THIRD AMENDED AND RESTATED AMENDMENT NO. 1
Dated as of February 1, 2018
to
THIRTY-EIGHTH SUPPLEMENTAL INDENTURE OF TRUST
Dated as of September 1, 2010
between
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
and
MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee
Governing the Issuance of and Securing
$152,310,000 Airport System Revenue Variable Rate Bonds, Series 2010D
THIRD AMENDED AND RESTATED AMENDMENT NO. 1 (this “Amendment”) dated as of February 1, 2018, to the THIRTY-EIGHTH SUPPLEMENTAL INDENTURE OF TRUST dated as of September 1, 2010 (the “Thirty-eighth Supplemental Indenture”) by and between the METROPOLITAN WASHINGTON AIRPORTS AUTHORITY, a public body politic and corporate created by the Commonwealth of Virginia and the District of Columbia (the “Airports Authority”), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, as Trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, pursuant to Va. Code Ann. § 5.1-152 et seq. (2001) (codifying Chapter 598 of the Acts of Virginia General Assembly of 1985, as amended), and D.C. Code Ann. § 9-901 et seq. (2001) (codifying the District of Columbia Regional Airports Authority Act of 1985, as amended) (together, the “Acts”), the Airports Authority is authorized and empowered to issue bonds, notes and other obligations to finance the cost of Authority Facilities as defined in the Acts, including the refunding of any obligations of the Airports Authority; and

WHEREAS, the Airports Authority and the Trustee have entered into an Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as amended and supplemented (the “Master Indenture”); and

WHEREAS, the Airports Authority and the Trustee are parties to the Thirty-eighth Supplemental Indenture, as amended by the Second Amended and Restated Amendment No. 1 thereto dated as of September 1, 2017 (the “Prior Amendment”) by and between the Airports Authority and the Trustee, pursuant to which the Series 2010D Bonds bear interest in a LIBOR Index Rate Mode, and Wells Fargo Bank, National Association, is the Holder of such Series 2010D Bonds while in the LIBOR Index Rate Mode until the Index Rate Purchase Date (as such term is defined in the Continuing Covenants Agreement); and

WHEREAS, as a result of the recent reduction in the Maximum Federal Corporate Tax Rate, the Airports Authority and Wells Fargo Bank, National Association desire to amend the Thirty-eighth Supplemental Indenture, as amended by the Prior Amendment, as set forth in this Amendment, effective February 1, 2018; and the Trustee, at the direction of the Airports Authority, which direction is evidenced by the execution by the Airports Authority of this Amendment, has agreed and consented to such amendments to the extent necessary in accordance with the Master Indenture and Section 1001 of the Thirty-eighth Supplemental Indenture; and

WHEREAS, this Amendment is being delivered pursuant to Articles II and IX of the Master Indenture and Section 1001 of the Thirty-eighth Supplemental Indenture and amends and restates in its entirety the Prior Amendment; and

WHEREAS, the Airports Authority has taken all necessary action to constitute this Amendment a valid and binding instrument for the authorization of the aforementioned amendments to the Thirty-eighth Supplemental Indenture as provided herein;
All capitalized terms used and not defined herein shall have the same meanings as in the Thirty-eighth Supplemental Indenture or Master Indenture.

NOW, THEREFORE, THE THIRTY-EIGHTH SUPPLEMENTAL INDENTURE is hereby amended as follows:

ARTICLE I
AMENDMENTS

Section 101. Section 102 of the Thirty-eighth Supplemental Indenture.

Section 102 of the Thirty-eighth Supplemental Indenture is hereby amended (1) to change the definition of the following terms currently contained in the Thirty-eighth Supplemental Indenture to read in their entirety, and (2) to add certain definitions not currently contained in the Thirty-eighth Supplemental Indenture, as follows:

“Amortization Schedule” shall mean the redemption schedule for those outstanding Series 2010D Bonds held by the Purchaser, which (i) are not paid on the applicable Purchase Date in accordance with Section 302(b)(i) herein, or (ii) are not paid on the applicable Mandatory Purchase Date as a result of a Default under the Continuing Covenants Agreement in accordance with Section 302(b)(ii) herein. The Amortization Schedule requires that all outstanding Series 2010D Bonds will be repaid in six equal (as nearly as possible) semiannual installments commencing on the first Business Day of the month occurring at least 180 days after such (x) Purchase Date, as described in section (i) above of this definition, or (y) a CCA Default Tender Date in accordance with Section 705(b) herein (or, if it results in a more rapid amortization of the Series 2010D Bonds, the date principal payments are required under Section 302(a) herein, such that the aggregate amount of Series 2010D Bonds outstanding will be reduced to the same level as the Series 2010D Bonds scheduled to be outstanding on such dates), with the final installment in an amount equal to the entire then unpaid principal amount, plus accrued interest, of such Series 2010D Bonds being due and payable in full on the earlier of (i) the third anniversary of the date of such Purchase Date or the CCA Default Tender Date; (ii) the date on which the Series 2010D Bonds mature or are redeemed, repaid, prepaid or cancelled pursuant to the terms of the Series 2010D Bonds, the Master Indenture or this Thirty-eighth Supplemental Indenture; or (iii) the date on which the Series 2010D Bonds are remarketed.

“Applicable Factor” shall mean, with respect to the Initial Period, effective February 1, 2018, 80%, and during any subsequent LIBOR Index Rate Period or SIFMA Index Rate Period, the percentage determined by the Airports Authority, on or prior to the first day of such subsequent LIBOR Index Rate Period or SIFMA Index Rate Period.

“Applicable Spread” shall mean during the Initial Period, effective February 1, 2018, [REDACTED] plus the number of basis points specified below, on a cumulative basis, which corresponds to the lowest rating assigned (in accordance with paragraph (i) of this definition) to the Parity Debt (without regard to credit enhancement), as follows:

[REDACTED]
(i) In the event ratings are assigned by all three Rating Agencies, and only two of such ratings are equivalent, the two equivalent ratings shall be used for the purpose of determining the applicable level from the above grid. In the event ratings are assigned by all three Rating Agencies and no two such ratings are equivalent, the middle rating shall be used for the purpose of determining the applicable level from the above grid. In the event ratings are assigned by only two Rating Agencies and such ratings are not equivalent, the lower rating shall be used for the purpose of determining the applicable level from the above grid. If one or more of the ratings is/are withdrawn or suspended, or any rating falls below Investment Grade (as defined in the Continuing Covenants Agreement), the Series 2010D Bonds shall bear interest at the Default Rate. References above are to rating categories as presently determined by the rating agencies, and in the event of the adoption of any new or changed rating system or a “global” rating scale by any such rating agency, the ratings categories shall be adjusted accordingly to a new rating which most closely approximates the ratings currently in effect.

(ii) During any other LIBOR Index Rate Period or SIFMA Index Rate Period, after the Initial Period, the number of basis points determined by the Market Agent, on or before the first day of such LIBOR Index Rate Period or SIFMA Index Rate Period and designated by the Airports Authority in accordance with Section 211 of this Thirty-eighth Supplemental Indenture (which shall include a schedule for the Applicable Spread based upon the ratings assigned to the Parity Debt of the Airports Authority as described in subparagraph (i) in this definition) that, when added to (A) the product of LIBOR and the Applicable Factor, or (B) the SIFMA Index, as the case may be, would equal the minimum interest rate per annum that would permit the Series 2010D Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to any accrued interest thereon).

“Authorized Denominations” shall mean with respect to Series 2010D Bonds bearing interest at a (i) Flexible Rate, Daily Rate, Two Day Rate or Weekly Rate, $100,000 and integral multiples of $5,000 in excess thereof; (ii) with respect to Series 2010D Bonds which are subject to an Index Interest Period, $250,000 and any integral multiple of $5,000 in excess of $250,000, and (iii) Term Rate, $5,000 and any integral multiple thereof, provided, however, that if as a result of the change in the Mode of the Series 2010D Bonds from a Term Mode to a Short-Term Mode, it is not possible to deliver all the Series 2010D Bonds required or permitted to be Outstanding in a denomination permitted above, the Series 2010D Bonds may be delivered, to the extent necessary, in different denominations.

“Calculation Agent” shall mean, with respect to the Series 2010D Bonds bearing interest at a LIBOR Index Rate or a SIFMA Index Rate, Wells Fargo Bank, National Association, or such other calculation agent appointed by the Airports Authority, with the consent of the Purchaser, and any successor.

“CCA Default Tender Date” shall have the meaning assigned to such term as set forth in Section 705(b) herein.

“Continuing Covenants Agreement” shall mean the Fourth Amended and Restated Continuing Covenants Agreement dated as of the date of this Third Amended and Restated Amendment No. 1 to Thirty-eighth Supplemental Indenture between the Airports Authority and the Purchaser, as the same shall be amended and supplemented.
“Index Rate Mode” shall mean the LIBOR Index Rate Mode and the SIFMA Index Rate Mode.

“Initial Period” shall mean, with respect to the Series 2010D Bonds, the period from the date of issuance of the Series 2010D Bonds to, but excluding (a) September 22, 2020, and (b) if a Conversion Date occurs prior to the date set forth in the foregoing clause (a), the Business Day immediately preceding such Conversion Date.

“Interest Period” shall mean the period of time that any interest rate remains in effect, which period:

(i) with respect to Series 2010D Bonds bearing interest at a Flexible Rate, shall be the period of time established by any Remarketing Agent pursuant to Section 205 of this Thirty-eighth Supplemental Indenture;

(ii) with respect to Series 2010D Bonds bearing interest at a Daily Rate, shall be the period from and including a Business Day to and excluding the next Business Day;

(iii) with respect to Series 2010D Bonds bearing interest at Two Day Rate, shall be the period from and including a Business Day to and excluding the next two following Business days;

(iv) with respect to Series 2010D Bonds bearing interest at a Weekly Rate, shall be the period commencing on Thursday of each week to and including Wednesday of the following week, except (A) in connection with a conversion to the Weekly Rate, shall be the period from the Mode Change Date to and including the Wednesday of the following week, (B) in connection with a conversion from the Weekly Mode, the last period for such Weekly Mode shall end on the day next preceding the Mode Change Date, (C) in the case of a Substitution Date or Mandatory Purchase Date specified in clause (vii) of the definition of Mandatory Purchase Date, the period for such Weekly Mode prior to the Substitution Date or such Mandatory Purchase Date shall end on the day before the Substitution Date or such Mandatory Purchase Date and a new period for the Weekly Mode shall commence on the Substitution Date or such Mandatory Purchase Date and end on the Wednesday of the following week or (D) any other day specified in an agreement then in effect with any Remarketing Agent;

(v) with respect to Series 2010D Bonds bearing interest at a Term Rate, shall be the period from and including the related Mode Change Date to and including the date (which shall be a Business Day or the day next preceding the Maturity Date) selected by the Airports Authority prior to the Mode Change Date as the last day upon which an interest rate determined by any Remarketing Agent pursuant to Section 208 shall be in effect and thereafter shall be the period beginning on the day after the end of the prior Interest Period and ending on the date selected by the Airports Authority prior to the end of such Interest Period as the last day upon which an interest rate determined by any Remarketing Agent pursuant to Section 208 shall be in effect, provided, that each Interest Period with respect to Series 2010D Bonds bearing interest at a Term Rate shall be not less than 180 days, and, provided further, no Interest Period with respect to Series 2010D Bonds bearing interest at a Term Rate shall have a duration beyond the Expiration Date; and
with respect to Series 2010D Bonds bearing interest at a LIBOR Index Rate or SIFMA Index Rate, shall be the Index Interest Period set forth herein and established pursuant to the Continuing Covenants Agreement.

“LIBOR” means the rate per annum determined on the basis of the rate of deposits in United States dollars of amounts equal to or comparable to the Outstanding principal amount of the Series 2010D Bonds, offered for a term of one month, which rate appears on the display designated as Reuters Screen LIBOR01 Page (or such other page as may replace Reuters Screen LIBOR01 Page or such other service or services as may be nominated by the British Bankers’ Association for the purpose of displaying London interbank offered rates (or any successor rate thereof) for United States dollar deposits), determined as of approximately 11:00 a.m., London time, on each Calculation Date for effect on the next succeeding Index Interest Period, or if such rate is not available, another rate determined by the Calculation Agent of which the Airports Authority has received written notice.

“LIBOR Index Rate” shall mean during the Initial Period, [REDACTED].

“Mandatory Purchase Date” shall mean (i) the Purchase Date of Series 2010D Bonds bearing interest at a Flexible Rate, Term Rate, LIBOR Index Rate, or SIFMA Index Rate, (ii) any Mode Change Date (except for change in Mode between the Daily Mode, Two Day Mode, and the Weekly Mode), (iii) the CCA Default Tender Date, (iv) the Expiration Tender Date, (v) the Substitution Date, (vi) the Notice Termination Tender Date, and (vii) for the Series 2010D Bonds in the Daily Mode, Two Day Mode or Weekly Mode, any Business Day specified by the Airports Authority not less than twenty (20) days after the Trustee’s receipt of such notice from the Airports Authority and in no event later than the day preceding the Expiration Date.

“Margin Rate Factor” means, effective February 1, 2018, the greater of (a) 1.0, and (b) the product of (i) one minus the Maximum Federal Corporate Tax Rate in effect on the first day of the applicable Index Interest Period multiplied by [REDACTED]. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change. The Maximum Federal Corporate Tax Rate is currently 21% such that the current Margin Rate Factor equals 1.0. The Margin Rate Factor will not go below 1.0.

“Market Agent” means the Person appointed by the Airports Authority, with the consent of the Purchaser, to act as Market Agent hereunder and the successors thereof.

“Market Agent Agreement” means the agreement between the Airports Authority and the Market Agent, as such agreement may be amended, restated, supplemented or otherwise modified from time to time pursuant to its terms.

“Maximum Federal Corporate Tax Rate” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser).
“SIFMA Index Rate Period” shall mean, when used with respect to the Series 2010D Bonds, any other period during which the Series 2010D Bonds bear interest at a SIFMA Index Rate.

“Thirty-eighth Supplemental Indenture” shall mean the Thirty-eighth Supplemental Indenture of Trust entered into by and between the Airports Authority and the Trustee, dated as of September 1, 2010, as amended by the Third Amended and Restated Amendment No. 1 to the Thirty-eighth Supplemental Indenture of Trust dated as of February 1, 2018 by and between the Airports Authority and the Trustee.

Section 102. Section 202 of the Thirty-eighth Supplemental Indenture.

The first paragraph of Section 202 of the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“The Series 2010D Bonds shall be designated “Metropolitan Washington Airports Authority Airport System Revenue Variable Rate Bonds, Series 2010D,” and shall have the terms set forth herein and in the Master Indenture. The Series 2010D Bonds shall be dated the date of their delivery, shall be initially issued in Authorized Denominations while in the LIBOR Index Rate Mode, and shall be numbered R-1 upward.”

The second paragraph of Section 202 of the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“On September 22, 2017 (the “Dated Date”), the Series 2010D Bonds shall bear interest at a rate of [REDACTED] per annum. The first Interest Payment Date subsequent from the Dated Date of the Series 2010D Bonds is October 2, 2017.”

Section 103. Section 204 of the Thirty-eighth Supplemental Indenture.

Subparagraphs (a), (e), (f) and (k) of Section 204 of the Thirty-eighth Supplemental Indenture are hereby amended to read in their entirety as follows:

“(a) The Series 2010D Bonds shall be issued in fully registered form in Authorized Denominations as herein provided. The principal and Purchase Price of and premium, if any, and interest on the Series 2010D Bonds shall be payable in lawful money of the United States of America. The interest on the Series 2010D Bonds that are not Purchased Bonds shall be due on the Interest Payment Dates and payable (i) in the case of the Series 2010D Bonds in a Short-Term Mode, by wire transfer of immediately available funds to the account specified by the Bondholder, the Purchaser (if applicable), or by the Remarketing Agent in a written direction delivered to the Trustee (such direction to remain in effect until revoked or revised by such Bondholder or Purchaser (if applicable), or by the Remarketing Agent in a subsequent written direction delivered to the Trustee) or, if no such account number is furnished, by check mailed by the Trustee to the Bondholder at the address appearing on the Register required to be kept by the Registrar pursuant to the Master Indenture, and (ii) in the case of Series 2010D Bonds in the Term Mode, by check or draft of the Trustee, mailed to the respective Bondholders at their addresses as they appear on the applicable Record Date in the Register, except that in the case of a Holder of $1,000,000 or more in aggregate principal amount of Series 2010D Bonds,
upon the written request of such Bondholder to the Trustee, received on or prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest when due shall be made by wire transfer of immediately available funds. Any such request shall remain in effect until revoked or revised by such Bondholder by an instrument in writing delivered to the Trustee. The principal of and premium, if any, on the Series 2010D Bonds shall be payable on its Principal Payment Date, upon surrender thereof at the principal corporate trust office of the Trustee. Notwithstanding anything herein to the contrary, the Series 2010D Bond does not have to be presented to the Trustee for the payment of mandatory sinking fund redemption payments through year 2039 in accordance with Section 302.”

“(e) If the principal of a Series 2010D Bond is not paid when due (whether at maturity, sinking fund redemption, upon acceleration or call for redemption or otherwise), then the overdue principal shall continue to bear interest until paid at the last rate applicable to such Series 2010D Bond or the Default Rate if such Series 2010D Bond is held by the Purchaser.”

“(f) Interest on the Series 2010D Bonds in a Short-Term Mode shall be calculated on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed to the Interest Payment Date. Interest on the Series 2010D Bonds in the Term Mode shall be calculated on the basis of a 360 day year composed of twelve 30 day months.”

“(k) At the option of the Airports Authority, and with the prior written consent of the Purchaser while the Purchaser owns Series 2010D Bonds, the Series 2010D Bonds may be divided (and thereafter further divided and/or combined) into two or more (or in the case of any subsequent combination one or more) subseries of any principal amount (each a “New Subseries”) that is a whole multiple of the then applicable Authorized Denomination and that, together with any other New Subseries then being designated, equals the principal amount of the prior subseries being divided (or the principal amounts of the prior subseries being combined) (the “Prior Subseries”). Any New Subseries shall be designated for identification purposes as the Trustee may determine, shall (where allocation is necessary) include those Series 2010D Bonds of the Prior Subseries as the Trustee may determine, and shall mature and be subject to redemption in the amounts and at the times provided for in the Prior Subseries. Upon the creation of a New Subseries, the provisions herein relating to a Series shall refer to each subseries of the Series 2010D Bonds.”

Section 104. Section 211 of the Thirty-eighth Supplemental Indenture.

Subparagraphs (a)(i), and (b)(i) of Section 211 of the Thirty-eighth Supplemental Indenture are hereby amended to read in their entirety as follows:

“(a) LIBOR Index Rate

(i) The Series 2010D Bonds shall initially bear interest at the LIBOR Index Rate. During each LIBOR Index Rate Period, the LIBOR Index Rate shall be determined by the Calculation Agent on each Calculation Date and shall be equal to the lower of (A) the Maximum Rate applicable to such Series 2010D Bonds and (B) the product of (1) the sum of (a) the Applicable Spread and (b) the product of (i) LIBOR and (ii) the Applicable Factor and (2) the Margin Rate Factor. The LIBOR Index Rate shall be rounded upward to the fifth decimal place.
The LIBOR Index Rate so determined shall be effective from and including each Adjustment Date to, but excluding, the earlier of (X) the immediately succeeding Adjustment Date applicable to such LIBOR Index Rate Bonds, and (Y) the immediately succeeding Mandatory Purchase Date applicable to such LIBOR Index Rate Bonds. The Calculation Agent shall inform the Trustee, as applicable, the Purchaser and the Airports Authority of the LIBOR Index Rate promptly after each determination thereof.”

“(b) SIFMA Index Rate

(i) During a SIFMA Index Rate Period, each Series 2010D Bond shall bear interest at the SIFMA Index Rate determined by the Calculation Agent on each Calculation Date and shall be equal to the lower of (A) the Maximum Rate applicable to such Series 2010D Bonds and (B) the product of (i) the sum of the SIFMA Index and the Applicable Spread and (ii) the Margin Rate Factor. The SIFMA Index Rate so determined shall be effective from and including each Adjustment Date to, but excluding, the earlier of (X) the immediately succeeding Adjustment Date applicable to such SIFMA Index Rate Bonds and (Y) the immediately succeeding Mandatory Tender Date applicable to such SIFMA Index Rate Bonds. The Calculation Agent shall inform the Trustee, as applicable, the Purchaser and the Airports Authority of the SIFMA Index Rate promptly after each determination thereof.”

Section 105. Section 212 of the Thirty-eighth Supplemental Indenture.

The second to last sentence in subparagraph (b) of Section 212 of the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“The Airports Authority shall give the Purchaser sixty (60) days’ notice prior to the proposed Mode Change Date for any change to or from an Index Rate Mode. Such notice shall include, as applicable, the following information:”

A new subparagraph (e) to Section 212 of the Thirty-eighth Supplemental Indenture is hereby added in its entirety as follows:

“(e) Upon conversion to an Index Rate Mode from a different Mode, or from an Index Rate Mode to a different Mode, the Airports Authority shall execute, and the Trustee shall authenticate and deliver, new Series 2010D Bonds of like dates and denominations. During any Index Rate Mode, the Book-Entry System will not be in effect with respect to the Series 2010D Bonds, unless the related Purchaser requests in writing to the Airports Authority and the Trustee that the Book-Entry System be put in effect for the Series 2010D Bonds in which case the Airports Authority and the Trustee agree, at such Purchaser’s expense, to take all necessary actions to deliver the Series 2010D Bonds in the Book-Entry System pursuant to Section 214 hereof. If the Book-Entry System is put in effect during any Index Interest Period for the Series 2010D Bonds, each Purchaser shall give written notice to the Trustee and the Airports Authority stating the name and address of the Person to be treated as such Purchaser under this Thirty-Eighth Supplemental Indenture, including for purposes of treating such Purchaser as the Beneficial Owner of the Series 2010D Bonds. Upon conversion from an Index Rate Mode to another Short-Term Mode or a Term Mode, the Series 2010D Bonds will be issued in the name of the Securities Depository, in each case pursuant to Section 214 hereof.”
Section 106.  Section 214 of the Thirty-eighth Supplemental Indenture.

The first two paragraphs of Section 214 of the Thirty-eighth Supplemental Indenture are hereby amended to read in their entirety as follows:

“The Series 2010D Bonds shall not be offered through DTC and the provisions of this Section 214 (except for the second paragraph of this Section 214) shall not apply to such Series 2010D Bonds on the date of delivery of the Series 2010D Bonds to the Purchaser. The Purchaser of the Series 2010D Bonds will receive physical delivery of the Series 2010D Bond certificates and such Series 2010D Bonds shall be registered in the name of the Purchaser. However, Series 2010D Bonds may be offered through the DTC in the future (“Book-Entry Bonds”) and in such case, the following provisions shall apply to such Series 2010D Bonds.

Series 2010D Bonds shall be initially issued in the form of a separate, single authenticated fully registered Series 2010D Bonds for each separate stated maturity for the Series 2010D Bonds. When requested by the Purchasers of the Series 2010D Bonds, the ownership of such subsersies of Series 2010D Bonds may be registered with the Registrar in the name of Cede & Co., as nominee of DTC. Thereafter, the Series 2010D Bonds shall be registered in the name of Cede & Co., as nominee of DTC as Securities Depository for the Series 2010D Bonds in accordance with the terms of a letter of representations from the Airports Authority to DTC, and thereupon such Series 2010D Bonds shall become Book-Entry Bonds. The Series 2010D Bonds shall be registered upon subsequent transfer or exchange as provided in the Master Indenture.”

Section 107.  Section 216 of the Thirty-eighth Supplemental Indenture.

There shall be a new Section 216 of the Thirty-eighth Supplemental Indenture to read in its entirety as follows:

“Section 216. Transfer of the Series 2010D Bonds.

Notwithstanding any provision of this Thirty-eighth Supplemental Indenture to the contrary, if the Series 2010D Bonds bear interest in an Index Rate Mode, no transfer of a Series 2010D Bond shall be registered under this Thirty-eighth Supplemental Indenture unless such transfer is in accordance with the terms contained in the Series 2010D Bond and Section 10.4(b) of the Continuing Covenants Agreement, if applicable.”

Section 108.  Section 302 of the Thirty-eighth Supplemental Indenture.

Subparagraphs (b)(i) and (b)(ii) of Section 302 of the Thirty-eighth Supplemental Indenture are hereby amended to read in their entirety as follows:

“(b) Amortization of Series 2010D Bonds

(i) While the Series 2010D Bonds are held by the Purchaser and so long as no Event of Default shall have occurred and is continuing hereunder or under the Continuing Covenants Agreement and the representation and warranties contained in the Continuing Covenants Agreement are true and correct in all material respects as of such date, any principal amount of the Series 2010D Bonds that is not repaid by the Airports Authority on the applicable
Purchase Date, as described in Section 702, shall be redeemed in accordance with the definition of Amortization Schedule. Any amount of principal of the Series 2010D Bonds not repaid on the Purchase Date may be prepaid at any time without penalty. So long as no Event of Default has occurred and is continuing, interest on the Series 2010D Bonds from the Purchase Date shall accrue at the Bank Rate and is payable monthly in arrears on the first Business Day of each month.

(ii) On any CCA Default Tender Date pursuant to Section 705(b) herein, any principal amount of the Series 2010D Bonds that is not repaid by the Airports Authority on such CCA Default Tender Date, as described in Section 705(b), shall be redeemed in accordance with the definition of Amortization Schedule. Interest on the 2010D Bonds shall accrue at the Default Rate and shall be payable monthly in arrears on the first Business Day of each month.”

Section 109. Section 705 of the Thirty-eighth Supplemental Indenture.

The title of Section 705 of the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“Mandatory Tender Upon Expiration Date; Substitution Date; Default under Continuing Covenants Agreement and Upon the Date Specified by the Airports Authority.”

The prior subparagraph (b) shall be renumbered as subparagraph (c), and there shall be a new subparagraph (b) to Section 705 of the Thirty-eighth Supplemental Indenture to read in its entirety as follows:

“(b) The Series 2010D Bonds bearing interest at an Index Rate Mode shall be subject to mandatory tender for purchase at the Purchase Price, five (5) Business Days after the Trustee receives notice from the Purchaser that an Event of Default has occurred and is continuing under the Continuing Covenants Agreement together with an instruction to cause the mandatory tender for purchase (the “CCA Default Tender Date”).”

Section 110. Section 901 of the Thirty-eighth Supplemental Indenture.

The third sentence in the third paragraph of Section 901 of the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“Any successor Remarketing Agent shall be selected by the Airports Authority, with the consent of the Credit Provider and the Purchaser (if applicable), and shall be a member of the Financial Industry Regulatory Authority, shall have a capitalization of at least five hundred million dollars ($500,000,000), the Remarketing Agent (or its parent organization) has a rating of at least A2/A from Moody’s and S&P/Fitch, respectively, and shall be authorized by law to perform all the duties set forth in this Thirty-eighth Supplemental Indenture.”
Section 111. Section 1001 of the Thirty-eighth Supplemental Indenture.

The last sentence in the first paragraph of Section 1001 of the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“Notwithstanding anything herein or in the Master Indenture to the contrary, the owner of a Series 2010D Bond (other than the Purchaser) shall be deemed to have consented to any amendment to this Thirty-eighth Supplemental Indenture proposed to become effective on any Mandatory Purchase Date for such Series 2010D Bond.”

Section 112. Amendments to Exhibit A to the Thirty-eighth Supplemental Indenture.

The legend on page A-1 of Exhibit A shall be amended to read in its entirety as follows:

“The following legend shall appear on the Series 2010D Bond while the Series 2010D Bonds are in an index rate mode: This Series 2010D Bond may not be transferred except in accordance with the last paragraph under “Additional Series 2010D Bond Provisions” herein.”

The bond number and amount of the bond on page A-1 of Exhibit A shall be amended to read in their entirety as follows:

“REGISTERED R-D4” “152,310,000”

The Dated Date on page A-1 of Exhibit A shall be amended to read in its entirety as follows:

“September 22, 2017”

The Registered Owner on page A-1 of Exhibit A shall be amended to read in its entirety as follows:

“REGISTERED OWNER: WELLS FARGO BANK, NATIONAL ASSOCIATION”

The Principal Amount on page A-1 of Exhibit A shall be amended to read in its entirety as follows:

“PRINCIPAL AMOUNT: ONE HUNDRED FIFTY-TWO MILLION THREE HUNDRED TEN THOUSAND DOLLARS”

The second paragraph in Exhibit A to the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“The Series 2010D Bonds shall not be offered through the Securities Depository and the below provisions shall not apply to such Series 2010D Bonds on the issue date of the
Series 2010D Bonds. However, the Airports Authority may establish a book-entry only system for the registration of the Series 2010D Bonds in the future, and in such case, the following provisions shall apply to the Series 2010D Bonds. Except as specifically provided otherwise in the Indenture, the Securities Depository (or its nominee) will be the Registered Owner of this Bond. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Bond shall be deemed to have agreed to this arrangement. The Securities Depository (or its nominee), as Registered Owner of this Bond, shall be treated as its owner for all purposes.”

The third paragraph in Exhibit A to the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“This Bond is one of an authorized Series of Bonds of the Airports Authority designated the Airport System Revenue Variable Rate Bonds, Series 2010D (the “Series 2010D Bonds”) in the original aggregate principal amount of $170,000,000, and authorized and issued to provide funds to refinance the cost of certain capital improvements to the Airports Authority’s airport facilities for Ronald Regan Washington National Airport located in Arlington County, Virginia, and Washington Dulles International Airport located in Fairfax and Loudoun Counties, Virginia, and for other authorized purposes, all pursuant to a bond authorizing resolution adopted by the Board of Directors of the Airports Authority on September 1, 2010, as supplemented by a Pricing Certificate dated September 21, 2010, executed by the Chairman of the Board of Directors and the Chairman of the Finance Committee of the Board of Directors, and the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as amended (the “Master Indenture”), between the Airports Authority and Manufacturers and Traders Trust Company (successor by merger to Allfirst Bank), as Trustee (the “Trustee”) as supplemented by the Thirty-eighth Supplemental Indenture of Trust dated as of September 1, 2010, as amended and supplemented from time to time (the “Thirty-eighth Supplemental Indenture”), between the Airports Authority and the Trustee (the Master Indenture and the Thirty-eighth Supplemental Indenture, together, the “Indenture”). Under the Indenture, the Airports Authority has reserved the right to issue bonds, notes and other obligations (“Additional Bonds”) on a parity with the Airports Authority’s Outstanding Bonds without limitation as to amount. Reference is hereby made to the Indenture for a description of the rights, limitations of rights, obligations, duties and immunities of the Airports Authority, the Trustee, and the Holders of the Series 2010D Bonds. Executed counterparts or certified copies of such instruments are on file at the principal corporate trust office of the Trustee. Capitalized terms not otherwise defined herein shall have the meaning assigned to such term in the Indenture.”

The seventh paragraph in Exhibit A to the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“The Series 2010D Bonds shall be issued in fully registered form in Authorized Denominations. The Authorized Denominations shall mean with respect to Series 2010D Bonds bearing interest at (i) a Flexible Rate, Daily Rate, Two Day Rate or Weekly Rate, $100,000 and integral multiples of $5,000 in excess thereof; (ii) an Index Interest Rate, $250,000 or any integral multiple of $5,000 in excess of $250,000, and (iii) a Term Rate, $5,000 and any integral multiple thereof, provided, however, that if as a result of the change in the Mode of the Series 2010D Bonds from a Term Mode to a Short-Term Mode, it is not possible to deliver all of the Series 2010D Bonds required or permitted to be Outstanding in a denomination permitted above, the Series 2010D Bonds may be delivered, to the extent necessary, in different denominations.”
The first sentence in the eighth paragraph in Exhibit A to the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“Interest shall be payable (a) from September 22, 2017, if this Series 2010D Bond is authenticated prior to the first Interest Payment Date, or (b) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which this Bond is authenticated (unless payment of interest hereon is in default, in which case this Bond shall bear interest from the date to which interest has previously been paid).”

Paragraphs six and seven under “ADDITIONAL SERIES 2010D BOND PROVISIONS - Interest Rate Modes” in Exhibit A to the Thirty-eighth Supplemental Indenture are hereby amended to read in their entirety as follows:

“The interest rate for the Series 2010D Bonds bearing interest at the LIBOR Index Rate shall be determined by the Calculation Agent on each Calculation Date and shall be equal to the lower of (A) the Maximum Rate applicable to such Series 2010D Bonds and (B) the product of (1) the sum of (a) the Applicable Spread and (b) the product of (i) LIBOR and (ii) the Applicable Factor and (2) the Margin Rate Factor as more fully described in the Thirty-eighth Supplemental Indenture.

The interest rate for the Series 2010D Bonds bearing interest at a SIFMA Index Rate shall be determined by the Calculation Agent on each Calculation Date and shall be equal to the lower of (A) the Maximum Rate applicable to such Series 2010D Bonds and (B) the product of (I) the sum of the SIFMA Index and the Applicable Spread and (II) the Margin Rate Factor as more fully described in the Thirty-eighth Supplemental Indenture.”

The second paragraph under “ADDITIONAL SERIES 2010D BOND PROVISIONS – Purchase of Series 2010D Bonds” in Exhibit A to the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:

“Series 2010D Bonds are subject to mandatory tender for purchase at the Purchase Price on a date (the “Mandatory Purchase Date”) which is (i) the Purchase Date for the Series 2010D Bonds in the Flexible Mode, Term Mode, LIBOR Index Rate Mode, or SIFMA Index Rate Mode, (ii) the Mode Change Date for Series 2010D Bonds to be changed to any Mode from any other Mode, except for changes in Mode between the Daily Mode, Two Day Mode, and the Weekly Mode, (iii) the Expiration Tender Date, (iv) the Substitution Date, (v) CCA Default Tender Date, (vi) the Notice Termination Tender Date; and (vii) for the Series 2010D Bonds in the Daily Mode, Two Day Mode, or Weekly Mode, any Business Day specified by the Airports Authority not less than twenty (20) days after the Trustee’s receipt of such notice from the Airports Authority and in no event later than the day preceding the Expiration Date; provided that clauses (iii), (iv), and (vi) shall not apply to Series 2010D Bonds that bear interest at a Term Mode to the Maturity Date.”

The first sentence in the second to last paragraph under “ADDITIONAL SERIES 2010D BOND PROVISIONS” in Exhibit A to the Thirty-eighth Supplemental Indenture is hereby amended to read in its entirety as follows:
“The Series 2010D Bonds are issued as a registered bond and, as of December 18, 2012, are in denominations of $250,000 and any integral multiple of $5,000 in excess thereof.”

The following paragraph is added as the last paragraph under “ADDITIONAL SERIES 2010D BOND PROVISIONS” in Exhibit A to the Thirty-eighth Supplemental Indenture and reads in its entirety as follows:

“While the Series 2010D Bonds are in an Index Rate Mode, no transfer of a Series 2010D Bond shall be registered under the Thirty-eighth Supplemental Indenture unless such transfer is to (i) any affiliate of the Purchaser which is controlled by or under common control with the Purchaser or controls the Purchaser (a “Purchaser Affiliate”), provided such Purchaser Affiliate agrees to transfer such Series 2010D Bond to a permitted transferee under this paragraph before it ceases to be a Purchaser Affiliate if at the time it ceases to be a Purchaser Affiliate it would not qualify as a permitted transferee under this paragraph, (ii) a trust or other custodial arrangement established by the Purchaser or a Purchaser Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A issued under the Securities Act of 1933, as amended, or (iii) one or more “qualified institutional buyers,” each of which is a commercial bank with a minimum capital and surplus of $5,000,000,000 who executes a letter agreement substantially in the form attached as Exhibit A to the Continuing Covenants Agreement, if applicable. Prior to making any such transfer, the Purchaser shall give notice to the Airports Authority of such transfer and the name, address and type of entity of the transferee.”

ARTICLE II
MISCELLANEOUS

Section 201. Effect and Effectiveness of Amendment.

This Amendment shall be and become effective as of February 1, 2018 immediately upon its execution and delivery by the Airports Authority and the Trustee. Except as specifically amended by this Amendment, the Thirty-eighth Supplemental Indenture shall remain in full force and effect and is hereby ratified and affirmed by the Airports Authority and the Trustee.


This Amendment is a contract made under the laws of the Commonwealth of Virginia and shall be governed and construed in accordance with such laws.

Section 203. Counterparts.

This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 204. 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 205. Section Headings.

Section headings in this Amendment are for convenience of reference only, shall not constitute part of this Amendment and shall not be used to continue the meaning or intent of the provisions hereof.

IN WITNESS WHEREOF, the Airports Authority and the Trustee have caused this Amendment to be executed and delivered in their respective names by their duly authorized officers, all as of the date first above written.

[SEAL]

Attest:

[REDACTED]  
[REDACTED]

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: [REDACTED]

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: [REDACTED]
AMENDMENT NUMBER ONE TO
THIRD AMENDED AND RESTATED CONTINUING COVENANTS AGREEMENT

This Amendment Number One to Third Amended and Restated Continuing Covenants Agreement (this “Amendment”) is made as of the 1st day of February, 2018, between the METROPOLITAN WASHINGTON AIRPORTS AUTHORITY, a public body corporate, created with the consent of Congress of the United States of America by an Act of the District of Columbia and an Act of the Commonwealth of Virginia to operate, maintain and improve Ronald Reagan Washington National Airport and Washington Dulles International Airport, whose principal office is located at 1 Aviation Circle, Washington, DC 20001-6000 (the “Airports Authority”), WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Purchaser hereunder (the “Purchaser”). Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the CCA (as defined below).

PREAMBLES

WHEREAS, the undersigned are parties to that certain Third Amended and Restated Continuing Covenants Agreement dated as of September 1, 2017 (as amended and supplemented hereby and as may be further amended and supplemented from time to time, the “CCA”) executed in connection with the purchase of the Bonds;

WHEREAS, the Airports Authority has requested the Purchaser to amend certain provisions within the CCA;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the premises set forth above (which are incorporated herein by this reference) and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, each of the undersigned agrees as follows:

1. Amendment to Section 1.1 of the CCA.

(A) The following definitions contained in Section 1.1 of the CCA are deleted in their entirety and replaced with the following:

“Applicable Factor” means, effective February 1, 2018, (i) during the Initial Index Rate Period, [REDACTED] and (ii) during any other Index Rate Period, the percentage determined by the Airports Authority, on or prior to the first day of such Index Rate Period.

“Applicable Spread” means, effective February 1, 2018, during the Initial Index Rate Period, [REDACTED] plus the number of basis points specified below, on a cumulative basis, which corresponds to the lowest rating assigned (in accordance with paragraph (a) of this definition) to the Parity Debt (without regard to credit enhancement), of the Airports Authority, as follows:

[REDACTED]

(a) In the event ratings are assigned by all three Rating Agencies, and only two of such ratings are equivalent, the two equivalent ratings shall be used for the purpose of determining the applicable level from the above grid. In the event ratings are assigned by all three Ratings Agencies and no two such ratings are equivalent, the middle rating shall be used for the purpose of determining the applicable level from the above grid. In the event ratings are assigned by only two Rating Agencies and
such ratings are not equivalent, the lower rating shall be used for the purpose of determining the applicable level from the above grid. If one or more of the ratings is/are withdrawn or suspended, or any rating falls below Investment Grade, the Series 2010D Bonds shall bear interest at the Default Rate. References above are to rating categories as presently determined by the rating agencies, and in the event of the adoption of any new or changed rating system or a “global” rating scale by any such rating agency, the ratings categories shall be adjusted accordingly to a new rating which most closely approximates the ratings currently in effect.

(b) During any Index Rate Period other than the Initial Index Rate Period, the number of basis points determined by the Market Agent, on or before the first day of such Index Rate Period and designated by the Airports Authority in accordance with Section 211 of the 2010D Indenture (which shall include a schedule for the Applicable Spread based upon the ratings assigned to the Parity Debt of the Airports Authority as described in subparagraph (a) in this definition) that, when added to (A) the product of LIBOR and the Applicable Factor, or (B) the SIFMA Index, as the case may be, would equal the minimum interest rate per annum that would permit the 2010D Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to any accrued interest thereon).

“Margin Rate Factor” means, effective February 1, 2018, the greater of (a) 1.0, and (b) the product of (i) one minus the Maximum Federal Corporate Tax Rate in effect on the first day of the applicable Index Interest Period multiplied by [REDACTED]. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change. The Maximum Federal Corporate Tax Rate is currently 21% such that the current Margin Rate Factor equals 1.0. The Margin Rate Factor will not go below 1.0.

“Taxable Rate” means, for any date of determination, the rate of interest per annum equal to the product of the interest rate on the Bonds then in effect multiplied [REDACTED].

“2010D Indenture” means that Thirty-eighth Supplemental Indenture of Trust, dated as of September 1, 2010, as amended by that Third Amended and Restated Amendment No. 1 to Thirty-eighth Supplemental Indenture of Trust dated as of February 1, 2018.

(B) The definitions of “Taxable Rate Factor” in Section 1.1 of the CCA is deleted in its entirety.

2. Representations and Warranties. The Airports Authority hereby represents and warrants that (A) all of the representations and warranties contained in Article V of the CCA are true, correct and complete as of the date hereof, (B) no Default or Event of Default has occurred and is continuing on the date hereof after giving effect to this Amendment, and (C) no event has occurred and is continuing which could have a Material Adverse Effect.

3. Acknowledgment and Estoppel. On the execution and delivery of this Amendment the Airports Authority hereby affirms that all the Credit Documents to which it is a party to, (i) are in full force and effect, and (ii) have not been modified, amended or altered, except with respect to (A) the Master Indenture in accordance with its terms, or (B) the 2010D Indenture in conjunction with this Amendment.

4. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and its respective successors and assigns. The successor and assigns of such entities shall include, without limitation, their respective receivers, trustees, or debtors-in-possession.
5. **Further Assurances.** The Airports Authority hereby agrees from time to time, as and when requested by the Purchaser, to execute and deliver or cause to be executed and delivered, all such documents, instruments and agreements and to take or cause to be taken such further or other action as the Purchaser may reasonably deem necessary in order to carry out the intent and purposes of this Amendment.

6. **Fees and Expenses.** The Airports Authority shall pay the Purchaser on the execution of this Amendment, all costs, fees and expenses (including reasonable attorneys’ fees) incurred by the Purchaser in drafting and negotiating this Amendment and documents related thereto and in collecting or enforcing the undersigned’s obligations under this Amendment.

7. **Documentation.** The Airports Authority shall provide the Purchaser with all legal opinions, resolutions and other certificates reasonably requested in conjunction with this Amendment; including, but not limited to:

   a. Opinions of the general counsel and bond counsel for the Airports Authority, addressed to the Purchaser, in form and substance acceptable to the Purchaser;
   
   b. A copy of resolutions of the Airports Authority that authorize, among other things, the execution, delivery and performance by the Airports Authority of this Amendment;
   
   c. Such other documents, instruments and certifications as the Purchaser or Purchaser’s counsel may reasonably require

8. **Definitions.** All references to the singular shall be deemed to include the plural and vice versa where the context so requires.

9. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

10. **Severability.** Wherever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Amendment.

11. **Execution in Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

12. **Section Headings.** The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof

13. **Consent of Purchaser.** The Purchaser hereby consents to the execution and delivery of the amendments to the 2010D Indenture dated as of February 1, 2018.

14. **No Amendment.** Except as expressly and specifically amended hereby and by the Amendment, the CCA and the other Credit Documents (except as set forth in Section 3 herein), remain unmodified and in full force and effect.
IN WITNESS WHEREOF, the Airports Authority and the Purchaser have caused this Amendment to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

[SEAL] METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

ATTEST:

By: ____________________________  By: ____________________________
  [REDACTED]                     [REDACTED]

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: ____________________________
  [REDACTED]