of the Bonds of such Series.

The Trustee is hereby authorized to enter into agreements with The Depository Trust Company of New York and other depository trust companies, including but not limited to, agreements necessary for wire transfers of Interest and Principal Amounts with respect to the Bonds, utilization of electronic book-entry data received from The Depository Trust Company of New York and other depository trust companies in place of delivery of definitive Bonds and provision of notices with respect to Bonds registered by The Depository Trust Company of New York and other depository trust companies (or any of their designees identified to the Trustee) by overnight

delivery, courier service, telegram, telecopy or other similar means of communication. No such agreements with The Depository Trust Company of New York and other depository trust companies may adversely affect the interests of any of the Holders of the Bonds; provided, however, that the Trustee shall not be liable with respect to any such agreements it may enter into pursuant to this Section.

Section 213. Temporary Bonds. (a) The Authority may execute and, upon request by the Authority, the Authenticating Agent shall authenticate and deliver temporary Bonds which may be typewritten, printed, or otherwise reproduced, in lieu of definitive Bonds, subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as provided in the applicable Supplemental Indenture, shall be in such denomination or denominations and shall be numbered as prepared and executed by the Authority, shall be substantially of the tenor of the definitive Bonds of such Series, but with such omissions, insertions and variations as the officers of the Authority executing the same may determine, may only be issued in fully registered form, and may be issued in the form of a single Bond.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, the Authority shall cause the definitive Bonds to be prepared, executed, and delivered to the Authenticating Agent. The definitive Bonds of such Series shall be prepared in such fashion as is acceptable to the Original Purchaser. Any temporary Bonds issued shall be exchangeable for definitive Bonds of such Series upon surrender to the Registrar at its principal office (or such other location as may be designated by it) of any such temporary Bond or Bonds, and, upon such surrender, the Authority shall execute and, upon delivery of a certificate of an Authorized Representative, the Authenticating Agent shall authenticate and deliver to the Holder of the temporary Bond or Bonds, in exchange therefor, a like face amount of definitive Bonds of such Series in authorized denominations. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefits as definitive Bonds of such Series authenticated and issued pursuant hereto.

(c) Interest on temporary Bonds, when and as payable, shall be paid to the Holders thereof.

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

Section 214. Additional Bonds. (a) So long as the Authority and the Corporation are not in default hereunder, as evidenced by a Certificate of No Default executed by an Authorized Representative of each, the Authority may issue Bonds (other than the first issue or issues of Bonds under this Master Indenture to finance the T.F. Green Terminal Project, the Airfield Related Projects and the Airline Equipment Project) ("Additional Bonds") upon satisfaction of one of the following requirements:

1. an Airport Consultant has provided to the Trustee a certificate stating that, for each of the next five (5) full Fiscal Years of the Corporation following issuance of the Additional Bonds, or each full Fiscal Year of the Corporation from issuance of the Additional Bonds through two full Fiscal Years of the Corporation following completion of the Project or Projects financed by the Additional Bonds proposed to be issued, whichever is later, based upon reasonable assumptions set forth therein, Amounts Available to Pay Debt Service are projected to be equal to at least 125% of debt service on Bonds (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of the Additional Bonds proposed to be issued); provided, however, that if Capitalized Interest on any Bonds and proposed Additional Bonds is to be applied in the last Fiscal Year of the Corporation of the period described in this sentence, the Airport Consultant shall extend the test through the first full Fiscal Year of the Corporation for which there is no longer Capitalized Interest, or

2. an independent certified public accountant has provided to the Trustee a certificate stating that in the most recent completed Fiscal Year of the Corporation or for any consecutive twelve-month period out of the last eighteen months Amounts Available to Pay Debt Service were not less than 125% of (A) Annual Debt Service on Bonds Outstanding in such Fiscal Year of the Corporation or such period (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of such Additional Bonds proposed to be issued), plus (B) Maximum Annual Debt Service with respect to such Additional Bonds proposed to be issued.

(b) With respect to Additional Bonds proposed to be issued as Refunding Bonds, the Authority may issue Refunding Bonds upon satisfaction of one of the following requirements: either

1. the requirements set forth in (a) are satisfied, or

2. the Authority shall have provided to the Trustee a certificate with an accompanying schedule indicating that there (i) is no increase in Maximum Annual Debt Service and (ii) the issuance of the Refunding Bonds will result in a decrease in the total debt service payable on all Bonds then Outstanding and being refunded.

(c) The Authority may issue Completion Bonds in order to finish a Project or portion thereof. The aggregate Principal Amount of such Completion Bonds shall be limited to fifteen percent (15%) of the amount specified in the Supplemental Indenture in which the initial series of Bonds issued to finance such project was authorized as the total Principal Amount of any Bonds and Subordinated Indebtedness originally projected to be required to complete the funding of such Project. In issuing such Completion Bonds, neither the Authority nor the Corporation shall be required to meet the requirements for Additional Bonds set forth in Section 214(a) or (b). The Construction Manager shall provide a certificate stating the total estimated cost to complete the Project and that the proceeds of the Completion Bonds will not be used for Costs related to material changes in the scope of such Project. The Financial Advisor, in reliance on the Construction Manager's certificate, shall provide a certificate stating (i) the anticipated total principal amount of Bonds and Subordinated Indebtedness required to finance the Project and the Principal Amount of Completion Bonds to be issued, and (ii) that the proceeds of the Completion Bonds will be sufficient to complete the Project.

Section 215. Non-Presentment of Bonds. (a) If any Bond is not presented for payment when the Principal Amount thereof becomes due (whether at maturity or upon call for redemption or otherwise), all liability of the Authority to the Holder thereof for the payment of such Bond shall be completely discharged if moneys sufficient to pay the Principal Amount of such Bond and the Interest due thereon shall be held by the Trustee for the benefit of such Bondholder, and thereupon it shall be the duty of the Trustee to hold such moneys subject to subsection (b) below, without liability for Interest thereon, for the benefit of such Bondholder, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature under this Master Indenture or on, or with respect to, such Bond.

(b) Notwithstanding any provision of this Master Indenture to the contrary, moneys held by the Trustee for the

payment of the Principal Amount of, Redemption Premium, if any, or Interest on the Bonds of any Series left unclaimed for five (5) years after the date on which such payment is due shall be disposed of by the Trustee in accordance with R.I. Gen. Laws § 33-21-17 or any successor provision. The Holders of such Bonds shall thereafter be entitled to look only to their remedies under R.I. Gen. Laws § 33-21-30 or successor provision, and all liability of the Authority and the Trustee with respect to such moneys shall cease.

Section 216. Bond Anticipation Notes. The Authority may issue Bond Anticipation Notes, secured on a parity as to the pledge of Net Revenues with Bonds issued hereunder, provided that the requirements set forth in Section 214(a) and 804 are met. For purposes of the covenants contained in such sections, Bond Anticipation Notes shall be deemed to have level debt service (assuming a rate equal to The Bond Buyer 25 Bond Revenue Bond Index over the anticipated term of the Bonds to be issued to retire such Bond Anticipation Notes.

Section 217. Other Obligations. Except as otherwise expressly set forth herein, the Authority may issue, at any time and from time to time, in one or more series (i) other bonds, notes or obligations payable from and secured by revenues other than the Trust Estate, (ii) at the request of or with the consent of the Corporation, Subordinated Indebtedness, and (iii) at the request of or with the consent of the Corporation, Special Facility Bonds.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Right to Redeem. The Bonds of a Series shall be subject to redemption prior to maturity at such times, to the extent and in the manner provided herein and in the applicable Supplemental Indenture.

Section 302. Sinking Fund Redemption. Bonds of a Series shall be subject to mandatory sinking fund redemption and shall be redeemed in the amounts and on the dates and in the years set forth in the Supplemental Indenture providing for the issuance of such Bonds.

Section 303. Notice of Redemption. (a) If less than all Bonds of a Series are to be redeemed, and subject to the provisions of subsection (b) hereof, the Bonds to be redeemed shall be identified by reference to the Series designation,

date of issue, the CUSIP and/or serial numbers and maturity date. Each notice of redemption shall specify: (i) the date fixed for redemption, (ii) the Principal Amount of Bonds or portions thereof to be redeemed, (iii) the applicable Redemption Premium, if any, (iv) the place or places of payment, (v) that payment of the Principal Amount and Redemption Premium, if any, will be made upon presentation and surrender to the Trustee or Paying Agent, as applicable, of the Bonds to be redeemed, unless provided otherwise in the applicable Supplemental Indenture, (vi) that Interest accrued to the date fixed for redemption will be paid as specified in such notice, (vii) that on and after said date Interest on Bonds which have been redeemed will cease to accrue, and (viii) the designation, including Series, and the CUSIP numbers of the Bonds to be redeemed and, if less than the face amount of any such Bond is to be redeemed, the Principal Amount to be redeemed.

Notice of redemption of any Bonds shall be mailed at the times and in the manner set forth in subsection (b) of this Section.

(b) Except as may be provided otherwise in the applicable Supplemental Indenture, any notice of redemption shall be sent by the Trustee not less than thirty (30) nor more than sixty (60) days prior to the date set for redemption by registered or certified mail (i) to the Holder of each such Bond to be redeemed in whole or in part at the Holders address as it appears on the Register, (ii) to all organizations registered with the Securities and Exchange Commission as securities depositories, and (iii) to at least two information services of national recognition which disseminate redemption information with respect to obligations such as the Bonds. In preparing such notice, the Trustee shall take into account, to the extent applicable, the prevailing industry standards and any regulatory statement of any federal or state administrative body having jurisdiction over the Authority, or obligations such as the Bonds, including without limitation, Release No. 34-23856 of the Securities and Exchange Commission, or any subsequent amending or superseding release. Failure to give any notice specified in (i) to any particular Holder of a Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds with respect to which no such failure or defect has occurred and failure to give any notice specified in (ii) or (iii), or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds with respect to which the notice specified in (i) has been given correctly.

Section 304. Selection of Bonds to be Redeemed.

Except as provided otherwise in the applicable Supplemental Indenture: (a) if less than all Bonds of a Series are to be redeemed the maturities to be redeemed or the method of their selection shall be determined by the Authority, and (b) if less than all such Bonds of a single maturity are to be redeemed, such Bonds to be redeemed will be selected by lot in such customary manner as the Trustee shall determine.

ARTICLE IV

CONSTRUCTION FUND

Section 401. Construction Fund. There is hereby created and established an Airport Construction Fund, to be held by the Trustee, which shall contain one or more Project Accounts, a Cost of Issuance Account for each Series of Bonds and may contain a Capitalized Interest Account for each Series of Bonds therein and such other accounts as may be specified in the applicable Supplemental Indenture. Moneys, instruments and securities in the Construction Fund shall be held by the Trustee in each Project Account, in trust for the Holders of the Bonds of such Series until such moneys have been committed or encumbered to pay lawfully incurred obligations of the Corporation in connection with paying the Costs of Airport Facilities. The Corporation covenants that the moneys in such Project Accounts shall be applied, in accordance with the provisions of this Article and the applicable Supplemental Indenture to the payment of the Cost of the Airport Facilities financed by such Series of Bonds.

After payments of, and reimbursements with respect to, all costs of issuance of a Series of Bonds to be financed with proceeds of such Bonds, any amounts remaining in the applicable Cost of Issuance Account of the Series of Bonds shall be transferred to the applicable Project Account in the Construction Fund and used to pay the Cost of the Airport Facilities financed by the applicable Series of Bonds.

After payments of, and reimbursements with respect to, the Projects financed by the related Series of Bonds are completed, as certified by the Corporation, the Project Manager and the Construction Manager and provided no Event of Default has occurred and is continuing in the payment of the Principal Amount of or Interest on any Bonds, surplus money in the related Project Account in the Construction Fund shall be applied (i) to eliminate any deficiency in the related Series Account of the Debt Service Reserve Fund, (ii) for any other Cost of Airport Facilities, (iii) to the Principal Account, or

(iv) to the Redemption Account, if so required by the applicable Supplemental Indenture. If the related Series of Bonds was issued as Tax-Exempt Bonds, prior to the application of such moneys to pay the Cost of any other Airport Facility, the Authority must also receive an Opinion of Bond Counsel to the effect that (i) such use will not adversely affect the exclusion of Interest on such Bonds from gross income for federal income tax purposes, (ii) if applicable, as to the non-tax preference status of such Interest for federal alternative minimum income tax purposes, and (iii) as to the qualification of earnings on any Fund or Accounts for treatment pursuant to Section 148(f)(4)(B) as meeting the requirements of Section 148(f)(2) to rebate amounts to the United States.

Section 402. Application of Monies in the Construction Fund. Payments shall be made by the Trustee from a Project Account in the Construction Fund upon receipt of a properly executed requisition in substantially the form attached hereto as Exhibit A as such form may be amended from time to time in the applicable Supplemental Indenture. Payments shall be made by the Trustee from the Cost of Issuance Account in the Construction Fund upon receipt of a properly executed requisition in substantially the form attached hereto as Exhibit B as such form may be amended from time to time in the applicable Supplemental Indenture.

Moneys shall be transferred by the Trustee from the Capitalized Interest Account at such times and in such amounts as provided in Section 611 hereof and the applicable Supplemental Indenture.

ARTICLE V

PASSENGER FACILITY CHARGE FUND

Section 501. Passenger Facility Charge Fund. There is hereby created and established a Passenger Facility Charge Fund to be held by the Corporation. The Corporation shall deposit PFC Revenue, if any, into the Passenger Facility Charge Fund as soon as possible upon receipt.

The Corporation may create and establish one or more Pledged PFC Series Accounts in the Passenger Facility Charge Fund in any Supplemental Indenture. Pledged PFC Revenue shall be deposited into the Pledged PFC Series Account. Any Pledged PFC Series Account created pursuant to the terms of a Supplemental Indenture shall be pledged pursuant to the applicable Supplemental Indenture as security for the applicable Series of Bonds. The Corporation may also create

and establish one or more PFC Project Accounts in the Passenger Facility Charge Fund in any resolution or Supplemental Indenture.

Section 502. Application of Monies in the Passenger Facility Charge Fund. All PFC Revenue received by the Corporation shall be deposited into the Passenger Facility Charge Fund and shall be disbursed for the purposes permitted under § 1113(e) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1513(e)) and enumerated in a Supplemental Indenture executed for the purpose of describing or permitting the use of PFC Revenue. Moneys in a PFC Project Account shall be applied as set forth in Section 610 hereof. If such PFC Revenue is to be used to make a deposit into a PFC Project Account, such action may be taken by Supplemental Indenture of the Corporation.

ARTICLE VI

OTHER FUNDS AND ACCOUNTS

Section 601. Creation of Other Funds and Accounts. There are hereby established the following other Funds and Accounts:

(a) Airport Revenue Fund, to be held by the Corporation, which may contain a Coverage Account therein for each Series of Bonds, if provided for pursuant to terms of the applicable Supplemental Indenture.

(b) T.F. Green Operation and Maintenance Fund, to be held by the Corporation, which shall contain a T.F. Green Operation and Maintenance Reserve Account therein.

(c) Bond Fund, to be held by the Trustee, which shall contain the following Accounts with respect to each Series of Bonds:

- (i) Interest Account;
- (ii) Principal Account; and
- (iii) Redemption Account.

(d) Debt Service Reserve Fund, to be held by the Trustee, which shall contain an Account with respect to each Series of Bonds, if provided for pursuant to terms of the applicable Supplemental Indenture.

(e) Repair and Rehabilitation Fund, to be held by the Corporation.

(f) Subordinated Indebtedness Fund, to be held by the Corporation, pursuant to the terms and conditions in this Master Indenture or other applicable agreement securing the Subordinated Indebtedness.

(g) Airport Rebate Fund, to be held by the Trustee.

(h) Airport General Purpose Fund, to be held by the Corporation, which shall contain a Capital Projects Account, a General Obligation Bond Reimbursement Account, an Outlying Airports Operation and Maintenance Account, and such other Accounts as may be created pursuant to a Supplemental Indenture.

Section 602. Application of Bond Proceeds. All proceeds of the sale of each Series of Bonds shall be paid to the Trustee, against receipt therefor, at or prior to the delivery of such Series of Bonds and shall be deposited or delivered by the Trustee as provided by the Supplemental Indenture providing for the issuance of such Bonds.

Section 603. Revenue Fund. Commencing immediately after the issuance of the first Series of Bonds pursuant to this Master Indenture, the Corporation shall deposit all moneys it has on hand into the Revenue Fund. Thereafter, the Corporation shall deposit all Revenues upon receipt, and may deposit amounts from any available source, in the Revenue Fund. Amounts in the Revenue Fund shall be pledged to Bondholders.

The Revenue Fund may contain a Coverage Account for such purposes as may be described in the applicable Supplemental Indenture.

Section 604. T.F. Green Operation and Maintenance Fund. Amounts in the T.F. Green Operation and Maintenance Fund shall be used by the Corporation to pay T.F. Green Operation and Maintenance Expenses. Amounts in the T.F. Green Operation and Maintenance Fund shall not be pledged to Bondholders.

Amounts in the T.F. Green Operation and Maintenance Reserve Account shall be used to pay T.F. Green Operation and Maintenance Expenses to the extent that the amounts on deposit in the T.F. Green Operation and Maintenance Fund are not sufficient to make such payments. Amounts in the T.F. Green Operation and Maintenance Reserve Account shall not be pledged to the Bondholders.

The T.F. Green Operation and Maintenance Reserve Account Requirement in any Fiscal Year of the Corporation is one-sixth (1/6th) of the T.F. Green Operation and Maintenance Expenses in any Fiscal Year and shall be funded as provided in Section 611 hereof.

Section 605. Bond Fund. Amounts in the Bond Fund shall be used by the Trustee to pay debt service on Bonds from the applicable Account therein at the times and in the amounts such debt service is due; provided, however, that while there is a Credit Facility in effect with respect to any Series of Bonds, amounts in the related Series Interest, Principal or Redemption Account in the Bond Fund may be used to reimburse the Credit Provider with respect to such Credit Facility for Interest, Principal Amounts or Redemption Premium, respectively, paid to Holders of such Bonds with moneys provided by such Credit Provider in accordance with the Credit Facility relating to such Series of Bonds. Amounts in the Bond Fund shall be pledged to Bondholders.

Section 606. Debt Service Reserve Fund. (a) Amounts in each Account in the Debt Service Reserve Fund shall be used to pay debt service on the related Series of Bonds on the date such debt service is due when insufficient moneys for that purpose are available in the Bond Fund; provided, however that all amounts in an Account in the Debt Service Reserve Fund shall be used, together with other amounts available for such purpose hereunder, to provide for payment of the related Series of Bonds when the aggregate of such amounts is sufficient for such purpose. Amounts in each Account of the Debt Service Reserve Fund shall be pledged only to Holders of Bonds of the related Series; provided, however, if so provided in a Supplemental Indenture, upon the issuance of a Series of Refunding Bonds to advance refund a portion of a Series of Outstanding Bonds, amounts in the related Account of the Debt Service Reserve Fund securing the Outstanding Bonds may be pledged to the unrefunded Series of Outstanding Bonds and the Holders of the Holders of the Series of Refunding Bonds on a pooled basis.

(b) In lieu of or in addition to cash or investments, at any time, the Authority or the Corporation may cause to be deposited to the credit of an Account in the Debt Service Reserve Fund, any form of Credit Facility, in the amount of the related Series Debt Service Reserve Fund Requirement, as provided for in the appropriate Supplemental Indenture, irrevocably payable to the Trustee as beneficiary for the Holders of the related Series of Bonds.

The Credit Provider shall notify the Authority, the Corporation, and the Trustee at least twenty-four (24) months prior to expiration of the Credit Facility. If (A) the Authority, the Corporation, and the Trustee receive such expiration notice and the Credit Provider does not extend its expiration date, (B) the Authority, the Corporation and the Trustee receives notice of the termination of the Credit Facility, or (C) the credit rating of the Credit Provider is no longer rated in the two highest credit rating categories by two Rating Agencies, the Authority or the Corporation shall (x) provide a substitute Credit Facility, (y) deposit the applicable Series Debt Service Reserve Fund Requirement to the related Account in the Debt Service Reserve Fund (1) in equal monthly installments over the next succeeding twelve (12) months, in the case of receipt of an expiration notice, (2) prior to the termination date, in the case of receipt of a termination notice, or (3) within one hundred eighty (180) days, in the case of such reduction in credit rating, or (z) instruct the Trustee to draw on such Credit Facility in the amount of the related Series Debt Service Reserve Requirement (1) twelve (12) months prior to expiration of the Credit Facility, in the case of receipt of an expiration notice, (2) prior to the termination date, in the case of receipt of a termination notice, or (3) after one hundred eighty (180) days, in the case of such reduction in credit rating and deposit any funds so drawn to the appropriate Series Account in the Debt Service Reserve Fund.

Section 607. Repair and Rehabilitation Fund. Amounts in the Repair and Rehabilitation Fund may be used to pay the costs of emergency repair and rehabilitation to Airport Facilities. Amounts in the Repair and Rehabilitation Fund shall be pledged to Bondholders.

Section 608. Subordinated Indebtedness Fund. Amounts in the Subordinated Indebtedness Fund shall be transferred to the trustee under one or more resolutions or agreements authorizing such Subordinated Indebtedness. Amounts in the Subordinated Indebtedness Fund shall not be pledged to Bondholders.

Section 609. Rebate Fund. Amounts deposited into the Rebate Fund shall be applied as provided in any Supplemental Indenture. Amounts in the Rebate Fund shall not be pledged to the Bondholders.

Section 610. General Purpose Fund. Amounts in the General Purpose Fund shall be available for use by the Corporation for any lawful purpose. The General Purpose Fund

shall contain a Capital Projects Account, a General Obligation Bond Reimbursement Account, an Outlying Airports' Operation and Maintenance Account and such other Accounts as may be created pursuant to a Supplemental Indenture. Amounts in the General Purpose Fund shall not be pledged to Bondholders.

The amounts on deposit in the Capital Projects Account may be used to pay the Cost of Airport Facilities to the extent authorized by a resolution of the Corporation. The amounts on deposit in the Outlying Airports' Operation and Maintenance Account shall be used to pay Outlying Airports' Operation and Maintenance Expenses. The amounts on deposit in the General Obligation Bond Reimbursement Account, if any, may

be transferred to the State upon the written directive of the Corporation which shall include instructions to the State that such amount shall be used to pay debt service on any general obligation bonds issued by the State for the Airports.

Section 611. Flow of Funds. On the first Business Day of each month, but in no event later than the fifth Business Day of each month commencing November, 1993, except as otherwise provided below, amounts in the Revenue Fund shall be withdrawn by the Corporation and deposited as follows in the following order of priority, except that amounts in the Coverage Account may only be withdrawn to pay operation and maintenance expenses and debt service:

(i) To the T.F. Green Operation and Maintenance Fund, an amount which, along with amounts remaining in the T.F. Green Operation and Maintenance Fund (excluding amounts in the T.F. Green Operation and Maintenance Reserve Account), are needed to pay the T.F. Green Operation and Maintenance Expenses during such month.

(ii) Except as otherwise provided in the applicable Supplemental Indenture,

(a) to the applicable Interest Account in the Bond Fund, an amount, which along with amounts transferred from the related Pledged PFC Account relating thereto, is equal to one-sixth (1/6th) of the next interest payment due after such date with respect to each Series of Bonds provided, however, that the Authority and the Corporation shall be credited with any amount already on deposit in such Interest Account which is on deposit in a Capitalized Interest Account relating to such Series in the Construction Fund, and provided further the Authority and the Corporation shall be credited on the last deposit of

each period with interest earned on such Interest Account, and

(b) to the applicable Principal Account or Redemption Account as the case may be in the Bond Fund, an amount, which along with amounts transferred from the related Pledged PFC Account relating thereto, is equal to one-twelfth (1/12th) of the next principal payment or sinking fund payment due after such date with respect to each Series of Bonds.

Amounts in the applicable Interest, Principal or Redemption Account in the Bond Fund may be used to reimburse the Credit Provider for amounts paid under a Credit Facility in the same proportion that such Interest, Principal or Redemption Price represents payments made to Holders of all Bonds.

If such deposits are not sufficient to comply with the provisions of the applicable Supplemental Indenture with respect to each Series of Bonds, such deposits shall be made pro rata in accordance with amounts due for each Series of Bonds.

(iii) Except as otherwise provided in the applicable Supplemental Indenture, to the applicable Series Account in the Debt Service Reserve Fund with respect to each Series of Bonds, one-twenty fourth (1/24th) of the amount necessary to restore the amount on deposit therein to the Debt Service Reserve Fund Requirement or in the case where the deficiency has occurred because the Authority, the Corporation, or the Trustee has drawn upon the Account in the Debt Service Reserve Fund to pay debt service on the related Series of Bonds, one-sixth (1/6th) of the amount necessary to restore the amount on deposit to the Series Debt Service Reserve Requirement in the case where the deficiency has occurred because of a loss in the investment of the moneys in the Debt Service Reserve Fund.

If such deposits are not sufficient to comply with the provisions of the applicable Supplemental Indenture with respect to each Series of Bonds, such deposits shall be made pro rata in accordance with amounts due for each Series of Bonds.

(iv) To the T.F. Green Operation and Maintenance Reserve Account, commencing on the first Business Day of the month following the Date of Beneficiary Occupancy, an amount equal to one-thirty-sixth (1/36th) of the T.F. Green Operation and Maintenance Reserve Account Requirement. After the T.F.

Green Operation and Maintenance Reserve Account is fully funded, a deposit shall be made only at such time as it is necessary to fund a deficiency in the T.F. Green Operation and Maintenance Reserve Account Requirement, in the case where the deficiency has occurred because the Corporation has drawn upon the T.F. Green Operation and Maintenance Reserve Account to pay T.F. Green Operation and Maintenance Expenses or because the amount budgeted to pay T.F. Green Operation and Maintenance Expenses has increased or exceeded the amount projected. Subsequent deposits to the T.F. Green Operation and Maintenance Reserve Account shall be made in twelve (12) equal monthly installments.

(v) To the Repair and Rehabilitation Fund commencing on the first Business Day of the month following the Date of Beneficiary Occupancy, an amount equal to one-thirty-sixth (1/36th) of the Repair and Rehabilitation Reserve Requirement. After the Repair and Rehabilitation Fund is fully funded, a deposit shall be made only at such time as it is necessary to fund a deficiency in the Repair and Rehabilitation Fund Reserve Requirement, in the case where a deficiency has occurred because (a) the Corporation has drawn upon the Repair and Rehabilitation Fund, or (b) the Repair and Rehabilitation Fund Reserve Requirement has been increased pursuant to a Supplemental Indenture or a resolution of the Corporation.

(vi) To the Subordinated Indebtedness Fund, the amount required by any resolution securing the Subordinated Indebtedness, to the extent such amounts are not paid from other legally available funds of the Corporation.

(vii) To the Rebate Fund, the amount required by the applicable Supplemental Indenture.

(viii) To the General Purpose Fund all money remaining in the Revenue Fund.

The Corporation may deposit such moneys from the General Purpose Fund in the Capital Projects Account, the Outlying Airports' Operation and Maintenance Account, the General Obligation Bond Reimbursement Account and such other Accounts as may be created when moneys are available and in such amounts as the Corporation may designate by resolution. In addition, the Corporation may transfer moneys from the Pledged PFC Account to the General Obligation Bond Reimbursement Account and moneys from the PFC Project Account to the Capital Projects Account.

The provisions of this Section 611(viii) of this Master Indenture may be amended by the Authority, the Corporation, and the Trustee without the consent of or notice to any Bondholder. The Authority, the Corporation and the Trustee shall, however, give notice to any Credit Provider.

Deposits shall be made into each Series Interest Account, Principal Account, Redemption Account or Series Account of the Debt Service Reserve Fund pro rata in accordance with amounts due on each Series of Bonds or amounts necessary to restore each Series Account of the Debt Service Reserve Fund, as the case may be.

Section 612. Investment of Moneys. (a) Moneys in all Funds and Accounts shall be invested by the holder of such Fund or Account as soon as practicable upon receipt in Permitted Investments as directed in writing by an Authorized Representative of the Corporation; provided that (i) the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof, provided that for investments in the Debt Service Reserve Fund the maximum maturity shall be fifteen (15) years.

(b) For purposes of subsection (a) of this Section, moneys in the following Funds or Accounts shall be invested in Permitted Investments maturing or redeemable at the option of the holder, including the Trustee, of such Permitted Investments not later than the respective following dates: (i) Principal Account, the last Business Day of the then current Bond Year with respect to each applicable Series of Bonds set forth in the applicable Supplemental Indenture; (ii) Interest Account, the Business Day preceding the next Interest Payment Date with respect to the applicable Series; and (iii) Redemption Account, the Business Day preceding the next date on which Bonds of the applicable Series are to be redeemed.

(c) Investment of amounts in any Fund or Account shall be made in the name of such Fund or Account.

(d) Amounts credited to a Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Permitted Investment; provided, however, that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each Fund or Account for which the joint investment is

made, (ii) separate records are maintained for each Fund and Account and such investments are accurately reflected therein and (iii) amounts credited to the Construction Fund may not be invested together with amounts credited to any other Fund or Account.

(e) The Trustee may make any investment permitted by this Section through or with its own commercial banking or investment departments, unless otherwise directed by the Corporation.

(f) Except as otherwise specifically provided herein at Section 614(b) or in any Supplemental Indenture, in computing the amount in any Fund or Account, Permitted Investments purchased as an investment of moneys therein shall be valued on the opening of business on the first Business Day of June and December at the current market value thereof or at the redemption price thereof, if then redeemable, at the option of the holder, in either event inclusive of accrued interest.

(g) If Bonds are issued as Tax-Exempt Bonds, neither the Trustee, the Authority, nor the Corporation shall knowingly use or direct or permit the use of any moneys in any manner which would cause any Bond to be an "arbitrage bond" within the meaning ascribed to such term in Section 148 of the Code, or any successor section of the Code.

(h) Any transfer to or deposit in any Fund or Account required by this Master Indenture may be satisfied by transferring or depositing an investment with a market value equal to the required transfer or deposit in lieu of transferring or depositing cash.

Section 613. Liability of Trustee for Investments. The Trustee shall not be liable for any loss resulting from any investment made in accordance with the provision of this Article, so made, except for its own negligence or willful misconduct.

Section 614. Investment Income or Losses. Unless otherwise specified in the applicable Supplemental Indenture, (a) all investment income or losses on all Funds and Accounts shall be credited to the Fund or Account on which such amount was earned or lost.

(b) Investments in the Debt Service Reserve Fund shall be valued, at the lesser of market value or amortized cost as of the opening of business on the first Business Day of each June and December. Immediately after each such valuation,

any excess attributable to interest earnings and not needed to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement shall be transferred to the related Project Account or Capitalized Interest Account in the Construction Fund prior to completion of the related Project, and thereafter to the Revenue Fund. Any excess attributable to an increase in market value may be transferred to the Revenue Fund.

Section 615. Purchase Fund. The Trustee shall establish a separate Purchase Fund for any Series of Bonds that, pursuant to the Supplemental Indenture providing for issuance of such Bonds, is or may be subject to tender for purchase at the option of the Holders or mandatory tender for purchase. The Purchase Fund for a Series and the amounts deposited therein shall not be subject to the lien and pledge created by this Master Indenture but shall be held by the Trustee or Paying Agent, as applicable, for the benefit of tendering Holders of Bonds of such Series. Amounts in each Series Purchase Fund shall be held and disbursed as provided in the applicable Supplemental Indenture.

Section 616. Transfer of Excess Funds. Any amounts remaining in any Account of the Bond Fund or the Debt Service Reserve Fund for a Series of Bonds, after payment of the applicable Series of Bonds and reimbursement of the Credit Provider for any drawings on or payments under any applicable Credit Facility which were used to pay Principal Amount, Redemption Premium, if any, or Interest on such Bonds, the fees and expenses of the Trustee, the Paying Agent, and all other amounts required to be paid hereunder, shall be transferred to the General Purpose Fund to be used for any lawful purpose.

ARTICLE VII

GENERAL COVENANTS OF THE AUTHORITY

Section 701. Payment of Principal Amount and Interest; Pledge of Trust Estate; Negative Pledge; Unrelated Bonds; Annual No Default Certificate; Authority's Obligation Not to Create a General Liability. (a) The Authority covenants and agrees that it promptly will pay or cause to be paid the Principal Amount of, Redemption Premium, if any, and Interest on each Bond issued hereunder at the place, on the dates and in the manner provided herein and in the applicable Supplemental Indenture and in said Bond according to the terms thereof, but solely from the sources pledged to such payment or from such other sources as may lawfully be used for such payment.

(b) Without limiting the generality of the granting clauses set forth herein, as security for the payment of the Principal Amount of, Redemption Premium, if any, and Interest on the Bonds, the Authority hereby grants to the Trustee a pledge of and lien on the Trust Estate. Such pledge shall be valid and binding from and after the date hereof and all property constituting the Trust Estate shall immediately be subject to the lien of such pledge as and when received by the Authority or the Corporation, without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority.

(c) The Authority covenants and agrees that it will not create any pledge, lien or encumbrance upon, or permit any pledge, lien or encumbrance to be created on, the Trust Estate except for a pledge, lien or encumbrance subordinate to the pledge and lien granted hereby for the benefit of the Bonds. In addition, the Authority covenants not to issue any other obligations payable from Net Revenues and the Trust Estate or create any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Bonds, unless otherwise permitted by this Master Indenture.

(d) Each and every covenant herein made, including all covenants made by the various sections of this Article VII, is predicated upon the condition that any obligation for the payment of money incurred by the Authority, or for the taking of any action by the Authority (or the breach of any of the foregoing obligations) shall not constitute nor give rise to a pecuniary liability or a charge against its general credit. The Principal Amount, Redemption Premium, if any, and Interest, required to be paid at any time and any and all other charges and expenses of whatever nature shall be payable solely out of the revenues or other receipts, funds or moneys of the Authority specifically pledged to the payment thereof in the manner and to the extent in this Master Indenture specified and nothing in the Bonds or in this Master Indenture shall be considered as pledging any other revenues, receipts, funds, moneys or assets of the Authority. THE BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN A SPECIAL OBLIGATION OF THE AUTHORITY) AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS OR THE INTEREST THEREON. THE AUTHORITY HAS NO TAXING POWER.

(e) The Authority shall deliver to the Trustee within one hundred twenty (120) days after the close of each Fiscal

Year of the Authority, a certificate signed by an Authorized Representative stating that during such Fiscal Year of the Authority, and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Authority has taken, is taking or proposes to take with respect thereto.

Section 702. Performance of Covenants. The Authority covenants that it faithfully will perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Bond executed, authenticated and delivered hereunder and in all proceedings of the Authority pertaining thereto.

Section 703. Instruments of Further Assurance. The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Trustee reasonably may require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee the Authority's interest in and to the Trust Estate and all other property that is conveyed, pledged or assigned to secure or provide for the payment of the Principal Amount, Redemption Premium, if any, and Interest on the Bonds in the manner and to the extent contemplated herein or therein.

Section 704. Tax Covenants. Except to the extent modified with respect to any Series of Bonds in the applicable Supplemental Indenture, and except where the Authority has issued Taxable Bonds, the Authority covenants as follows:

(a) The Authority will not knowingly make use of the proceeds of any Series of Bonds, or permit any use of the Projects, or take any action or permit any other action to be taken with respect to the Projects, that would (i) result in the Bonds' being classified as "arbitrage bonds" within the meaning of Section 148 of the Code, or (ii) affect adversely the exclusion from gross income of Interest on such Series of Bonds for federal income tax purposes and, if applicable, the non-tax preference status of such Interest for federal alternative minimum income tax purposes.

(b) The Authority shall comply with covenants with respect to the use of proceeds of Bonds and the use of the

Projects as provided in the applicable Supplemental Indenture or other document.

Section 705. Other Covenants. The Authority covenants that so long as Bonds are outstanding, it will not withdraw moneys from any Funds or Accounts unless specifically authorized to do so and that it will maintain its corporate existence and the corporate existence of the Corporation.

ARTICLE VIII

GENERAL COVENANTS OF THE CORPORATION

Section 801. Pledge of Net Revenues; Negative Pledge; Annual No Default Certificate. (a) The Corporation hereby grants to the Trustee a pledge of and lien on the Net Revenues. Such pledge shall be valid and binding from and after the date hereof and all Net Revenues shall immediately be subject to the lien of such pledge as and when received by the Corporation without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation.

(b) The Corporation covenants and agrees that it will not create any pledge, lien or encumbrance upon, or permit any pledge, lien or encumbrance to be created on Net Revenues, except for a pledge, lien or encumbrance subordinate to the pledge and lien granted hereby for the benefit of the Bonds, provided, however, notwithstanding the provisions of this paragraph (b), the Corporation may incur capitalized lease obligations or other forms of indebtedness secured by purchase money security interests or other liens for the acquisition of equipment to be used in the ordinary course of business up to an amount in any Fiscal Year of the Corporation not exceeding \$50,000, or in a total principal amount which at the time incurred does not, together with the principal amount of all other capitalized leases and purchase money indebtedness then outstanding exceed \$250,000 at any one time.

(c) Each and every covenant herein made, including all covenants made by the various sections of this Article VIII, is predicated upon the condition that any obligation for the payment of money incurred by the Corporation, or for the taking of any action by the Corporation (or the breach of any of the foregoing obligations) shall not constitute nor give rise to a pecuniary liability or a charge

against its general credit. The Principal Amount, Redemption Premium, if any, and Interest, required to be paid at any time and any and all other charges and expenses of whatever nature shall be payable solely out of the revenues or other receipts, funds or moneys of the Corporation specifically pledged to the payment thereof in the manner and to the extent in this Master Indenture specified and nothing in the Bonds or in this Master Indenture shall be considered as pledging any other revenues, receipts, funds, moneys or assets of the Corporation. THE BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN A SPECIAL OBLIGATION OF THE AUTHORITY) AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS OR THE INTEREST THEREON. THE CORPORATION HAS NO TAXING POWER.

(d) The Corporation shall deliver to the Trustee and the Authority, within one hundred twenty (120) days after the close of each Fiscal Year of the Corporation, a certificate signed by an Authorized Representative stating that during such Fiscal Year of the Corporation, and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Corporation has taken, is taking or proposes to take with respect thereto.

Section 802. Performance of Covenants. The Corporation covenants that it faithfully will perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Loan Agreement executed, authenticated and delivered hereunder and in all proceedings of the Corporation pertaining thereto.

Section 803. Instruments of Further Assurance. The Corporation covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Trustee reasonably may require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee the Corporation's interest in and to the Net Revenues and all other property that is conveyed, pledged or assigned to secure or provide for the payment of the Principal Amount, Redemption

Premium, if any, and Interest on the Bonds in the manner and to the extent contemplated herein or therein.

Section 804. Rate Covenant. (a) The Corporation covenants and agrees that it will take all lawful and available measures to fix and adjust from time to time the rentals, rates, fees and other charges for the use of the Airports calculated to be at least sufficient to produce Amounts Available to Pay Debt Service to provide for the greater of either:

(i) The amounts needed for making the required deposits in the Fiscal Year of the Corporation, to the Principal Accounts, the Interest Accounts, the Redemption Accounts, the Debt Service Reserve Fund, the Repair and Rehabilitation Fund, and (to the extent not otherwise paid from other legally available funds of the Corporation) the Subordinated Indebtedness Fund; or

(ii) An amount not less than 125% of the aggregate Annual Debt Service with respect to Outstanding Bonds for such Fiscal Year of the Corporation.

(b) In any computation required by this Section, there shall be excluded from Net Revenues any capital gain resulting from any sale or revaluation of Permitted Investments. Nothing contained in this Section obligates the Corporation to take any action in violation of any applicable requirements imposed by law.

(c) The Corporation covenants that if, upon the receipt of the audit report for a Fiscal Year of the Corporation, the Amounts Available to Pay Debt Service in such Fiscal Year of the Corporation are less than the amount specified in subsection (a) (i) or (ii) above of this Section, the Corporation will take all lawful and available measures to revise the schedule of rentals, rates, fees and charges for the use of the Airports so as to generate Amounts Available to Pay Debt Service in the amounts specified in subsection (a) (i) or (ii) of this Section in the Fiscal Year of the Corporation following the Fiscal Year of the Corporation covered by such audit report.

(d) In the event that Amounts Available to Pay Debt Service for any Fiscal Year of the Corporation are less than the amount specified in subsection (a) (i) or (ii) of this Section, but the Corporation promptly has taken in the next Fiscal Year of the Corporation all available lawful measures to revise the schedule of rentals, rates, fees and charges for the

use of the Airports so as to generate amounts required by subsection (c) of this Section, there shall be no Event of Default. Nevertheless, if after taking the measures required by subsection (c) of this Section to revise the schedule of rentals, rates, fees and charges for use of the Airports, Amounts Available to Pay Debt Service in the Fiscal Year of the Corporation during which such adjustments are required to be made (as evidenced by the audit report for such Fiscal Year of the Corporation) are less than the amount specified in subsection (a) (i) or (ii) of this Section there shall be an Event of Default pursuant to Section 901(e) hereof.

Section 805. Management of Airports. The Corporation will not take, or allow any person to take, any action which would cause the Administrator of the Federal Aviation Administration, Department of Transportation, or any successor to the powers and authority of such Administrator, to suspend or revoke the Airports' operating certificates issued under the Federal Aviation Act of 1958, or any successor statute. The Corporation will comply with all acts, including the Federal Aviation Act, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to the Airports unless the same shall be contested in good faith, all to the end that the Airports will remain in operation at all times.

Section 806. Operation and Maintenance of Airports. The Corporation covenants that it will operate and maintain the Airports as revenue producing enterprises in accordance with the Act. The Corporation will make such repairs to the Airports as shall be necessary or appropriate in the prudent management thereof. The Corporation covenants that it will operate and maintain the Airports in a manner which will entitle it at all times to charge and collect fees, charges and rentals in accordance with the Airline Agreements, the Lease Agreement, or as otherwise permitted by law, and shall take all reasonable measures permitted by law to enforce prompt payment to it of such fees, charges and rentals when and as due. The Corporation will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon the Airports or upon any part thereof, or upon the revenues from the operation thereof, when the same shall become due, as well as any lawful claim for labor, materials, or supplies which, if unpaid, might by law become a lien or charge upon the Airports or such revenues, or which might impair the security of the Bonds.

Section 807. Airline Agreements. The Corporation covenants that it will not amend or terminate the Airline

Agreements in any manner which would impair the ability of the Corporation to comply with this Master Indenture, including, without limitation, Section 804.

Section 808. Maintenance of Powers; Retention of Assets. (a) The Corporation covenants that it will use its best efforts to keep the T. F. Green Airport open for landings and takeoffs of aircraft using facilities similar to those at T. F. Green Airport and to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the Bonds or any other obligation secured hereby or the performance or observance of any of the covenants herein contained.

(b) The Corporation covenants that it will not dispose of assets necessary to operate the Airports in the manner and at the levels of activity required to enable it to perform its covenants contained herein.

Section 809. Insurance. The Corporation shall at all times carry insurance or cause insurance to be carried with a responsible insurance company or companies authorized and qualified under the laws of any state of the United States of America to assume the risk thereof, covering such properties of the Airports as are customarily insured, and against loss or damage from such causes as are customarily insured against, by enterprises engaged in a similar type of business.

Section 810. Financial Records and Statements. The Corporation shall maintain proper books of record and accounts, in which full and correct entries shall be made in accordance with generally accepted accounting principles, of all its business and affairs. The Corporation shall have an annual audit made by independent certified public accountants of recognized standing and shall within one hundred twenty (120) days after the end of each Fiscal Year of the Corporation furnish to the Trustee copies of the balance sheet of the Corporation as of the end of such Fiscal Year of the Corporation and complete audited financial statements of the Corporation for such Fiscal Year, all in reasonable detail.

Section 811. Tax Covenants. Except to the extent modified with respect to any Series of Bonds in the applicable Supplemental Indenture, and except where the Authority has issued Taxable Bonds, the Corporation covenants as follows:

(a) The Corporation will make no use of the proceeds of any Series of Bonds, or permit any use of a Project, or take

any action or permit any other action to be taken with respect to a Project, that would (i) result in the Bonds' being classified as "arbitrage bonds" within the meaning of Section 148 of the Code, or (ii) affect adversely the exclusion from gross income of Interest on such Series of Bonds for federal income tax purposes and, if applicable, the non-tax preference status of such Interest for federal alternative minimum income tax purposes.

(b) The Corporation shall comply with covenants with respect to the use of proceeds of Bonds and the use of the Project as provided in the applicable Supplemental Indenture or other document.

Section 812. Annual Budget. The Corporation shall, for each Fiscal Year of the Corporation, take such actions as may be required of it to prepare and adopt an annual budget in accordance with applicable law including the Act and shall submit such annual budget to the Authority, in timely fashion. If, for any reason, the Corporation is prevented or precluded from adopting an annual budget it shall nonetheless take such action as may be required to permit it to obligate and expend moneys for debt service on Outstanding Bonds and obligations and expenditures for previously authorized capital expenditures committed or encumbered, T.F. Green Operation and Maintenance Expenses and Outlying Airports' Operation and Maintenance Expenses.

Section 813. Covenant re: Grants

The Corporation covenants that it will not take, or allow any person to take, any action which could cause the Corporation to lose the right to receive any grant-in-aid.

ARTICLE IX

DEFAULT AND REMEDIES

Section 901. Events of Default. Each of the following is hereby declared an "Event of Default" hereunder:

(a) if payment in respect of any installment of Interest on any Bond shall not be made in full when the same becomes due and payable;

(b) if payment in respect of the Principal Amount of any Bond shall not be made in full when the same becomes due and payable, whether at maturity or by proceedings for redemption or otherwise;

(c) if the Authority shall fail to observe or perform any covenant or agreement on its part under this Master Indenture, other than the covenant or agreement set forth in Section 804(d), for a period of sixty (60) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Authority and the Corporation by the Trustee, or to the Authority, the Corporation and the Trustee by the holders of at least 25% in aggregate principal amount of Bonds Outstanding; provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the sixty (60) days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Authority has taken active steps within the sixty (60) days after written notice has been given to remedy the failure and is diligently pursuing such remedy;

(d) if the Corporation is required pursuant to Section 804(c) to take measures to revise the schedule for rentals, rates, fees and changes for the use of the Airports and Net Revenues in the Fiscal Year of the Corporation in which such adjustments are made are less than that amount specified in Section 804(a);

(e) if the Corporation shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the federal Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; and

(f) an event of default occurs under the Loan Agreement that is not cured.

Section 902. No Acceleration. There shall be no rights of acceleration with respect to the Bonds.

Section 903. Remedies and Enforcement of Remedies.

(a) Subject to the provisions of Section 913, upon the occurrence and continuance of any Event of Default with respect to a Series of Bonds, the Trustee may or, upon the written request of the Holders of not less than 25% in an aggregate

Principal Amount of the Bonds of such Series, together with indemnification of the Trustee to its satisfaction therefore shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders hereunder and under the Act and such Bonds by such suits, actions or proceedings, as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Civil action to recover money or damages due and owing;

(ii) Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of such Bonds; and

(iii) Enforcement of any other rights of such Bondholders conferred by law, including the Act, or hereby, including, without limitation, by suit, action, injunction, mandamus or other proceedings to enforce and compel the performance by the Authority or the Corporation of actions required by the Act or this Master Indenture, including the fixing, changing and collection of the fees or other charges.

(b) Subject to the provisions of Section 913, regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 25% in aggregate Principal Amount of the Bonds, shall upon being indemnified to its satisfaction therefore, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts or omissions to act which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions hereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Bonds of each Series not making such request.

(c) Notwithstanding anything else in this Section, the remedies herein provided for with respect to reaching Funds or Accounts hereunder shall be limited to the Funds or Accounts hereunder pledged to the applicable Series of Bonds with respect to which an Event of Default exists.

Section 904. Application of Revenues and Other Moneys After Default. During the continuance of an Event of Default with respect to any Series of Bonds, all moneys held and received by the Trustee with respect to such Series of Bonds pursuant to any right given or action taken under the

provisions of this Article shall, after payment of the costs and expenses of the proceedings which result in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be applied according to the accrued debt service deposits or payments with respect to each such Series as follows provided, however, that any money drawn under a Credit Facility, if any, and amounts held in Accounts in the Bond Fund and the Debt Service Reserve Fund shall be applied solely to pay Interest or the Principal Amount, as applicable, on the related Series of Bonds:

(a) Unless the Principal Amount of all such Outstanding Bonds shall have become due and payable:

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

Second: To the payment to the persons entitled thereto of the unpaid Principal Amounts of any such Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions hereof), whether at maturity or by proceedings for redemption or otherwise pursuant to the terms of the Supplemental Indenture providing for the issuance of such Bond, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds of such Series due on any date, then to the payment thereof, ratably, according to the Principal Amounts due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the Principal Amount of all such Outstanding Bonds shall have become due and payable, to the payment of the Principal Amount and Interest then due and unpaid upon such Bonds without preference or priority of Principal Amount over Interest or of Interest over Principal Amount, or of any installment of Interest over any other installment of Interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for Principal Amount and Interest, to the persons entitled thereto without any discrimination or preference.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall

be applied by it at such times, and from time to time, as the Trustee shall determine in accordance with this Master Indenture, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date Interest on the Principal Amounts to be paid on such dates shall cease to accrue if so paid. The Trustee shall give such notice as it may deem appropriate in accordance with this Master Indenture of the deposit with it of any such money and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation or destruction if fully paid.

Whenever all Bonds and Interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, and each Credit Provider, if any, has been reimbursed for all amounts drawn under the applicable Credit Facility, if any, and used to pay the Principal Amount, Redemption Premium, if any, and Interest on the Bonds and no Credit Facility shall be outstanding, any balance remaining shall be paid first to such Credit Provider to the extent any other amounts, including fees, are then owing to such Credit Provider under the applicable Reimbursement Agreement, then the balance shall be paid to the Corporation or as a court of competent jurisdiction may direct.

Section 905. Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Trustee or the Bondholders or any Credit Provider is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute, including the Act, on or after the date hereof.

Section 906. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee may be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 904, any recovery

or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

Section 907. Control of Proceedings. (a) If an Event of Default shall have occurred and be continuing, the Holders of a majority in aggregate Principal Amount of Bonds of such Series then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee to direct the method and place of conducting any proceeding to be taken with respect to funds or assets solely securing such Series in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Trustee as provided herein) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders of each Series of Bonds not joining in such direction and provided further than nothing in this Section shall impair the right of the Trustee, in its discretion, to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Bondholders.

(b) If an Event of Default with respect to all Series of Bonds shall have occurred and be continuing, the Holders of a majority in aggregate Principal Amount of all Bonds then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee to direct the method and place of conducting any proceeding to be taken with respect to Net Revenues or other assets securing all Bonds in connection with enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Trustee as provided herein) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders not joining in such direction and provided further than nothing in this Section shall impair the right of the Trustee, in its discretion, to take any other action hereunder which it may deem proper in accordance with this Master Indenture and which is not inconsistent with such direction by Bondholders.

Section 908. Individual Bondholder Action Restricted. (a) No Holder of any Bond of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder unless:

(i) An Event of Default has occurred with respect to such Series (A) under subsection (a) or (b) of

Section 901 of which the Trustee is deemed to have notice, or (B) under subsection (c), (d), (e) or (f) of Section 901 as to which a Responsible Officer has actual knowledge or as to which the Trustee has been notified in writing by the Authority;

(ii) The Holders of at least 25% in aggregate Principal Amount of Bonds then Outstanding shall have made written request to the Trustee to exercise the powers granted herein or to institute such action, suit or proceeding in its own name;

(iii) such Bondholders shall have offered the Trustee indemnity as provided in Section 1002;

(iv) the Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity; and

(v) during such 60-day period no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a majority in aggregate Principal Amount of Bonds of such Series then Outstanding in accordance with Section 907.

(b) No one or more Holders of Bonds of such Series shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds of such Series then Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond of such Series (i) to receive payment of the Principal Amount of or Interest on such Bond on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond of such Series may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the moneys, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Bonds of such Series.

Section 909. Termination of Proceedings. In case any proceeding taken by the Trustee on account of an Event of

Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or to the Bondholders, then the Authority, the Corporation, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

Section 910. Waiver of Event of Default. (a) No delay or omission of the Trustee, of any Holder of the Bonds or, if provided by Supplemental Indenture, any Credit Provider, to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee, the Holders of the Bonds and, if provided by Supplemental Indenture, any Credit Provider, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Trustee, with the consent of any Credit Provider, if provided by Supplemental Indenture (provided, however, that such Credit Provider's consent may be required only in connection with an Event of Default on a Series of Bonds with respect to which such Credit Provider is providing a Credit Facility), may waive any Event of Default with respect to the Bonds, that in its opinion, shall have been remedied at any time, regardless of whether any suit, action or proceeding has been instituted, before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) Notwithstanding anything contained herein to the contrary, the Trustee, upon the written request of (i) the Credit Provider, if any, if provided by Supplemental Indenture, with respect to an Event of Default which applies only to the related Series of Bonds, (ii) Holders of at least a majority of the aggregate Principal Amount of Bonds of a Series then Outstanding with respect to any Event of Default which applies only to such Series, with the consent of the applicable Credit Provider, if any, if provided by Supplemental Indenture or (iii) Holders of at least a majority of the aggregate Principal Amount of Bonds then Outstanding with respect to any Event of Default which applies to all Bonds, shall waive any such Event of Default hereunder and its consequences; provided, however, that a default in the payment of the Principal Amount of, Redemption Premium, if any, or Interest on any such Bond, when the same shall become due and payable by the terms thereof or

upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds then Outstanding of such Series to which an event of Default applies and any consent of the applicable Credit Provider, if any, if provided by Supplemental Indenture.

(d) In case of any waiver by the Trustee of an Event of Default hereunder, the Authority, the Corporation, the Trustee, the Bondholders and, if provided by Supplemental Indenture, the Credit Provider shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to any one for waiving or refraining from waiving any Event of Default in accordance with this Section.

Section 911. Notice of Default. (a) Promptly, but in any event within thirty (30) days after (i) the occurrence of an Event of Default with respect to a Series of Bonds under Section 901(a) or (b), of which the Trustee hereby is deemed to have notice or (ii) receipt, in writing or otherwise, by a Responsible Officer of actual knowledge or notice of an Event of Default with respect to a Series of Bonds under Section 901(c), (d), (e) or (f), the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Holder of Bonds of such Series then Outstanding, provided that, except in the case of a default in the payment of Principal Amounts, the Redemption Premium of or Interest on any of the Bonds of such Series, the Trustee may withhold such notice to such Holders if, in its sole judgment in accordance with this Master Indenture, it determines that the withholding of such notice is in the best interest of the Holders of such Series of Bonds.

(b) The Trustee shall promptly notify the Authority, the Corporation and any Credit Provider, if provided by Supplemental Indenture, of (i) the occurrence of an Event of Default under Section 901(a) or (b), and (ii) when any Responsible Officer has received actual knowledge or notice from the Authority, in writing or otherwise, of an Event of Default under Section (901) (c), (d), (e) or (f).

Section 912. Limitations on Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Bondholders which lawfully may be granted under the provisions of the Act, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled as above set forth, to

every other right and remedy provided in this Master Indenture and by law.

Section 913. Credit Providers to Control Remedies.

While a Credit Facility with respect to a Series of Bonds is in effect, notwithstanding anything else herein to the contrary, a Supplemental Indenture may provide that no right, power or remedy hereunder with respect to such Series of Bonds may be pursued without the prior written consent of such Credit Provider and a Supplemental Indenture may provide that the Credit Provider shall have the right to direct the Trustee to pursue any right, power or remedy available hereunder with respect to any assets available hereunder which secure the Series of Bonds secured by such Credit Facility, including, without limitation, any right, power or remedy with respect to Net Revenues or other assets securing all Bonds on a pro rata basis.

Section 914. Inconsistent or Lack of Directions in Default. Notwithstanding anything else herein to the contrary, if any applicable Credit Providers or Holders of separate Series in Default do not direct remedies or proceedings to be taken pursuant to this Article, the Trustee shall take whatever action, if any, pursuant to Section 906 it deems to be in the best interest of Bondholders without regard to the existence of any Credit Facility that may exist with respect to any or all Bonds.

ARTICLE X

THE TRUSTEE

Section 1001. Acceptance of Trust; General. By execution hereof or by authenticating one or more Bonds, the Trustee shall evidence its acceptance of the powers, duties and obligations of the Trustee only as are specifically set forth herein. The Trustee shall have no duty, responsibility or obligation for the issuance of Bonds or for the validity or exactness hereof, or of any other document relating to such issuance. The Trustee shall have no duty, responsibility or obligation for the payment of Bonds except for payment in accordance with the terms and provisions hereof from, and to the extent of, funds which are held in trust by the Trustee for the purpose of such payment.

Prior to an Event of Default and after the curing or waiving of all Events of Default which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. The Trustee shall

have no liability for any act or omission to act hereunder, or under any other instrument or document executed pursuant hereto except for the Trustee's own negligent action, its own negligent failure to act, or its own willful misconduct. The duties and obligations of the Trustee shall be determined solely by the express provisions hereof, and no implied powers, duties, or obligations of the Trustee shall be read into this Master Indenture.

During an Event of Default, the Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Trustee, except as may result from its own negligent action, its own negligent failure to act, or its own willful misconduct.

Notwithstanding any other provision hereof, the Trustee shall have no liability for any (a) error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or (b) action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in Principal Amount of Bonds then Outstanding (subject to the right of the Credit Provider to direct or control) then existing relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee hereunder.

Section 1002. Trustee Not Required to Take Action Unless Indemnified. Except as expressly required herein (including the requirements of the next sentence) the Trustee neither shall be required to institute any suit or action or other proceeding in which it may be a defendant, nor to take any steps to enforce its rights and expose it to liability, nor shall the Trustee be deemed liable for failure to take any such action, unless and until it shall have been indemnified, to its reasonable satisfaction, against any and all reasonable costs, expenses, outlays, counsel and other fees, other disbursements, including its own reasonable fees and against all liability and damages. The Trustee nevertheless, may begin suit, or appear in and defend suit, or do anything else which in its judgment

is proper to be done by it as the Trustee, without prior assurance of indemnity, and in such case the Authority or the Corporation shall reimburse the Trustee for all reasonable costs, expenses, outlays, counsel and other fees, and other reasonable disbursements including its own fees, and for all liability and damages suffered by the Trustee in connection therewith, except for the Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. If the Trustee begins, appears in or defends such a suit, the Trustee shall give reasonably prompt notice of such action to the Authority and the Corporation and shall give such notice prior to taking such action if possible. If the Authority or the Corporation shall fail to make such reimbursement, the Trustee may reimburse itself for costs and expenses in accordance with Section 904.

Section 1003. Employment of Experts. The Trustee is hereby authorized to employ as its agents such attorneys at law, and other qualified independent consultants (who are not employees of the Trustee), as it may deem necessary, to carry out any of its obligations hereunder, and shall be reimbursed by the Authority or the Corporation for all reasonable expenses and charges in so doing. The Trustee shall not be responsible for any misconduct or negligence of any such agent appointed with due care by the Trustee.

Section 1004. Enforcement of Performance by Others. It shall not be the duty of the Trustee, except as herein specifically provided, to seek the enforcement of any duties and obligations herein imposed upon the Authority or the Corporation.

Section 1005. Right to Deal in Bonds and Take Other Actions. The Trustee may in good faith buy, sell or hold and deal in any Bonds with like effect as if it were not such Trustee and may commence or join in any action which a Holder is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof is to be construed to limit or restrict the right of the Trustee to engage in such business with the Authority, the Corporation, or any Holder. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required hereby, constitute a breach of trust on the part of the Trustee.

Section 1006. Removal and Resignation of Trustee. The Trustee may resign at any time. Written notice of such resignation shall be given to the Authority and the Corporation

and such resignation shall take effect upon the appointment and qualification of a successor Trustee. In the event a successor Trustee has not been appointed and qualified within sixty (60) days after the date notice of resignation is given, the Trustee, the Authority or the Corporation may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

In addition, the Trustee may be removed at any time by the Authority or the Corporation but only for cause by Supplemental Indenture so long as (a) no Event of Default shall have occurred and be continuing and (b) the Authority or the Corporation determines, in such Supplemental Indenture, that the removal of the Trustee shall not have an adverse effect upon the rights or interests of the Bondholders.

In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the Authority or the Corporation shall be entitled to appoint a successor Trustee. In such event, the successor Trustee shall cause notice to be mailed to the Holders of all Bonds then Outstanding in such manner deemed appropriate by the Authority and the Corporation. If the Trustee resigns, the resigning Trustee shall pay for such notice. If the Trustee is removed, is dissolved, or otherwise becomes incapable of acting as Trustee, the Corporation shall pay for such notice.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall be a trust company or bank having the powers of (a) a trust company as to trusts, qualified to do and doing trust business within or without the State of Rhode Island and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least \$25,000,000.

Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority and the Corporation an instrument, in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it

may have to the successor Trustee. The predecessor Trustee promptly shall deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Each successor Trustee, not later than ten (10) days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Holder of a registered Bond.

Section 1007. Proof of Claim. The Trustee shall have the right and power to act in its name or in the name and place of the Authority, the Corporation, or Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered by the Trustee as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim shall be for the equal benefit of all the Holders of Bonds Outstanding.

Section 1008. Trustee's Fees and Expenses. The Corporation hereby agrees to pay fees to and expenses of the Trustee for its services hereunder as agreed to by the Authority, the Corporation, and the Trustee pursuant to the terms of a separate agreement. Any provision hereof to the contrary notwithstanding, if the Corporation fails to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any surplus moneys on hand in any Project Account held by it, other than any amounts in the Bond Fund.

Section 1009. Reliance Upon Documents. In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon and shall be protected in acting or refraining from acting in reliance upon any document, including but not limited to any resolution certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper officials of the Authority, the Corporation, the Holders or agents or attorneys of the Holders; provided, however, in the case of any such document specifically required to be furnished to the Trustee hereby, the Trustee shall be under a duty to examine the same to determine whether it conforms to the requirements hereof. The Trustee shall not be bound to make any investigation into the facts or matters stated in any

resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document submitted to the Trustee; provided, however, the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may deem prudent. Whenever in the administration hereof, the Trustee shall deem it desirable that a matter be proven or established prior to taking or not taking any action hereunder, the Trustee (unless other evidence be specifically prescribed herein) may rely upon any document provided for in this Master Indenture.

Except where other evidence is required hereby, any request of direction of the Authority or the Corporation mentioned herein shall be sufficiently evidence by a certified copy of such request executed by an Authorized Representative.

Section 1010. Recitals and Representations. The recitals, statements and representations contained herein or in any Bond shall be taken and construed as made by and on the part of the Authority and the Corporation and not by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same other than the Trustee's certification of authentication of any Bonds as to which it is Authenticating Agent.

The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. The Trustee shall not be responsible or liable for any loss suffered in connection with the investment of any funds made by it in accordance with the provisions hereof. Except with respect to Events of Default described in Section 901(a) and (b) hereof, the Trustee shall have no duty of inquiry with respect to any default which constitutes or with notice or lapse of time or both would constitute an Event of Default without actual knowledge of a Responsible Officer or receipt by the Trustee of written notice of a default which constitutes or with notice or lapse of time or both would constitute an Event of Default from the Authority, the Corporation or any Holder.

Section 1011. Destruction of Bonds. Upon payment of or surrender to the Trustee for cancellation of any Bond, the

Trustee shall destroy or register the cancellation of such Bond. At least annually the Trustee shall deliver a certificate of such destruction or cancellation to the Authority and the Corporation. Upon surrender of any Bond to a Paying Agent for payment, such Bond shall be cancelled by the Paying Agent and delivered to the Trustee for destruction or register of cancellation.

Section 1012. Reports. The Trustee shall prepare and submit to the Authority and the Corporation monthly reports covering all moneys received and all payments, expenditures and investments made as the Trustee hereunder since the last previous such report.

Section 1013. Paying Agent, Authenticating Agent and Registrar. The Authority and the Corporation may appoint a Paying Agent, an Authenticating Agent and a Registrar with respect to a Series of Bonds in the Supplemental Indenture pursuant to which such Series is issued. The Trustee may serve as Paying Agent, Authenticating Agent and Registrar. Each Paying Agent, Authenticating Agent and Registrar shall (i) designate to the Trustee its principal office and (ii) signify its acceptance of the duties and obligations imposed upon it hereunder and under such Supplemental Indenture by written instrument of acceptance delivered to the Authority and the Trustee. The Trustee is, in addition, authorized and directed to enter into an agreement with each Paying Agent as to such Paying Agent's rights and duties (the "Paying Agent Agreement").

Each Paying Agent shall exercise its duties in accordance with the terms of and shall have the protection provided to the Trustee in this Master Indenture.

If any Paying Agent, Authenticating Agent or Registrar shall resign or be removed, the Authority and the Corporation shall designate a successor. If the Authority shall designate a successor, then upon the Trustee's receipt of the written designation and the written acceptance of such designated successor, such entity shall thereupon, without further action by the Authority, be appointed as successor Paying Agent, Authenticating Agent and Registrar.

In the event that any Paying Agent, Authenticating Agent or Registrar shall resign or be removed, or be dissolved, or if the property or affairs of any Paying Agent, Authenticating Agent or Registrar shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason,

and no successor shall have been appointed, the Trustee shall, ipso facto be deemed to be any Paying Agent, Authenticating Agent or Registrar, until the appointment of a successor.

Any corporation into which any Paying Agent, Authenticating Agent or Registrar may be merged or converted or with which it may be consolidated, or any corporation resulting from any such merger, consolidation or conversion, or succeeding to the corporate trust business of Paying Agent, Authenticating Agent or Registrar, shall be the successor for the Paying Agent, the Authenticating Agent and the Registrar if such successor corporation is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Trustee or the entity serving as Paying Agent, the Authenticating Agent and the Registrar or such successor corporation.

Section 1014. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Bondholders. The Authority, the Corporation, and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more Supplemental Indentures for one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission herein;

(b) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder that shall not materially adversely affect the interest of the Holders;

(c) to grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(d) to secure additional moneys or provide additional security or reserves for payment of the Bonds;

(e) to preserve the excludibility of Interest on any Bonds from gross income for purpose of federal income taxes, or to change the tax covenants set forth in Section 704 or 811, pursuant to an Opinion of Bond Counsel that such action will not affect adversely such excludibility;

(f) to provide for the issuance of, and to set the terms and details of, each Series of Bonds hereunder, including covenants and provisions included therein which do not violate the terms of this Master Indenture;

(g) to remove the Trustee in accordance with the second paragraph of Section 1006;

(h) to add requirements the compliance with which is required by a Rating Agency in connection with issuing a rating with respect to any Series of Bonds; and

(i) to amend Section 611 (viii) hereof.

Section 1102. Supplemental Indentures Requiring Consent of Bondholders. (a) Other than Supplemental Indentures referred to in Section 1101 and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Holders of not less than a majority in aggregate Principal Amount of the Bonds of each Series may consent to or approve, from time to time, which consent to or approval shall be in writing anything contained herein to the contrary notwithstanding, the execution by the Authority, the Corporation and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Authority or the Corporation for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions with respect to such Series contained in this Master Indenture; provided, however, nothing in this Section shall permit or be construed as permitting a Supplemental Indenture which would:

(i) extend the stated maturity of or time for paying the Interest on any Bond or reduce the Principal Amount of or the Redemption Premium or rate of Interest payable on any Bond without the consent of the Holder of such Bond;

(ii) prefer or give a priority to any Bond over any other Bond without the consent of the Holder of each Bond then Outstanding not receiving such preference or priority; or

(iii) reduce the aggregate Principal Amount of Bonds then Outstanding the consent of the Holders of which is required to authorize such Supplemental Indenture without the consent of the Holders of all Bonds then Outstanding.

(b) If at any time the Authority, upon application to it from the Corporation, shall request the Trustee to enter into a Supplemental Indenture pursuant to this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by first class mail, postage prepaid, to all Holders of Bonds of any affected Series then Outstanding at their addresses as they appear on the Register. The Trustee, however, shall not be subject to any liability to any Bondholder by reason of its failure to mail, or the failure of such Bondholder to receive, the notice required by this Section, and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section. Such notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the office of the Trustee for inspection by all Bondholders.

(c) If within such period, not exceeding three (3) years, as shall be prescribed by the Authority and the Corporation, following the first giving of a notice as provided in (b) above, the Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate Principal Amount specified in subsection 1102(a) for the Supplemental Indenture in question which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such Supplemental Indenture in substantially such form, without liability or responsibility to any Holder of any Bond, regardless of whether such Holder shall have consented thereto.

Any such consent shall be binding upon the Holder of the Bond giving such consent and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (regardless of whether such subsequent Holder thereof has

notice thereof), unless such consent is revoked in writing by the Holder of such Bond giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the execution by the Trustee of such Supplemental Indenture, such revocation. At any time after the Holders of the required Principal Amount shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Authority a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(d) If the Holders of the required Principal Amount of the Bonds Outstanding shall have consented to and approved the execution of such Supplemental Indenture as herein provided, no Holder of any Bond shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the Authority from executing the same or taking any action pursuant to the provisions thereof.

The consent of the Holders of any Series of Additional Bonds to be issued hereunder shall be deemed given if the underwriters or initial purchasers for resale consent in writing to such Supplemental Indenture and the nature of the amendment effected by such Supplemental Indenture is disclosed in the official statement or other offering document pursuant to which such Series of Additional Bonds is offered and sold to be public.

Section 1103. Credit Provider as Holder of the Bonds. Subject to anything contrary set forth in a Supplemental Indenture, as long as a Credit Facility securing all or a portion of the Bonds Outstanding is in effect, the Credit Provider to the extent so authorized in the applicable Supplemental Indenture, shall be deemed to be the Holder of the Bonds secured by the Credit Facility; (i) at all times for the purpose of the execution and delivery of the Supplemental Indenture or of any amendment, change or modification of this Master Indenture or the initiation by Bondholders of any action to be undertaken by the Trustee at the Bondholders' request, which under this Master Indenture requires the written approval or consent of or can be initiated by the Holders of at least a majority in aggregate principal amount of the Bonds at the time Outstanding, (ii) at all times for the purpose of the mailing of any notice to Bondholders under this Master Indenture, and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, a Credit Provider shall not be

deemed to be a Holder of the Bonds with respect to any such Supplemental Indenture or of any amendment, change or modification of this Master Indenture which would have the effect of permitting (i) a change in the terms of redemption or maturity of any Outstanding Bonds or of any installment of Interest thereon or (ii) a reduction in the Principal Amount or the Redemption Price thereof or in rate of Interest thereon or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment.

Section 1104. Execution and Effect of Supplemental Indentures. (a) In executing any Supplemental Indenture permitted by this Article, the Trustee shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Supplemental Indenture is authorized or permitted hereby. The Trustee may but shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplemental Indenture in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplemental Indenture shall form a part hereof for all purposes and every Holder of a Bond theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Bond authenticated and delivered after the execution and delivery of any Supplemental Indenture in accordance with this Article may, and if required by the Authority, the Corporation or the Trustee shall, bear a notation in form approved by the Authority, the Corporation and Trustee as to any matter provided for in such Supplemental Indenture. If the Authority or the Corporation shall so determine, new Bonds so modified as to conform in the opinion of the Trustee and the Authority to any such Supplemental Indenture may be prepared and executed by the authority and authenticated and delivered by the Trustee in exchange for and upon surrender of the Bonds then Outstanding.

ARTICLE XII

SATISFACTION AND DISCHARGE

Section 1201. Discharge. If payment of all the Principal Amount of, Redemption Premium, if any, and Interest on a Series of Bonds in accordance with their terms and as provided herein is made, or is provided for in accordance with this Article, and if all other sums payable by the Authority

hereunder with respect to such Series of Bonds shall be paid or provided for, then the liens, estates and security interests granted hereby shall cease with respect to such Series; provided, however, that the rebate provisions, if any, of the related Supplemental Indenture shall survive so long as there is any amount due to the federal government pursuant to the provisions of such Supplemental Indenture. Thereupon, upon the request of the Authority and the Corporation, and upon receipt by the Trustee of an Opinion of Counsel stating that all conditions precedent to the satisfaction and discharge as provided above of the lien hereof have been satisfied with respect to such Series of Bonds, the Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien hereof with respect to such Series of Bonds. If the lien hereof has been discharged with respect to all Series of Bonds, the Trustee shall transfer all property held by it hereunder, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the Bonds to the Corporation or such other person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection herewith.

The Authority may at any time surrender to the Trustee for cancellation any Bonds previously authenticated and delivered which the Authority at its option may have acquired in any manner whatsoever and such Bond upon such surrender and cancellation shall be deemed to be paid and retired.

Section 1202. Providing for Payment of Bonds.

Payment of the Bonds or any Series of Bonds may be provided for by the deposit with the Trustee of Defeasance Obligations. Payment of the Bonds or any Series of Bonds shall be so provided for when the aggregate of amounts in the applicable Account of the Debt Service Reserve Fund together with other amounts available for such purpose hereunder is sufficient to so provide. The maturing principal and interest income on such Defeasance Obligations if any, shall be sufficient and available to pay when the Principal Amount of, whether at maturity or upon fixed redemption dates, and Redemption Premium, if any, and Interest on such Bonds. The Defeasance Obligations shall be held by the Trustee irrevocably in trust for the Holders of such Bonds solely for the purpose of paying the Principal Amount Redemption Premium, if any, and Interest on such Bonds as the same shall mature or become payable upon prior redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable, to the Trustee as to

the dates upon which any such Bonds are to be redeemed prior to their respective maturities.

The Trustee shall receive an accountant's verification report as to the sufficiency of moneys and investments to provide for payment of a Series of Bonds in the case of a defeasance thereof.

If payment of a Series of Bonds is so provided for, the Trustee shall mail a notice so stating to each Holder of such Bond.

Bonds the payment of which have been provided for in accordance with this Section shall no longer be deemed Outstanding hereunder. The obligations of the Authority and the Corporation in respect of such Bonds shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the Defeasance Obligations deposited with the Trustee to provide for the payment of such Bonds.

No Bond may be so provided for if, as a result thereof or of any other action in connection with which the provision for payment of such Bond is made, the interest payable on any Bond with respect to which an Opinion of Bond Counsel has been rendered that such Interest is excluded from gross income for federal income tax purposes is made subject to federal income taxes. The Trustee shall receive and may rely upon an Opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Bonds.

Section 1203. Payment of Bonds After Discharge.

Notwithstanding the discharge of the lien hereof as in this Article provided, the Trustee nevertheless shall retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds, including pursuant to any sinking fund redemptions, and the registration, transfer, exchange and replacement of Bonds as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the Principal Amount of, Redemption Premium, if any, or Interest on any Bond remaining unclaimed for five years after such payment has become due and payable, or such other period provided by law, whether at maturity or upon proceedings for redemption, shall be disposed of pursuant to the provisions of Section 215. After discharge of the lien hereof, but prior to payment of such amounts to Holders or as provided pursuant to Section 215, the Trustee shall invest such amounts in Government Obligations

or pre-refunded municipal obligations described in paragraph (c) of the definition of Permitted Investments in Section 101 for the benefit of the Corporation, as directed in writing by the Corporation.

Section 1204. Variable Rate and Tender Bonds.

(a) For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Governmental Obligations and moneys, if any, in accordance with Section 1202 hereof, the Interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Variable Rate Ceiling; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such Variable Rate Ceiling for any period, the total amount of moneys and Government Obligations on deposit with the Trustee for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Rate Bonds in order to satisfy the provisions of Section 1202 above, the Trustee shall, if requested by the Corporation, pay promptly the amount of such excess to the Corporation free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Master Indenture.

(b) Tender Bonds shall be deemed to have been paid in accordance with Section 1202 hereof only if, in addition to satisfying the requirements thereof, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum Principal Amount and Redemption Price of and Interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to the provisions of Section 1202 above, the options originally exercisable by the Holders of Tender Bonds are no longer exercisable, such Bonds shall not be considered Tender Bonds for purposes of this Section. If any portion of the moneys deposited with the Trustee for the payment of the Principal Amount, Redemption Price of and Interest on Tender Bonds is not required for such purposes the Trustee shall, if requested by the Corporation, pay promptly the amount of such excess to the Corporation free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Master Indenture.

ARTICLE XIII

MISCELLANEOUS

Section 1301. Evidence of Acts of Bondholders. Any request, direction, consent or other instrument provided hereby to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Trustee and the Authority with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) 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 in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) The ownership of all Bonds shall be proved by the Register.

Nothing in this Section shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient.

Any action taken or suffered by the Trustee pursuant to any provision hereof, upon the request or with the assent of any person who at the time is the Holder of any Bond or Bonds shall be conclusive and binding upon all future Holders of the same Bond or Bonds.

Section 1302. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Holders of the Bonds and any Paying Agents, Registrars, Authenticating Agents and Credit Providers, if any, any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and provisions herein contained; this Master Indenture and all of the covenants,

conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Holders of the Bonds and any Paying Agents, Registrars, Authenticating Agents and Credit Providers, if any, as herein provided.

Section 1303. Notice to Rating Agencies. The Trustee hereby agrees that if at any time (a) the Authority shall redeem the entire Principal Amount of the Bonds Outstanding hereunder prior to maturity, (b) a successor Trustee is appointed hereunder, or (c) the Bondholders shall consent to any amendment to this Master Indenture or shall waive any provision of this Master Indenture then, in each case, the Trustee promptly will give notice of the occurrence of such event to each Rating Agency rating the Bonds, which notice in the case of an event referred to in clause (c) hereof shall include a copy of such amendment or waiver.

Section 1304. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Bonds issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 1305. Holidays. When the date on which principal of or interest or premium on any Bond is due and payable is a day which is not a Business Day, payment may be made on Bonds on the next Business Day with effect as though payment were made on the due date, and, if such payment is made, no interest shall accrue from and after such due date. When any other action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a business Day, it may be performed on the next Business Day with effect as though performed on the appointed day or within the specified period.

Section 1306. Governing Law. This Master Indenture and the Bonds are contracts made under the laws of the State of Rhode Island and shall be governed and construed in accordance with such laws.

Section 1307. Notices. (a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given

in writing, mailed by first class mail, postage prepaid and addressed as follows:

- (i) If to the Authority, addressed to:

Rhode Island Port Authority and
Economic Development Corporation
c/o Department of Economic Development
7 Jackson Walkway
Providence, Rhode Island 02903
Attention: Executive Director

- (ii) If to the Corporation, addressed to:

Rhode Island Airport Corporation
2000 Post Road
Warwick, Rhode Island 02886
Attention: Chairperson

- (iii) If to the Trustee, sent by registered or certified mail addressed to:

Rhode Island Hospital Trust National Bank
150 Royall Street, Mail Stop 45-02-15
Canton, Massachusetts 02021
Attn: Corporate Trust Administration

- (iv) If to the registered Holder of a Bond, addressed to such Holder at the address shown on the books of the Registrar kept pursuant hereto.

(b) The Authority and the Trustee may from time to time by notice in writing to all parties to this Master Indenture designate a different address or addresses for notice hereunder.

Section 1308. Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 1309. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future member, officer, employee, agent or consultant of the Authority, whether directly or indirectly and all such liability of any such individual is such as hereby expressly waived and released as a condition of

and in consideration for the execution hereof and the issuance of the Bonds.

Section 1310. Limited Liability; Immunity of Directors of the Authority. This Master Indenture does not pledge the general credit or taxing power of the State. No provision, covenant or agreement contained in this Master Indenture or in the Bonds or in any Additional Bonds or any obligations herein or therein imposed upon the Authority or the breach thereof, shall constitute or give rise to or impose upon the Authority a pecuniary liability or a charge against its general credit. In making the agreements, provisions and covenants set forth in this Master Indenture, the Authority has not obligated itself except with respect to the Trust Estate and the application of the revenues, income and all other property therefrom, as hereinabove provided.

The Authority is not nor are the directors of the Authority, the agents, attorneys or employees of the Authority, or their respective heirs, personal representatives or successors personally or generally liable in connection with any matter, cause or thing pertaining to this Master Indenture, or any instruments and documents executed and delivered by the Authority in connection with the Airport Project.

No covenant or agreement contained in this Master Indenture shall be deemed to be the covenant or agreement of any director, officer, attorney, agent or employee of the Authority in an individual capacity. No recourse shall be had for the payment of the Principal Amount of or premium (if any) or interest on, the Bonds or any claim based thereon against any officer, director, agent, attorney or employee of the Authority past, present or future, or its successors or assigns, as such, present or future, either directly or through the Authority, or any such successor corporation, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all of such liability of such directors, officers, agents, attorneys or employees, being hereby released as a condition of, and as a consideration for, the execution and delivery of this Master Indenture.

Section 1311. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein.

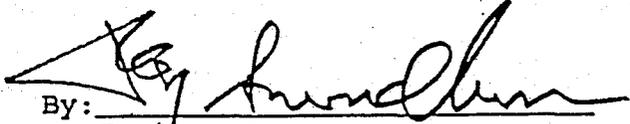
Section 1312. Resolution of Conflicts. To the extent that there may be a conflict among the provisions of this

Master Indenture or the Loan Agreement or any other documents executed in connection with the issuance of the Bonds and this Master Indenture, the Master Indenture shall govern, except as it has been modified or changed by the First Supplemental Indenture.

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers; and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

RHODE ISLAND PORT AUTHORITY
AND ECONOMIC DEVELOPMENT
CORPORATION

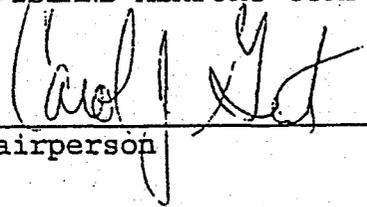
[SEAL]

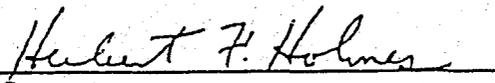
By: 
Chairperson

By: 
Treasurer

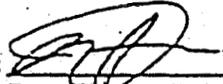
RHODE ISLAND AIRPORT CORPORATION

[SEAL]

By: 
Chairperson

By: 
Secretary

RHODE ISLAND HOSPITAL TRUST
NATIONAL BANK, as Trustee

By: 
Its Vice President

WPPEFC/4550

an item of "Cost" or "Project Cost" (as defined in the Master Indenture).

RHODE ISLAND AIRPORT
CORPORATION

By: _____
Chairman

or

By: _____
Project Manager

CERTIFIED:

Construction Manager

EXHIBIT B

REQUISITION FOR
COST OF ISSUANCE ACCOUNT

REQUISITION NO.

TRUSTEE

RE: Airport Revenue Bonds

TO: Trustee under the Master Indenture of Trust

This Requisition is made pursuant to Section 402 of the above Indenture.

The Trustee is directed to pay sums out of the Cost of Issuance Account of the Construction Fund entitled [] .

PAYEE

PURPOSE OF PAYMENT

AMOUNT

I hereby certify that

(i) the obligation mentioned herein (a) has been properly incurred, (b) is a proper charge against the Cost of Issuance Account of the Construction Fund, (c) is currently due and payable, (d) has not been previously paid or reimbursed, and (e) has not been the basis of any previous withdrawal.

(ii) attached hereto is an invoice or bill for the amount described herein.

RHODE ISLAND AIRPORT
CORPORATION

By: _____
Authorized Officer

WPPEFC/4550