

**NOTICE FROM  
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES, CALIFORNIA  
REGARDING THE EFFECTIVENESS OF CERTAIN AMENDMENTS TO THE  
MASTER SUBORDINATE TRUST INDENTURE**

NOTICE IS HEREBY GIVEN to the Holders of the following bonds of the Department of Airports of the City of Los Angeles, California (the “Department”):

- Los Angeles International Airport, Subordinate Revenue Bonds, 2008 Series C
- Los Angeles International Airport, Subordinate Revenue Bonds, 2009 Series C
- Los Angeles International Airport, Subordinate Revenue Bonds, 2009 Series D
- Los Angeles International Airport, Subordinate Refunding Revenue Bonds, 2009 Series E
- Los Angeles International Airport, Subordinate Revenue Bonds, 2010 Series B
- Los Angeles International Airport, Subordinate Revenue Bonds, 2010 Series C

that the amendments to the Master Subordinate Trust Indenture, dated as of December 1, 2002 (the “Master Subordinate Indenture”), by and between the Department and U.S. Bank National Association, as trustee (the “Subordinate Trustee”), set forth in Article VIII of the Fourth Supplemental Subordinate Trust Indenture, dated as of August 1, 2008 (the “Fourth Supplemental Subordinate Indenture”), by and between the Department and the Subordinate Trustee (collectively, the “Effective Amendments”) are now effective. A description of the Effective Amendments is included in Exhibit A attached hereto. The Effective Amendments include, among others, the addition of Third Lien Obligations.

A final and executed copy of the Fourth Supplemental Subordinate Indenture (which contains the Effective Amendments) is on file at the offices of the Department (located at One World Way, Los Angeles, California 90045).

**Department of Airports of the City of Los  
Angeles, California**

March 8, 2012

## EXHIBIT A

### EFFECTIVE AMENDMENTS TO THE MASTER SUBORDINATE INDENTURE

Additions to the Master Subordinate Indenture are show in **bold and double underline** and deletions are shown in ~~strikethrough~~.

#### **ARTICLE I – Definitions**

The following definitions are to be amended or added to read as follows:

- (a) The definition of “Refunding Subordinate Obligations”

“Refunding Subordinate Obligations” shall mean any Subordinate Obligations issued pursuant to Section 2.10 hereof to refund or defease all or a portion of any Series or Subseries of Outstanding Subordinate Obligations, any Parity Subordinate Obligations or, any Senior Lien Revenue Bonds **or any Third Lien Obligations.**

- (b) The definition of “Subordinate Obligation” or “Subordinate Obligations”

“Subordinate Obligation” or “Subordinate Obligations” shall mean any debt obligation of the Department issued as a taxable or tax-exempt obligation under and in accordance with the provisions of Article II of this Indenture, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Department, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and Repayment Obligations to the extent provided in Section 2.12 of this Indenture. **The terms “Subordinate Obligation” and “Subordinate Obligations” herein do not include any Third Lien Obligation; provided, however, the Department may provide in a Supplemental Subordinate Indenture that Third Lien Obligations may be issued thenceforth pursuant to this Indenture having the terms applicable to the Subordinate Obligations, except that such Third Lien Obligations shall be junior and subordinate in payment of such Third Lien Obligations from the Subordinate Pledged Revenues.** The terms “Subordinate Obligation” and “Subordinate Obligations” include Subordinate Program Obligations.

- (c) The definition of “Third Lien Obligation”

**“Third Lien Obligation” shall have the meaning provided in Article I of the Senior Lien Trust Indenture, or as may be amended or supplemented pursuant to Article X of the Senior Lien Trust Indenture.**

- (d) The definition of “Transfer”

“Transfer” shall mean for any Fiscal Year the amount of unencumbered funds on deposit or anticipated to be on deposit, as the case may be, on the first day of such Fiscal Year in the LAX Revenue Account (after all deposits and payments required by paragraphs FIRST through ~~SEVENTH~~ **NINTH** of Section 4.04 of the Senior Lien Trust Indenture have been made as of the last day of the immediately preceding Fiscal Year).

#### **Section 4.02**

The last sentence of Section 4.02 is to be amended to read as follows:

Notwithstanding this provision, no Construction Fund shall be required for a given Series or Subseries of Subordinate Obligations if all of the proceeds thereof (except those deposited into any Debt

Service Reserve Fund or a Debt Service Fund) are spent at the time of issuance of such Series or Subseries or are used to refund Senior Lien Revenue Bonds, ~~or Parity~~ Subordinate Obligations ~~or otherwise~~, Subordinate Obligations or Third Lien Obligations or the Department otherwise determines that there is no need to create a Construction Fund for such Series or Subseries.

#### **Section 5.06**

Section 5.06 is to be amended to read as follows:

Section 5.06. Junior and Subordinated Obligations. The Department may, from time to time, incur indebtedness with a lien on Subordinate Pledged Revenues ranking junior and subordinate to the lien of the Subordinate Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Department shall determine, provided that:

(a) any resolution or indenture of the Department authorizing the issuance of any subordinate obligations (including, but not limited to, Third Lien Obligations) shall specifically state that such lien on or security interest granted in the Subordinate Pledged Revenues is junior and subordinate to the lien on and security interest in such Subordinate Pledged Revenues and other assets granted to secure the Subordinate Obligations; and

(b) payment of principal of and interest on such subordinated obligations (including, but not limited to, Third Lien Obligations) shall be permitted, provided that all deposits required to be made to the Trustee to be used to pay debt service on the Subordinate Obligations ~~or and~~ to replenish ~~the any~~ Debt Service Reserve Fund, ~~if any~~, are then current in accordance with Section 4.03 and 4.04 of this Indenture.