

**MASTER INDENTURE OF TRUST**

**between**

**VIRGINIA RESOURCES AUTHORITY**

**and**

**SUNTRUST BANK, as Trustee**

**Dated as of December 1, 2003**

**Infrastructure Revenue Bonds  
(Virginia Pooled Financing Program)**

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This MASTER INDENTURE OF TRUST (this "Master Indenture") is made as of December 1, 2003, between the VIRGINIA RESOURCES AUTHORITY, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), and SUNTRUST BANK, a Georgia banking corporation with a corporate trust office in Richmond, Virginia, and its successors, as trustee (the "Trustee").

#### RECITALS

A. VRA was duly created under the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "Act"), to encourage the investment of both public and private funds and to make loans, grants, and credit enhancements available to local governments to finance or refinance the costs of the facilities and projects now or hereafter described in Section 62.1-199 of the Act (each a "Project" and, as a group, the "Projects").

B. The Act also established a Board of Directors of VRA to serve as the governing body of VRA and to exercise all powers, rights and duties conferred by the Act or other provisions of law upon VRA.

C. Under the Act VRA is authorized and empowered, among other things,

(1) to borrow money and issue its bonds in amounts VRA determines to be necessary or convenient to provide funds to carry out its purposes and powers and to pay all costs and expenses incurred in connection with the issuance of bonds,

(2) to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, whenever VRA deems refunding expedient,

(3) to secure bonds issued by VRA by a pledge of any local obligation owned by VRA, any grant, contribution or guaranty from the United States of America, the Commonwealth of Virginia or any corporation, association, institution or person, any other property or assets of or under the control of VRA, or a pledge of any money, income or revenue of VRA from any source,

(4) to enter into a trust indenture pursuant to which VRA may issue bonds, and the trust indenture may contain provisions, which shall be part of the contract or contracts with the holders of such bonds as to, among other things, the establishment of reserve funds, sinking funds and other funds and accounts (including "capital reserve funds" within the meaning of Section 62.1-215 of the Act) and the regulation and disposition thereof, and

(5) to purchase and acquire local obligations to finance or refinance the cost of any Project, using any funds of VRA available for such a purpose.

D. The Board of Directors of VRA has determined that it is in the best interests of VRA and the Commonwealth of Virginia for VRA to enter into this Master Indenture to provide for the issuance from time to time of bonds of VRA for the purpose of purchasing and acquiring local obligations to finance or refinance the cost of any Project, and for such other purposes as may be authorized under and pursuant to the Act.

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

**ARTICLE I  
DEFINITIONS AND RULES OF CONSTRUCTION**

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

"Account" means any account established pursuant to the terms of this Master Indenture or any Supplemental Series Indenture.

"Accreted Value" means with respect to Capital Appreciation Bonds of any Series, the amount set forth in the Related Supplemental Series Indenture as the amount representing the initial public offering price plus the accreted and compounded interest on such Bonds as of any point in time.

"Acquisition Fund" means the Acquisition Fund for a Series of Bonds to be established by the Related Supplemental Series Indenture as provided in Section 7.2.

"Act" means the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended.

"Administrative Charge" means any fees or charges established by VRA pursuant to Section 62.1-203(17) of the Act with respect to a Local Obligation, as the same may be revised from time to time and as the same shall be set forth in the Related Supplemental Series Indenture.

"Agreement" when used with respect to any Series of Bonds, means the loan, financing lease, sale-leaseback, lease-leaseback or similar agreement between a Locality and VRA, as modified, altered, amended and supplemented from time to time in accordance with its terms and the terms of this Master Indenture, which agreement will govern the acquisition by VRA of the Related Local Obligation, among other things.

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

"Bond" or "Bonds" means any or all of the Senior Bonds and Subordinate Bonds of VRA issued pursuant to Article V, but excludes Junior Subordinate Debt.

"Bond Counsel" means (i) McGuireWoods LLP or (ii) other counsel selected by VRA which is nationally recognized as experienced in matters relating to obligations issued or incurred by states and their political subdivisions.

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

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

**"Bond Year"** means the twelve (12) month period commencing on the second day of November of any calendar year and ending on the first day of November of the next ensuing calendar year, or such other twelve-month period commencing and ending on the dates specified with respect to a Series of Bonds in the Related Supplemental Series Indenture. The first and last Bond Years with respect to any Series of Bonds may be short periods.

**"Business Day"** means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia.

**"Capital Appreciation Bonds"** means Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in the Related Supplemental Series Indenture and is payable upon redemption or on the maturity date of such Bonds or on the date, if any, upon which such Bonds become Current Interest Bonds.

**"Capital Reserve Fund"** means the Capital Reserve Fund established pursuant to Section 7.1.

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

**"Commonwealth"** means the Commonwealth of Virginia.

**"Cost of Issuance Fund"** means the Cost of Issuance Fund for a Series of Bonds to be established by the Related Supplemental Series Indenture as provided in Section 7.2.

**"CRF Credit Facility"** means a letter of credit, surety bond or similar credit enhancement facility acquired by VRA to substitute for cash or investments required to be held in the Capital Reserve Fund.

**"CRF Credit Provider"** means the Person providing a CRF Credit Facility.

**"CRF Reserve Requirement"** means an amount equal to the maximum Principal and Interest Requirements on the Subordinate Bonds Outstanding in the then current or any future Bond Year or such larger amount as may be specified in a Supplemental Series Indenture. For purposes of establishing the size of the CRF Reserve Requirement, the Principal and Interest

Requirements on Subordinate Bonds which are Optional Tender Bonds and/or Variable Rate Bonds shall be determined or adjusted as set forth in Section 5.4.

**"Current Interest Bonds"** means Bonds the interest on which is payable currently on the Interest Payment Dates provided therefor in the Related Supplemental Series Indenture.

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

**"Defaulted Local Obligations"** means any Local Obligations in default of payment of debt service at the time in question.

**"Defeasance Obligations"** means noncallable (i) Government Obligations, (ii) Government Certificates, (iii) Defeased Municipal Obligations, and (iv) Defeased Municipal Obligation Certificates.

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

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

**"Escrow Fund"** means an escrow fund relating to a Series of Refunding Bonds that may be established pursuant to the Related Supplemental Series Indenture.

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

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

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

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

**"Interest Payment Date"** means a November 1 or May 1, as the case may be; provided, however, that "Interest Payment Date" may mean, if so provided in a Supplemental Series Indenture, such other date or dates provided therein or permitted thereby.

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

**"Junior Subordinate Debt"** means VRA Debt that is secured by a pledge of revenues, money and other property of VRA expressly made subordinate to the pledge of the Revenues, Senior Bond Revenues, Funds and Accounts and other property securing the Bonds of all Series set forth in Article II.

**"Local Account"** means any Account established pursuant to a Supplemental Series Indenture in a Fund or Account with respect to a Locality.

**"Local Obligation Payments"** means the amounts payable by each Locality pursuant to the terms of its Local Obligation or Obligations.

**"Local Obligation(s)"** means the "local obligation" (within the meaning of Section 62.1-199 of the Act) issued or entered into by a Locality and acquired by the VRA or the Trustee pursuant to the Related Agreement and financed with the proceeds of a Series of Bonds and/or other amounts on deposit in the Related Acquisition Fund.

**"Locality(ies)"** means any "local government" (as defined in Section 62.1-199 of the Act) entering into an Agreement and its permitted successors and assigns under such Agreement.

**"Majority Owners"** means the Owners of at least 51% of the aggregate principal amount of the Senior Bonds or the Subordinate Bonds Outstanding, as applicable.

**"Master Indenture"** means this Master Indenture of Trust dated as of December 1, 2003, between VRA and the Trustee, as the same may be modified, altered, amended and supplemented in accordance with its terms by one or more Supplemental Series Indentures and other Supplemental Indentures.

**"Minimum Balance"** means the minimum amount in the Operating Reserve Fund that, if applied as the amount producing the ORF Revenues in clause (b)(1) and as the clause (b)(2) amount in the definition of Projected Revenue Certificate, assuming all other amounts are fixed, would for the then-current and all future Bond Years result in (i) Revenue Coverage equal at least to the Required Revenue Coverage, (ii) Senior Bond Debt Service Coverage equal to at least the Required Senior Bond Debt Service Coverage and (iii) Senior Bond Revenue Coverage equal at least to Required Senior Bond Revenue Coverage.

**"Minimum CRF Reserve Requirement"** means an amount equal to the CRF Reserve Requirement or such lesser amount as may be established by VRA pursuant to Section 8.7.

**"Officer's Certificate"** means a certificate signed by a VRA Representative and filed with the Trustee.

**"Operating Reserve Fund"** means the Operating Reserve Fund established pursuant to Section 7.1.

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

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

**"ORF Revenues"** means investment earnings on amounts in the Operating Reserve Fund.

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

- (a) Any Bond canceled or required to be canceled by the Trustee at or before such date;
- (b) Any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered under this Master Indenture;
- (c) Any Bond deemed paid under Article XII except that any such Bond shall be considered Outstanding until its maturity or redemption date only for the purpose of actually being paid and for purposes of Articles III and IV and Section 6.1 (or the corresponding provisions of the Related Supplemental Series Indenture, as the case may be); and
- (d) Any Bond not deemed Outstanding under, but only to the extent provided for in, Section 15.2.

**"Owner"** means the registered owner of any Bond.

**"Paying Agent or Paying Agents"** means any paying agent(s) for the Bonds (which may include the Trustee) and any successor or successors as paying agent(s) appointed pursuant to this Master Indenture or the provisions of any Supplemental Series Indenture. Unless otherwise provided in a Supplemental Series Indenture, the Trustee shall be the Paying Agent.

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

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

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

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

**"Principal Payment Date"** means a November 1 upon which the principal amount of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of an Amortization Requirement or such other date or dates as may be provided by the Related Supplemental Series Indenture.

**"Principal Requirement"** means for any Principal Payment Date, as applied to all Bonds or a portion thereof, the total of the principal regularly scheduled to become due on such Principal Payment Date.

**"Projected Revenue Certificate"** means an Officer's Certificate setting forth, as of any particular date:

(a) A schedule of estimated amounts of the following types of Revenues to be available in the then-current and each future Bond Year for the payment of the Principal and Interest Requirements of all of the Bonds:

(1) Scheduled Local Obligation Payments (net of Administrative Charges), except on Defaulted Local Obligations;

(2) Income receivable from the investment of amounts from time to time held in the Senior Debt Service Reserve Fund and the Capital Reserve Fund;

(3) Amounts scheduled to be released from the Senior Debt Service Reserve Fund or the Capital Reserve Fund as a result of the payment at maturity or pursuant to the Amortization Requirements of the Bonds Outstanding and, if applicable, then to be issued; and

(4) Any other amounts identified as Revenues in the Projected Revenue Certificate and in a Supplemental Indenture, if there is filed with the Trustee written confirmation from each Rating Agency that the inclusion thereof will not result in the withdrawal or reduction of its then-current rating on any of the Bonds Outstanding.

(b) A schedule of estimated amounts of the following sources to be available in the then-current and each future Bond Year for the payment of the Principal and Interest Requirements of the Senior Bonds.

(1) ORF Revenues;

(2) Amounts, if any, which are or will be on deposit in the Operating Reserve Fund;

(3) Administrative Charges; and

(4) Any other revenues or amounts identified in the Projected Revenue Certificate and in a Supplemental Indenture as Senior Bond Revenues or Fund balances available for the payment of the Principal and Interest Requirements of the Senior Bonds, if there is filed with the Trustee written confirmation from each Rating Agency that the inclusion thereof will not result in the withdrawal or reduction of its then-current rating on any of the Senior Bonds Outstanding.

(c) A schedule of the Principal and Interest Requirements scheduled to become due and payable on each Payment Date in the then-current and each future Bond Year with respect to all Bonds Outstanding and, if applicable, then to be issued.

(d) A schedule of the Principal and Interest Requirements scheduled to become due and payable on each Payment Date in the then-current and each future Bond Year with respect to all Senior Bonds Outstanding and, if applicable, then to be issued.

(e) The percentage obtained by dividing the sum of estimated Revenues and Senior Bond Revenues set forth in clauses (a) and (b) (1), (3) and (4) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in clause (c) for the same Bond Year ("Revenue Coverage").

(f) The percentage obtained by dividing the sum of estimated Revenues and Senior Bond Revenues set forth in clauses (a) and (b) (1), (3) and (4) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in clause (d) for the same Bond Year ("Senior Bond Revenue Coverage").

(g) The percentage obtained by dividing the sum of estimated Revenues and Senior Bond Revenues set forth in clauses (a) and (b) (1), (3) and (4) and the Fund balances set forth in clause (b)(2) and (4) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in clause (d) for the same Bond Year ("Senior Bond Debt Service Coverage").

In projecting the foregoing, VRA shall make the following assumptions: (i) Revenues set forth in clause (a) that are scheduled to be retained in the Revenue Fund pursuant to paragraph "SEVENTH" of Section 8.2(a) shall be reflected as Revenues only with respect to the Payment Dates on which the Trustee is to be directed to apply such retained amounts; (ii) invested funds shall yield an investment return equal to the actual return at the time of the projection net of any

Rebate Amounts to be paid therefrom and shall be invested until such time as they are to be applied to the purpose for which they are accumulated; (iii) no Local Obligations will be purchased or acquired by VRA after the date of the Projected Revenue Certificate; and (iv) Administrative Charges shall be collected for the remaining term of each Local Obligation at the rate or rates in effect at the time of the calculation. VRA shall apply the provisions of Section 5.4 in preparing a Projected Revenue Certificate if any of the Bonds or Local Obligations to be covered thereby are Optional Tender Bonds and/or Variable Rate Bonds.

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

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

**"Rebate Amount"** means the liability of VRA and/or the Related Localities under Section 148 of the Code (including any "yield reduction payments") with respect to any Series of Bonds as may be calculated or specified (including with such reserves or error margin as VRA may deem appropriate) in accordance with the Related Supplemental Series Indenture or the Related Tax Regulatory Agreement.

**"Rebate Fund"** means the Rebate Fund for a Series of Bonds to be established by the Related Supplemental Series Indenture as provided in Section 7.2.

**"Refunding Bonds"** shall have the meaning set forth in Section 5.3.

**"Reimbursement Fund"** means the Reimbursement Fund Related to a Series of Bonds that may be established by the Related Supplemental Series Indenture.

**"Reimbursement Obligations"** means any reimbursement or payment obligations of VRA for which moneys in the Reimbursement Fund are pledged or payable pursuant to the provisions of this Master Indenture or any Supplemental Series Indenture.

**"Related,"** as the context may require, means (i) when used with respect to any Cost of Issuance Fund, Acquisition Fund, Rebate Fund or Reimbursement Fund, or any Account or subaccount within any such Fund, the Fund, Account or subaccount so designated and established by the Related Supplemental Series Indenture authorizing a particular Series of Bonds, (ii) when used with respect to a Supplemental Series Indenture, the Supplemental Series Indenture authorizing a particular Series of Bonds, (iii) when used with respect to Local Obligations, the Local Obligations acquired or entered into with respect to a particular Series of Bonds, and (iv) when used with respect to a Bond Credit Facility or Reimbursement Obligation, the Bond Credit Facility securing a particular Series of Bonds and the Reimbursement Obligation entered into in connection therewith.

**"Required Revenue Coverage"** means 100% or such higher percentage as may be specified in a Supplemental Series Indenture.

**"Required Senior Bond Debt Service Coverage"** means 100% or such higher percentage as may be specified in a Supplemental Series Indenture.

**"Required Senior Bond Revenue Coverage"** means 100% or such higher percentage as may be specified in a Supplemental Series Indenture.

**"Reserve Determination Date"** means (i) the tenth day after each Interest Payment Date, or, if such day is not a Business Day, on the first Business Day thereafter or (ii) any other date set forth in a Supplemental Series Indenture or an Officer's Certificate for the valuation of the Senior Debt Service Reserve Fund and/or the Capital Reserve Fund.

**"Revenue Coverage"** shall have the meaning assigned to it in the definition of Projected Revenue Certificate.

**"Revenue Fund"** means the Revenue Fund established by Section 7.1.

**"Revenues"** means (i) the Local Obligation Payments, (ii) any proceeds of any Series of Bonds originally deposited with the Trustee for the payment of accrued interest thereon, (iii) investment earnings on amounts in the Revenue Fund, the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Subordinate Debt Service Fund and the Capital Reserve Fund, (iv) amounts released from the Senior Debt Service Reserve Fund or the Capital Reserve Fund as a result of the payment at maturity, refunding, redemption or defeasance of Bonds and (v) any or all other revenues that may be identified as Revenues pursuant to a Supplemental Indenture; provided, however, that the following shall not be included in Revenues unless specifically authorized to be so included in a Supplemental Indenture: (i) Senior Bond Revenues; (ii) any amounts in, or earnings on, a Rebate Fund; and (iii) any payments made by VRA or the Commonwealth to replenish the Capital Reserve Fund under Section 62.1-215 of the Act and as described in Section 8.6(d) or (e) below.

**"Senior Bonds"** means any VRA Debt issued by VRA pursuant to Article V and identified as "Senior Bonds" in the Related Supplemental Series Indenture. Senior Bonds are secured by a pledge of and lien on (i) the Revenues senior and superior to the pledge of and lien on the Revenues securing the Subordinate Bonds and (ii) the Senior Bond Revenues. Senior Bonds are not secured by the Capital Reserve Fund.

**"Senior Bond Debt Service Coverage"** shall have the meaning assigned to it in the definition of Projected Revenue Certificate.

**"Senior Bond Revenues"** means, collectively, the ORF Revenues, the Administrative Charges and the Rebate Amounts.

**"Senior Bond Revenue Coverage"** shall have the meaning assigned to it in the definition of Projected Revenue Certificate.

**"Senior DSRF Credit Facility"** means a letter of credit, surety bond or similar credit enhancement facility acquired by VRA to substitute for cash or investments required to be held in the Senior Debt Service Reserve Fund.

**"Senior DSRF Credit Provider"** means the Person providing a Senior DSRF Credit Facility.

**"Senior DSRF Requirement"** means \$0 or such larger amount as may be specified in a Supplemental Series Indenture.

**"Senior Debt Service Fund"** means the Senior Debt Service Fund established pursuant to Section 7.1.

**"Senior Debt Service Reserve Fund"** means the Senior Debt Service Reserve Fund established pursuant to Section 7.1.

**"Serial Bonds"** means the Bonds of a Series that are stated to mature in semiannual or annual installments and that are so designated in the Related Supplemental Series Indenture.

**"Series"** means all of the Bonds of a particular series authenticated and delivered pursuant to this Master Indenture and the Related Supplemental Series Indenture and identified as such pursuant to such Supplemental Series Indenture, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Master Indenture and such Supplemental Series Indenture, regardless of variations in lien status, maturity, interest rate, sinking fund installments or other provisions. A Series may be a combination of Senior Bonds and Subordinate Bonds or consist entirely of Senior Bonds or Subordinate Bonds, all as shall be specified in the Related Supplemental Series Indenture.

**"Subordinate Bonds"** means any VRA Debt issued by VRA pursuant to Article V and identified as "Subordinate Bonds" in the Related Supplemental Series Indenture. Subordinate Bonds are secured by a pledge of and lien on the Revenues junior and subordinate to the pledge and lien securing the Senior Bonds. Subordinate Bonds are secured by the Capital Reserve Fund.

**"Subordinate Debt Service Fund"** means the Subordinate Debt Service Fund established pursuant to Section 7.1.

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

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

**"Tax Regulatory Agreement"** means, with respect to any Series of Bonds, the Tax Certificate and Regulatory Agreement, dated the date of the issuance of the Related Series of Bonds, between VRA and the Trustee, as the same may be modified, altered, amended or supplemented pursuant to its terms.

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

"Trustee" means SunTrust Bank, a Georgia banking corporation, and its successors serving in the same capacity under this Master Indenture.

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

"Virginia Code" means the Code of Virginia of 1950, as amended.

"VRA" means the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth of Virginia.

"VRA Debt" means "bonds" of VRA as defined in Section 62.1-199 of the Act.

"VRA Representative" means any of the Chairman, Vice Chairman or Executive Director of VRA and any other member, officer or employee of VRA authorized by resolution of VRA's Board of Directors to perform the act or sign the document in question.

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

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

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

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

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

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

(f) Unless otherwise provided in a Supplemental Indenture, where the character or amount of any asset, liability or item of income or expense is required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes hereof or for the purpose of any document, affidavit or certificate to be executed and delivered in accordance with or pursuant this Master Indenture or Supplemental

Indenture, the same shall be done in accordance with generally accepted accounting principles; provided, however, that whenever the context makes clear that the requirement is that cash, or its equivalent, be available to meet VRA Debt, computations regarding such requirement shall be computed on a cash basis, and not on a generally accepted accounting basis.

## ARTICLE II ESTABLISHMENT OF TRUST

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

(i) All of the Revenues and the Senior Bond Revenues;

(ii) The Local Obligations and Agreements;

(iii) The amounts, money, investments and Senior DSRF Credit Facilities, if any, held by the Trustee and the Paying Agent pursuant to the terms of this Master Indenture in the Revenue Fund, the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, and the Operating Reserve Fund; and

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

(b) Any of the Revenues, Senior Bond Revenues, Funds and Accounts or other property described above that is received or held by the Trustee is to be held in trust for the equal and proportionate benefit and security of the Owners from time to time of the Senior Bonds of all Series, except as otherwise provided in, and subject to its application in accordance with the terms of, this Master Indenture and the Supplemental Series Indentures.

**Section 2.2 Security for Subordinate Bonds.** (a) In order to provide for the payment of the principal of and the premium, if any, and interest on the Subordinate Bonds of all Series issued hereunder, and to secure the performance of all of the obligations of VRA with respect to the Subordinate Bonds, this Master Indenture and the Supplemental Series Indentures, subject to the terms hereof and thereof, including the rights of the Owners of the Senior Bonds, VRA pledges and grants to the Trustee a security interest in the following:

(i) All of the Revenues;

(ii) The Local Obligations and Agreements;

(iii) The amounts, money, investments and CRF Credit Facilities, if any, held by the Trustee and the Paying Agent pursuant to the terms of this Master Indenture in the Revenue Fund, the Subordinate Debt Service Fund and the Capital Reserve Fund; and

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

(b) VRA's pledge and grant of the security interest in the Revenues and the Local Obligations and Agreements to secure the Subordinate Bonds is in all respects junior and subordinate to the pledge and grant securing the Senior Bonds. The Senior Bond Revenues shall not secure the Subordinate Bonds unless Senior Bond Revenues are expressly included in Revenues pursuant to a Supplemental Indenture. Notwithstanding the foregoing, however, only the Subordinate Bonds shall be secured and paid from amounts in the Subordinate Debt Service Fund and the Capital Reserve Fund. Any of the Revenues, Funds and Accounts, or other property described above that is received or held by the Trustee is to be held in trust for the equal and proportionate benefit and security of the Owners from time to time of the Subordinate Bonds of all Series, except as otherwise provided in, and subject to its application in accordance with the terms of, this Master Indenture and the Supplemental Series Indentures.

**Section 2.3 License.** Unless otherwise provided in the Related Supplemental Series Indenture in respect of a Series of Bonds, VRA reserves the right and license to enjoy and enforce VRA's rights under the Local Obligations and Agreements so long as no Event of Default with respect to the Bonds shall have occurred and be continuing. So long as the license is extant and VRA has not directed otherwise, the Trustee agrees to hold the Local Obligations and receive the Local Obligation Payments and apply them in accordance with this Master Indenture and the Supplemental Series Indentures.

**Section 2.4 Bond Credit Facility.** Any Bond Credit Facility which is given to secure some, but not all, of the Bonds, together with money drawn or paid under it, shall be held by the Trustee solely as security for the Bonds to which such Bond Credit Facility is Related. Neither such Bond Credit Facility nor any money drawn or paid under it will secure the payment of any other Bonds.

### ARTICLE III GENERAL TERMS AND CONDITIONS OF BONDS

**Section 3.1 Authority for Master Indenture.** This Master Indenture has been executed and delivered under a resolution adopted by VRA's Board of Directors on November 13, 2003. VRA's Board of Directors has ascertained that the execution of and the transactions contemplated by this Master Indenture are in furtherance of both VRA's purposes and the exercise of the powers granted to VRA by the Act. VRA's Board of Directors has also

ascertained that each provision in this Master Indenture for protecting and enforcing the rights and remedies of the Owners is reasonable and proper and not in violation of the law.

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

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

**Section 3.4 Obligation of Bonds.** This Master Indenture creates a continuing pledge and lien to secure the full and final payment of the principal of and premium, if any, and interest on each Series of Bonds. The Bonds of each Series are limited obligations of VRA payable solely from the revenues, money and other property pledged by this Master Indenture and the Related Supplemental Series Indenture. Each Bond shall contain on its face a statement to the effect that (i) neither the Commonwealth nor any of its political subdivisions, including VRA, shall be obligated to pay the principal of or premium, if any, or interest on the Bonds or other costs incident to them except from the revenues, money or property of VRA pledged for such purpose, and (ii) neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions is pledged to the payment of the principal of or premium, if any, or interest on the Bonds.

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

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

(b) If any of the officers who have signed or sealed any of the Bonds of a Series or whose facsimile signature is on such Bonds ceases to be an officer of VRA before the

Bonds so signed and sealed have been actually authenticated by the Paying Agent or delivered by VRA, the Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though such officer had not ceased to be an officer of VRA. Any Bond of a Series may be signed and sealed on behalf of VRA by those Persons who, at the actual date of the execution of the Bond, are the proper officers of VRA, although at the date of the original issuance of the Bond they were not officers of VRA.

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

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

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

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

**Section 3.9 Charges for Exchange or Transfer.** Except as provided in Section 3.11, no charge shall be made for any registration of transfer or exchange of Bonds, but VRA or the

Paying Agent may require payment by the Owner of the Bonds of a sum sufficient to cover any applicable tax or other governmental charge that may be imposed.

**Section 3.10 Temporary Bonds.** (a) Until Bonds of any Series in definitive form are ready for delivery, VRA may execute, and upon its request in writing, the Paying Agent shall authenticate and deliver in lieu of definitive Bonds and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten Bonds in temporary form, in substantially the form set forth in the Related Supplemental Series Indenture, with appropriate omissions, variations and insertions.

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

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

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

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

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

under this Master Indenture to the same extent as the Bond in substitution for which such Bond was issued.

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

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

#### ARTICLE IV REDEMPTION OF BONDS

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

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

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

(b) Unless otherwise specified in the Related Supplemental Series Indenture, such notice shall be mailed by first class mail, postage prepaid, not less than thirty nor more than sixty days before the date fixed for redemption, to the Owners of the Bonds called for redemption, at their respective addresses as they last appear on the registration books maintained by the Paying Agent. The receipt of notice will not be a condition precedent to the redemption and failure to mail any notice to an Owner or any defect in any notice will not affect the validity of the proceedings for the redemption of Bonds.

**Section 4.4 Payment of Redeemed Bonds.** (a) Except as otherwise provided in the Related Supplemental Series Indenture, if notice of redemption has been given as provided in Section 4.3, the Bonds called for redemption shall be due and payable on the date fixed for redemption at a redemption price equal to the principal amount of and premium, if any, on the Bonds, together with accrued interest to the date fixed for redemption. Payment of the redemption price shall be made by the Paying Agent upon surrender of the Bonds. If less than the full principal amount of a Bond is called for redemption, VRA shall execute and deliver and the Paying Agent shall authenticate, upon surrender of the Bond, and without charge to the Owner, Bonds of the same Series for the unredeemed portion of the principal amount of the Bond so surrendered.

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

#### ARTICLE V ISSUANCE OF BONDS

**Section 5.1 Issuance of Bonds.** (a) VRA may issue Bonds, subject to the terms and conditions contained in this Master Indenture, for any purpose permitted to be financed from the proceeds of VRA Debt under the Act, including without limitation the financing of the acquisition of Local Obligations and the refunding of any Bonds previously issued and Outstanding. Such Bonds may be issued in any form permitted by law, including, but not limited to, Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Optional Tender Bonds, Serial Bonds or Term Bonds or any combination thereof.

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

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

**Section 5.2 Bonds Equally and Ratably Secured.** (a) All Senior Bonds of each Series issued and to be issued under this Master Indenture, respectively, are and are to be, to the extent provided in and subject to this Master Indenture and the Related Supplemental Series

Indenture, equally and ratably secured by this Master Indenture and the Related Supplemental Series Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity or redemption of the Senior Bonds of such Series, or any of them. Therefore, subject to the provisions of this Master Indenture and the Related Supplemental Series Indenture, all Senior Bonds of any Series at any time Outstanding under this Master Indenture and the Related Supplemental Series Indenture shall have the same right, lien and preference under and by virtue of this Master Indenture and the Related Supplemental Series Indenture and shall all be equally and ratably secured with all other Senior Bonds of each Series with like effect as if they had all been simultaneously executed, authenticated and delivered.

(b) All Subordinate Bonds of each Series issued and to be issued under this Master Indenture, respectively, are and are to be, to the extent provided in and subject to this Master Indenture and the Related Supplemental Series Indenture, equally and ratably secured by this Master Indenture and the Related Supplemental Series Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity or redemption of the Subordinate Bonds of such Series, or any of them. Therefore, subject to the provisions of this Master Indenture and the Related Supplemental Series Indenture, all Subordinate Bonds of any Series at any time Outstanding under this Master Indenture and the Related Supplemental Series Indenture shall have the same right, lien and preference under and by virtue of this Master Indenture and the Related Supplemental Series Indenture and shall all be equally and ratably secured with all other Subordinate Bonds of each Series with like effect as if they had all been simultaneously executed, authenticated and delivered.

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

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

- (1) An original executed counterpart of this Master Indenture;
- (2) A certified copy of a resolution of VRA's Board of Directors authorizing the execution and delivery of this Master Indenture; and
- (3) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, to the effect that this Master Indenture has been duly authorized, executed and delivered by VRA;

(b) An original executed counterpart of the Related Supplemental Series Indenture which may include provisions (i) authorizing the issuance, fixing the principal amount and setting forth the details of the Bonds of the Series then to be issued, including identifying which Bonds within the Series are Senior Bonds and which are Subordinate Bonds, the interest rate or rates and the manner in which the Bonds are to bear interest, the Principal and Interest Payment Dates of the Bonds, the purposes for which the Bonds are being issued, the date and the manner of numbering the Bonds, the series designation, the denominations, the maturity dates and amounts, the Amortization Requirements or the manner for determining such Amortization

Requirements, and any other provisions for redemption before maturity; (ii) for Bond Credit Facilities for the Series and for Local Accounts and other Accounts and subaccounts to be established with respect to the Bonds within the Funds and Accounts established under this Master Indenture; (iii) for the application of the proceeds of the Bonds of the Series; (iv) necessary or expedient for the issuance of Bonds constituting Variable Rate Bonds or Optional Tender Bonds, including without limitation, tender and remarketing provisions, liquidity facility provisions and provisions for establishing the variable rate and changing interest rate modes; (v) for the amount, if any, to be deposited into the Senior Debt Service Reserve Fund, which will be an amount at least sufficient to cause to be on deposit in the Senior Debt Service Reserve Fund the Senior DSRF Reserve Requirement for the Outstanding Senior Bonds and the Senior Bonds of the Series then to be issued; (vi) for the amount, if any, to be deposited into the Capital Reserve Fund, which will be an amount at least sufficient to cause to be on deposit in the Capital Reserve Fund the CRF Reserve Requirement for the Outstanding Subordinate Bonds and the Subordinate Bonds of the Series then to be issued; and (vii) for such other matters as VRA may deem appropriate;

(c) A certified copy of each resolution adopted by VRA's Board of Directors authorizing the execution and delivery of the Related Supplemental Series Indenture and any Related Reimbursement Obligation and the issuance, sale, execution and delivery of the Series of Bonds then to be issued;

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

(e) A Projected Revenue Certificate, dated the date of delivery of the Bonds of the Series then to be issued, giving effect to the issuance of such Series of Bonds and showing for each Bond Year (i) Revenue Coverage equal to at least Required Revenue Coverage, (ii) Senior Bond Debt Service Coverage equal to at least Required Senior Bond Debt Service Coverage and (iii) Senior Bond Revenue Coverage equal to at least Required Senior Bond Revenue Coverage.

(f) Evidence satisfactory to the Trustee that the amount on deposit in the Operating Reserve Fund is at least equal to the Minimum Balance as of the date of delivery of the Bonds of the Series then to be issued;

(g) If the Bonds of the Series then to be issued are to be issued to refund Bonds issued and outstanding under this Master Indenture ("Refunding Bonds"):

(1) Evidence satisfactory to the Trustee that VRA has made provision as required by this Master Indenture for the payment or redemption of all Bonds to be refunded; and

(2) A written determination by a knowledgeable professional, including VRA's financial advisor but excluding any employee of VRA, or by a firm of independent certified public accountants that the proceeds (excluding accrued interest) of the Refunding Bonds, together with any other money to be deposited for such purpose with the Trustee in the Related Escrow Fund or

otherwise upon the issuance of the Refunding Bonds and the investment income to be earned on funds held by the Trustee for the payment or redemption of Bonds to be refunded, will be sufficient to pay, whether upon redemption or at maturity, the principal of and premium, if any, and interest on the Bonds to be refunded and the estimated expenses incident to the refunding.

(h) An opinion of Bond Counsel to the effect that the Bonds of the Series then to be issued have been duly authorized, that all conditions precedent to the issuance thereof have been fulfilled and, that the Bonds are valid and legally binding limited obligations of VRA, and are secured by this Master Indenture and the Related Supplemental Series Indenture to the extent provided herein and therein;

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

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

(k) Any additional document or instrument specified in the Related Supplemental Series Indenture.

**Section 5.4 Modification of Certain Definitions.** (a) In the case of the following described types of Bonds, the definition of the term "Principal and Interest Requirements" for the purposes of (i) preparing and delivering a Projected Revenue Certificate and (ii) establishing the sizes of the Senior DSRF Requirement, the CRF Reserve Requirement and the Minimum CRF Reserve Requirement shall be modified as follows:

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

(2) Variable Rate Bonds. If any of the Outstanding Bonds or Bonds of the Series then to be issued constitute Variable Rate Bonds, then the interest rate used in the above-described computations shall be the greater of (i) the interest rate on any additional Bonds issued as Variable Rate Bonds for the first period of calculation of such interest and (ii) the weighted average interest rate at which

VRA could reasonably expect to have borrowed on the date of issuance of such Bonds by issuing such Bonds with a fixed rate or rates of interest. VRA's reasonable expectation shall be established by an Officer's Certificate and a letter of a knowledgeable professional, including VRA's financial advisor, confirming the interest rate expectation as reasonable. The conversion of Bonds constituting Variable Rate Bonds to bear interest at fixed rate or rates or vice-versa, in accordance with their terms, shall not constitute a new issuance of Bonds under this Master Indenture.

(b) The requirements and provisions of this Master Indenture governing Projected Revenue Certificates shall also be modified as set forth in subsection (a) above as may be necessary or appropriate for Local Obligations that are or will be Related to Optional Tender Bonds or Variable Rate Bonds.

**Section 5.5 Delivery of Bonds.** When the documents mentioned in Section 5.3 shall have been filed with the Trustee and when the Bonds of the Series then to be issued shall have been executed and authenticated as required by this Master Indenture, the Paying Agent shall deliver such Bonds at one time to or upon the order of the purchasers named in the Related Supplemental Series Indenture, but only upon payment to or upon the order of VRA of the purchase price of such Bonds and the accrued interest, if any, thereon.

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

**Section 5.7 Junior Subordinate Debt.** Nothing in this Master Indenture shall prohibit or prevent VRA from authorizing and issuing Junior Subordinate Debt for any lawful purpose payable from the revenues, money and other property pledged hereunder subject and subordinate to the payment of any Bonds or from securing any Junior Subordinate Debt and its payment by a lien and pledge of the revenues, money and other property pledged hereunder junior and inferior to the lien and pledge granted hereby for the payment and security of Bonds. The resolutions and documents providing for the issuance or incurrence of any Junior Subordinate Debt shall provide that no remedies upon an event of default thereunder may be exercised so long as any Senior Bonds or Subordinate Bonds remain Outstanding.

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

**Section 6.1 Payment of Bonds.** VRA shall promptly pay the principal of (whether at maturity, by mandatory sinking fund or optional redemption, or otherwise) and premium, if any, and interest on each Series of the Bonds on the dates and as provided in this Master Indenture, the Related Supplemental Series Indenture and in such Series of Bonds; provided, however, that such obligations are limited obligations of VRA and are payable solely from revenues, moneys and other property pledged by VRA to the Trustee under Article II to secure payment of such Series of Bonds or all Series of Bonds issued under this Master Indenture. The principal of and premium, if any, and interest on the Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any of its political subdivisions, other than VRA. Neither the Commonwealth nor any of its political subdivisions, including VRA, shall be

obligated to pay the principal of or premium, if any, or interest on the Bonds or other costs incident to them except from the revenues, money or property of VRA pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including VRA, is pledged to the payment of the principal of or premium, if any, or interest on the Bonds.

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

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

**Section 6.4 Records and Accounts; Inspections and Reports.** VRA shall maintain or cause to be maintained proper books of record and account, separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the Bonds. All books and documents in VRA's possession relating to the Bonds shall at all times be open to inspection by such agents as may be designated by the Trustee or the Owners of twenty-five percent or more in aggregate principal amount of Bonds then Outstanding. VRA shall have an annual audit made by or on behalf of the Auditor of Public Accounts within 120 days after the end of each Fiscal Year and shall furnish to the Trustee copies of the audit report as soon as such report is available, which report shall include statements in reasonable detail, certified by the Auditor of Public Accounts or the accountant who prepared the report. Such audit report shall reflect VRA's financial position as of the end of such Fiscal Year and the results of its operations and changes in the financial position of its funds for such Fiscal Year.

**Section 6.5 Reports by Trustee.** The Trustee shall make periodic reports to VRA of all money received, invested and expended by it with respect to the Bonds. The Trustee shall furnish to VRA upon request (i) a statement of the principal amount of Bonds Outstanding and unpaid as of the date of such request, (ii) the amount on deposit in each of the Funds and Accounts held by it pursuant to this Master Indenture, and (iii) such information as may be necessary to complete the annual audit of VRA as required by the Act or to make any other report required by any other law now or hereafter in effect.

**Section 6.6 Covenants with Bond Credit Providers, Senior DSRF Credit Providers and CRF Credit Providers.** VRA may make such covenants as it may in its sole discretion determine to be appropriate with any Bond Credit Provider, Senior DSRF Provider or CRF Credit Provider that shall agree to provide for Bonds of any one or more Series a Bond

Credit Facility, a Senior DSRF Credit Facility or a CRF Credit Facility that shall enhance the security or the value of such Bonds and thereby reduce the Principal and Interest Requirements on such Bonds or substitute for amounts in the Senior Debt Service Reserve Fund or the Capital Reserve Fund. Such covenants may be set forth in the Related Supplemental Series Indenture or other Supplemental Indenture and shall be binding on VRA, the Trustee, the Paying Agents and the Owners of the Bonds the same as if such covenants were set forth in full in this Master Indenture.

**Section 6.7 Covenant to Enforce State Aid Intercept.** VRA covenants that it will take any and all actions available to it under the laws of the Commonwealth, including those actions available under Section 62.1-216.1 of the Act and Section 15.2-2659 of the Virginia Code, to obtain Local Obligation Payments if the Related Locality fails to make such payments when the same shall become due and payable.

## ARTICLE VII ESTABLISHMENT OF FUNDS AND ACCOUNTS

### Section 7.1 Establishment and Custody of Pledged Funds for All Series of Bonds.

(a) With respect to and for the benefit of all Bonds there is hereby established to be held by the Trustee the Revenue Fund. As provided in Article II, the Revenue Fund is pledged, subject to the limitations hereof, as security for all Bonds issued and Outstanding under this Master Indenture.

(b) With respect to and for the benefit of the Senior Bonds of each Series there is hereby established to be held by the Trustee the Senior Debt Service Fund, the Senior Debt Service Reserve Fund and the Operating Reserve Fund. As provided in Section 2.1, these three Funds are pledged as security for all Senior Bonds issued and Outstanding under this Master Indenture.

(c) With respect to and for the benefit of the Subordinate Bonds of each Series there is hereby established to be held by the Trustee the Subordinate Debt Service Fund and the Capital Reserve Fund. As provided in Section 2.2, both of these Funds are pledged, subject to the limitations hereof, as security for all Subordinate Bonds issued and Outstanding under this Master Indenture.

**Section 7.2 Establishment and Custody of Non-Pledged Funds for Each Series of Bonds.** (a) Unless otherwise provided in the Related Supplemental Series Indenture, the following Funds are to be established in the Related Supplemental Series Indenture and held by or at the direction of VRA with respect to each Series of Bonds:

- (1) Cost of Issuance Fund;
- (2) Acquisition Fund; and
- (3) Rebate Fund.

(b) Unless otherwise provided in the Related Supplemental Series Indenture, no Fund described in this Section is pledged as security for payment of any Bonds of any Series.

**Section 7.3 Establishment and Custody of Certain Special Funds.** (a) VRA may establish with the Trustee or an escrow agent satisfactory to the Trustee in connection with the issuance of any Series of Refunding Bonds an Escrow Fund to provide for the application and investment of the portion of the proceeds of such Series to be used to refund the refunded Bonds. Such Escrow Fund shall be established under or in accordance with the Related Supplemental Series Indenture.

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

## ARTICLE VIII OPERATION OF REVENUE FUND AND PLEDGED FUNDS

**Section 8.1 Nature of Security Afforded by Certain Funds.** (a) All Senior Bonds of any Series issued and to be issued under this Master Indenture are, and are to be, to the extent provided in this Master Indenture, equally and ratably secured by the Revenue Fund, the Senior Debt Service Fund, the Senior Debt Service Reserve Fund and the Operating Reserve Fund as provided in Section 5.2(a).

(b) All Subordinate Bonds of any Series issued and to be issued under this Master Indenture are, and are to be, to the extent provided in this Master Indenture, equally and ratably secured by the Revenue Fund, the Subordinate Debt Service Fund and the Capital Reserve Fund as provided in Section 5.2(b).

**Section 8.2 Revenue Fund.** (a) The Trustee shall promptly deposit and hold in the Revenue Fund the Local Obligation Payments and any other amounts transferred to the Revenue Fund from other Funds and Accounts or other sources as provided under this Master Indenture or the Supplemental Series Indentures. On or before each Payment Date on any Series of the Bonds, the Trustee shall make transfers from the Revenue Fund in the amounts and in the order of priority set forth below:

FIRST: To the Senior Debt Service Fund the amount, if any, required so that the balance therein shall equal the amount of principal, if any, and interest due on the Payment Date on the Senior Bonds; provided that for the purpose of computing the amount to be paid to the Senior Debt Service Fund there shall be deducted the amount, if any, set aside in the Senior Debt Service Fund which was deposited therein as accrued or capitalized interest and any amounts transferred to the Senior Debt Service Fund as provided in Section 8.3(a) (4), together in each case with investment earnings thereon; and

SECOND: To the Senior Debt Service Reserve Fund the amount necessary to cause the balance therein to be equal to the Senior DSRF Requirement (which shall include the reimbursement of a Senior DSRF Credit

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

THIRD: To VRA the amount equal to the sum of the Administrative Charges as confirmed in an Officer's Certificate; and

FOURTH: To the Rebate Funds the amounts necessary to provide for the payment of any Rebate Amounts with respect to any Series of Bonds as confirmed in an Officer's Certificate; and

FIFTH: To the Subordinate Debt Service Fund the amount, if any, required so that the balance therein shall equal the amount of principal, if any, and interest due on the Payment Date on the Subordinate Bonds; provided that for the purpose of computing the amount to be paid to the Subordinate Debt Service Fund there shall be deducted the amount, if any, set aside in the Subordinate Debt Service Fund which was deposited therein as accrued or capitalized interest and any amounts transferred to the Subordinate Debt Service Fund as provided in Section 8.5(a)(4), together in each case with investment earnings thereon; and

SIXTH: To the Capital Reserve Fund to the extent necessary to cause the balance therein to be equal to the CRF Reserve Requirement (which shall include the reimbursement of a CRF Credit Provider for any drawings on a CRF Credit Facility and the payment of any interest, penalties or fees assessed by the CRF Credit Provider); and

SEVENTH: To the Operating Reserve Fund, any balance remaining in the Revenue Fund, unless and to the extent that the remaining balance is necessary to pay future Principal and Interest Requirements on the Bonds at the times and in the amounts provided in (i) a Supplemental Series Indenture and confirmed in an Officer's Certificate or (ii) an Officer's Certificate.

(b) The Trustee shall apply any amounts retained in the Revenue Fund as described in paragraph "SEVENTH" of subsection (a) above to pay the Principal and Interest Requirements on the Bonds at the times and in the amounts provided in the applicable Supplemental Series Indenture or Officer's Certificate, as the case may be.

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

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

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

(2) All amounts required to be transferred to the Senior Debt Service Fund from the Revenue Fund pursuant to paragraph "FIRST" of Section 8.2(a).

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

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

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

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

**Section 8.4 Senior Debt Service Reserve Fund.** (a) Except as specifically provided below, the amount in the Senior Debt Service Reserve Fund shall be used solely to cure deficiencies in the amount on deposit in the Senior Debt Service Fund. If there is a deficiency in the amount on deposit in the Senior Debt Service Fund to pay the principal of and interest on the Senior Bonds when due, then the Trustee shall transfer the amount of the deficiency from the amount, if any, on deposit in the Senior Debt Service Reserve Fund to the Senior Debt Service Fund. The Trustee immediately shall notify VRA of the transfer. Notwithstanding the foregoing, no such transfer from the Senior Debt Service Reserve Fund shall relieve a Locality of its obligation to make the payments due on its Local Obligations or under the Related Agreement.

(b) On each Reserve Determination Date, the Trustee shall determine if the balance on deposit in the Senior Debt Service Reserve Fund is at least equal to the Senior DSRF Requirement. In making each such determination, investments on deposit in the Senior Debt Service Reserve Fund shall be valued as provided in Section 11.3. If on any Reserve Determination Date the amount in the Senior Debt Service Reserve Fund is less than the Senior

DSRF Requirement, the Trustee shall immediately notify VRA of such fact and the amount of the deficiency.

(c) VRA may deposit its own funds directly into the Senior Debt Service Reserve Fund to cure any deficiency in it.

(d) Any interest earned from the investment of money in the Senior Debt Service Reserve Fund shall be transferred upon receipt to the Revenue Fund and/or to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate) to the extent that such transfer will not cause the balance in the Senior Debt Service Reserve Fund to be less than the Senior DSRF Requirement. If on any Reserve Determination Date there exists a surplus in the Senior Debt Service Reserve Fund, the Trustee shall transfer such surplus to the Revenue Fund and/or use it to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate); provided, however, that if on any Reserve Determination Date there exists or will exist a surplus in the Senior Debt Service Reserve Fund as the result of the payment at maturity, redemption or defeasance under Article XII of a portion of the Bonds on or as of such Reserve Determination Date, then the Trustee is authorized to apply the surplus as specified in (i) a Supplemental Series Indenture (as confirmed in an Officer's Certificate) or (ii) an Officer's Certificate.

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

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

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

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

(1) The amount, if any, of the proceeds of the Subordinate Bonds of any Series, required by the Related Supplemental Series Indenture to be deposited in the Subordinate Debt Service Fund in respect of accrued and/or capitalized interest.

(2) All amounts required to be transferred to the Subordinate Debt Service Fund from the Revenue Fund pursuant to paragraph "FIFTH" of Section 8.2(a).

(3) Any amounts required to be transferred to the Subordinate Debt Service Fund from the Capital Reserve Fund as provided under this Master Indenture.

(4) Any other amounts required to be paid to the Subordinate Debt Service Fund or otherwise made available for deposit therein by any Locality or VRA, including amounts made available pursuant to the Related Supplemental Series Indenture.

(b) The Trustee shall pay out of the Subordinate Debt Service Fund to the Paying Agents for the Subordinate Bonds (i) on each Interest Payment Date, the amount required for the payment of interest on the Subordinate Bonds then due and (ii) on any redemption date, the amount required for the payment of accrued interest on the Bonds to be redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Paying Agents to such payment. The Trustee shall also pay out of the Subordinate Debt Service Fund the accrued interest included in the purchase price of the Subordinate Bonds of any Series purchased for retirement pursuant to this Master Indenture.

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

**Section 8.6 Capital Reserve Fund.** (a) Except as specifically provided below, the amount in the Capital Reserve Fund shall be used solely to cure deficiencies in the amount on deposit in the Subordinate Debt Service Fund. If there is a deficiency in the amount on deposit in the Subordinate Debt Service Fund to pay the principal of and interest on the Subordinate Bonds when due, then the Trustee shall transfer the amount of the deficiency from the amount, if any, on deposit in the Capital Reserve Fund to the Subordinate Debt Service Fund. The Trustee immediately shall notify VRA of the transfer. Notwithstanding the foregoing, no such transfer from the Capital Reserve Fund shall relieve a Locality of its obligation to make the payments due on its Local Obligations or under the Related Agreement.

(b) On each Reserve Determination Date, the Trustee shall determine if the balance on deposit in the Capital Reserve Fund is at least equal to the CRF Reserve Requirement

and the Minimum CRF Reserve Requirement. Unless and until VRA satisfies the requirements of Section 8.7, the CRF Reserve Requirement and the Minimum CRF Reserve Requirement shall be equal. In making each such determination, investments on deposit in the Capital Reserve Fund shall be valued as provided in Section 11.3. If on any Reserve Determination Date the amount in the Capital Reserve Fund is less than the CRF Reserve Requirement or the Minimum CRF Reserve Requirement, the Trustee shall immediately notify VRA of such fact and the amount of the deficiency.

(c) If any deficiency below the Minimum CRF Reserve Requirement shall continue to exist on or before December 1 of the year in which the deficiency occurs, VRA's Chairman shall under Section 62.1-215 of the Act make and deliver to the Governor and the Secretary of Administration of the Commonwealth of Virginia a certificate setting forth the amount of such deficiency. Notwithstanding anything to the contrary contained herein, in determining whether such deficiency continues to exist on a December 1, the Chairman of VRA shall not take into account any deficiency resulting solely from the valuation by the Trustee of the investments in the Capital Reserve Fund (as opposed to a transfer therefrom to the Subordinate Debt Service Fund due to a default on a Local Obligation).

(d) VRA may deposit its own funds directly into the Capital Reserve Fund to cure any deficiency in it.

(e) VRA and the Trustee shall deposit directly into the Capital Reserve Fund any payments made by the Commonwealth pursuant to an appropriation by the General Assembly of the Commonwealth of Virginia under Section 62.1-215 of the Act to replenish any deficiency below the Minimum CRF Reserve Requirement in the Capital Reserve Fund.

(f) Any interest earned from the investment of money in the Capital Reserve Fund shall be transferred upon receipt to the Revenue Fund and/or to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate filed with the Trustee) to the extent that such transfer will not cause the balance in the Capital Reserve Fund to be less than the CRF Reserve Requirement. If on any Reserve Determination Date there exists a surplus in the Capital Reserve Fund, the Trustee shall transfer the surplus to the Revenue Fund and/or use it to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate); provided, however, that if on any Reserve Determination Date there exists or will exist a surplus in the Capital Reserve Fund as the result of the payment at maturity, redemption or defeasance under Article XII of a portion of the Subordinate Bonds on or as of such Reserve Determination Date, then the Trustee is authorized to apply the surplus as specified in (i) a Supplemental Series Indenture (as confirmed in an Officer's Certificate) or (ii) an Officer's Certificate.

(g) (1) In lieu of maintaining and depositing money or securities in the Capital Reserve Fund, VRA may deposit with the Trustee a CRF Credit Facility in an amount equal to all or a portion of the CRF Reserve Requirement. Any CRF Credit Facility will permit the Trustee to draw or obtain under it for deposit in the Capital Reserve Fund amounts that, when combined with the other amounts in the Capital Reserve Fund, are not less than the CRF Reserve Requirement.

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

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

**Section 8.7 Release of Moral Obligation.** (a) Without obtaining the consent of either the Trustee or any of the Owners of the Bonds, VRA may at any time by resolution adopted by its Board of Directors and filed with the Trustee establish the Minimum CRF Reserve Requirement at an amount less than the CRF Reserve Requirement upon satisfaction of the following conditions:

(1) The above-described resolution contains a finding by VRA's Board of Directors that such action is not reasonably expected to affect adversely VRA's ability to pay the Principal and Interest Requirements on the Subordinate Bonds; and

(2) VRA files with the Trustee written confirmation from each Rating Agency for any Subordinate Bonds then Outstanding that its then-current rating on the Subordinate Bonds will not be withdrawn or reduced as a result of such action.

(b) The Minimum CRF Reserve Requirement is intended to be the "minimal requirement" for the Capital Reserve Fund described in Section 62.1-215 of the Act. The portion of the Capital Reserve Fund representing or allocable to the excess, if any, of the CRF Reserve Requirement over the Minimum CRF Reserve Requirement shall not be deemed a "capital reserve fund" within the meaning of Section 62.1-215 of the Act.

**Section 8.8 Operating Reserve Fund.** (a) On each Payment Date, any amount on deposit in the Operating Reserve Fund shall be transferred to the Senior Debt Service Fund if and to the extent that, after the transfers from the Revenue Fund provided for in paragraph "THIRD" of Section 8.2(a) and from the Senior Debt Service Reserve Fund provided for in Section 8.4(a), amounts on deposit in the Senior Debt Service Fund are insufficient to pay the principal and interest due on the Senior Bonds on such date.

(b) Investment earnings on amounts in the Operating Reserve Fund shall be retained therein unless necessary for transfer to the Senior Debt Service Fund as provided in subsection (a) above or transferred to VRA as provided in subsection (c) below.

(c) At any time upon the filing with the Trustee of a Projected Revenue Certificate, VRA may transfer to itself, from amounts on deposit in the Operating Reserve Fund, free and clear of any lien or pledge created by this Master Indenture, any amount which is in excess of the Minimum Balance as set forth in the Projected Revenue Certificate. Any amount VRA transfers to itself shall first be used to reimburse the Commonwealth in accordance with Section 62.1-215 of the Act for any amounts which the General Assembly may have appropriated and the Commonwealth has paid into the Capital Reserve Fund as described in Section 8.6 above and then may be applied to any other lawful purpose under the Act. VRA shall provide written notification to each Rating Agency of each such transfer from the Operating Reserve Fund.

#### ARTICLE IX OPERATION OF CERTAIN NON-PLEDGED FUNDS

**Section 9.1 Cost of Issuance Funds.** There shall be deposited in each Cost of Issuance Fund the portion of the proceeds of the Related Series of Bonds and such other amounts as may be specified in the Related Supplemental Series Indenture. VRA shall use such amounts to pay costs of issuance incurred in connection with the issuance of the Related Series of Bonds. Upon the filing with the Trustee of an Officer's Certificate that no further costs of issuance are to be paid from a Cost of Issuance Fund, VRA shall transfer any amounts remaining on deposit in such Fund to the Revenue Fund, the Related Acquisition Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Supplemental Series Indenture or Tax Regulatory Agreement. Investment earnings on a Cost of Issuance Fund may be transferred therefrom periodically as provided in the Related Supplemental Series Indenture and Tax Regulatory Agreement.

**Section 9.2 Acquisition Funds.** There shall be deposited into each Acquisition Fund such portion of the proceeds of the Related Series of Bonds and other amounts as may be specified in the Related Supplemental Series Indenture. VRA shall use amounts in each Acquisition Fund to acquire Related Local Obligations in accordance with the specific requirements of the Related Supplemental Series Indenture, Tax Regulatory Agreement and Related Agreements. Upon the filing with the Trustee of an Officer's Certificate that no additional Local Obligations are to be acquired or principal advances made thereon from amounts in an Acquisition Fund, VRA shall transfer any amounts remaining on deposit in such Fund to the Revenue Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Supplemental Series Indenture or Tax Regulatory Agreement. Investment earnings in an Acquisition Fund may be transferred periodically therefrom as provided in the Related Supplemental Series Indenture and Tax Regulatory Agreement.

**Section 9.3 Rebate Funds.** There shall be deposited in each Rebate Fund Rebate Amounts and such other amounts as may be specified in the Related Supplemental Series Indenture and the Related Tax Regulatory Agreement. VRA shall use the balance in a Rebate

Fund to pay the obligations under Section 148 of the Code in connection with the Related Series of Bonds. VRA may transfer any amounts on deposit in a Rebate Fund that are not needed for such purpose to the Revenue Fund, the Operating Reserve Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Supplemental Series Indenture or Tax Regulatory Agreement and confirmed in an Officer's Certificate.

## ARTICLE X GENERAL FUND AND ACCOUNT PROVISIONS

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

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

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

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

**Section 10.4 Purchase of Term Bonds.** (a) Amounts made available by or on behalf of VRA for such purpose may, and if so directed by VRA in an Officer's Certificate shall, be applied by the Trustee prior to the forty-fifth (45th) day preceding any mandatory sinking fund redemption date for Term Bonds of the Related Series to the purchase of the Term Bonds that are subject to such sinking fund redemption, at prices (including any brokerage and other charges) not exceeding the redemption price payable for such Term Bonds pursuant to such sinking fund

redemption plus unpaid interest accrued to the date of purchase. Upon such purchase of any Term Bond, the Trustee shall then credit an amount equal to the principal of the Bond so purchased toward the next succeeding Amortization Requirement for such Term Bond.

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

## ARTICLE XI SECURITY FOR DEPOSITS AND PERMITTED INVESTMENTS

**Section 11.1 Security for Deposits.** All amounts deposited with VRA or the Trustee under this Master Indenture in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously held in bank accounts which are secured for the benefit of VRA and the Owners of the Bonds in the manner required and to the full extent permitted by the Virginia Security for Public Deposits Act, Chapter 44, Title 2.2, Code of Virginia of 1950, as amended, or any successor provision of law; provided, however, that it shall not be necessary for the Paying Agent to give security for the deposit of any amounts with it for the payment of the principal of or premium, if any, or interest on any Bonds issued under this Master Indenture, or for any Person to give security for any investments described in Section 11.2 below purchased under the provisions of this Article XII as an investment of such amounts.

**Section 11.2 Permitted Investments.** (a) Subject to the provisions of any Supplemental Indenture, any amounts held in any Funds and Accounts established by this Master Indenture or any Supplemental Indenture may be separately invested and reinvested by the Trustee, at the request of and as directed in writing by a VRA Representative, in any investments which are at the time legal investments for public funds of the type to be invested under Virginia law, including without limitation the Act and the Investment of Public Funds Act, Chapter 45, Title 2.2, Code of Virginia of 1950; as amended, or any successor provision of law.

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

**Section 11.3 Valuation of Investments.** Unless otherwise provided in a Supplemental Indenture, VRA or the Trustee shall value the investments in each Fund and Account established

under this Master Indenture or any Supplemental Indenture and held by it or at its direction as of the last Business Day of each month, at the lower of cost or fair market value of such investments, plus accrued interest.

**Section 11.4 Investments through Trustee's Bond Department.** The Trustee may make investments permitted by Section 11.2 through its own trust or bond department.

## **ARTICLE XII DEFEASANCE**

**Section 12.1 Defeasance.** If VRA shall pay or provide for the payment of the entire indebtedness on all Bonds Outstanding in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and premium, if any, and interest on all Bonds Outstanding, as and when the same become due and payable;
- (b) by delivering all Bonds Outstanding to the Trustee for cancellation; or
- (c) by depositing with the Trustee (or an escrow agent acceptable to the Trustee), in trust, cash and/or Defeasance Obligations in such amount as will, together with the income or increment to accrue thereon (the "Defeasance Amount"), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds Outstanding at or before their respective maturity dates, without consideration of any reinvestment of the Defeasance Amount, as an independent certified public accountant shall verify to the Trustee's satisfaction;

and if VRA shall pay or provide for the payment of (on the date of defeasance or over time) all other sums payable hereunder by VRA, and if any of the Bonds Outstanding are to be redeemed before their maturity, notice of such redemption shall have been given as provided in Article IV (and the corresponding sections of the Supplemental Series Indentures) or provisions satisfactory to the Trustee shall have been made for the giving of such notice, this Master Indenture and the estate and rights granted hereunder (except for the provisions of Articles III and IV and Section 6.1) shall cease, determine, and become null and void. Thereupon the Trustee shall, upon receipt by the Trustee of an Officer's Certificate and an opinion of Bond Counsel, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Master Indenture as provided above have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Master Indenture (except for the provisions of Articles III and IV (and the corresponding sections of the Supplemental Series Indentures) and Section 6.1) and the lien hereof.

Any moneys, securities, or other property remaining on deposit in any of the Funds or Accounts established by this Master Indenture and held by the Trustee (except the cash and/or Defeasance Obligations deposited in trust as above provided) shall, upon the full satisfaction of this Master Indenture as provided above, forthwith be distributed to VRA.

**Section 12.2 Liability of VRA.** Upon the deposit with the Trustee (or an escrow agent acceptable to the Trustee), in trust, at or before maturity, of cash and/or Defeasance Obligations in the necessary amount to pay or redeem all Bonds Outstanding (whether upon or before their maturity or the redemption date of such Bonds) and compliance with the other payment

requirements of Section 12.1, provided that if such Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as provided in Article IV (and the corresponding sections of the Supplemental Series Indentures), or provisions satisfactory to the Trustee shall have been made for the giving of such notice, this Master Indenture may be discharged in accordance with its provisions (except for the provisions of Articles III and IV (and the corresponding sections of the Supplemental Series Indentures) and Section 6.1) but the liability of VRA under the Bonds shall continue provided that the Owners shall thereafter be entitled to payment only out of the cash and/or Defeasance Obligations deposited with the Trustee (or an escrow agent acceptable to the Trustee) as aforesaid.

**Section 12.3 Provision for Payment of Particular Bonds.** If VRA shall pay or provide for the payment of the entire indebtedness on particular Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and premium, if any, and interest on such Bonds, as and when the same shall become due and payable;
- (b) by delivering such Bonds to the Trustee for cancellation; or
- (c) by depositing with the Trustee (or an escrow agent acceptable to the Trustee), in trust, cash and/or Defeasance Obligations in such amount as will, together with the income or increment to accrue thereon (the "Payment Amount"), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity dates, without consideration of any reinvestment of the Payment Amount, as an independent certified public accountant shall verify to the Trustee's satisfaction;

and if VRA shall also pay or provide for the payment of all other sums payable hereunder by VRA with respect to such Bonds, and, if such Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as provided in Article IV of this Master Indenture (or the corresponding provisions of the Related Supplemental Series Indentures) or provisions satisfactory to the Trustee shall have been made for the giving of such notice, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture. The liability of VRA under such Bonds shall continue but their Owners shall thereafter be entitled to payment (to the exclusion of all other Owners) only out of the cash and/or Defeasance Obligations deposited with the Trustee (or an escrow agent acceptable to the Trustee) as aforesaid.

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

**Section 12.4 Defeasance of Variable Rate Bonds and Optional Tender Bonds.** The provisions of this Article XII may be modified by the Related Supplemental Series Indentures with respect to Bonds of any Series that constitute Variable Rate Bonds and/or Optional Tender Bonds.

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

**Section 13.1 Events of Default; No Acceleration.** (a) The occurrence and continuation of one or more of the following events shall constitute an Event of Default with respect to the Bonds:

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

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

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

(4) failure on the part of VRA duly to observe or perform any other of the covenants or agreements on the part of VRA contained in this Master Indenture, a Supplemental Series Indenture, a Tax Regulatory Agreement or any Bond; or

(5) Appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues, the Senior Bond Revenues, and the other Funds and Accounts pledged pursuant to this Master Indenture, or the filing by VRA of any petition for reorganization of VRA or rearrangement or readjustment of the obligations of VRA under the provisions of any applicable bankruptcy or insolvency law.

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

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

**Section 13.2 No Acceleration.** The principal of and interest on the Bonds is not subject to acceleration upon the occurrence and continuation of an Event of Default.

**Section 13.3 Other Remedies.** (a) Upon the occurrence and continuation of an Event of Default, the Trustee may in its discretion, and shall at the written request of the Majority Owners of the Senior Bonds Outstanding, or if there are no Senior Bonds Outstanding, at the written request of the Majority Owners of the Subordinate Bonds Outstanding, and having been indemnified as provided in Section 14.1(1), pursue any available remedy, at law or in equity, to

enforce the payment of the principal of and premium, if any, and interest on the Bonds, to enforce any covenant or condition under this Master Indenture or the Supplemental Indentures or to remedy any Event of Default.

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

(ii) If there are no Senior Bonds Outstanding, upon the occurrence and continuation of an Event of Default, and if requested so to do in writing by the Majority Owners of the Subordinate Bonds Outstanding, and having been indemnified as provided in Section 14.1(l), the Trustee will exercise such of the rights and powers conferred by this Section as the Trustee, being advised by counsel, deems most effective to enforce and protect the interests of the Owners.

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

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

**Section 13.5 Restriction on Owners' Actions.** In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Master Indenture or any remedy under this Master Indenture or any Supplemental Indenture or the Bonds, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified as provided in Section 14.1(h), or of which by such Section it is deemed to have notice; (ii) the Majority Owners of the Senior Bonds or, if there are no Senior Bonds Outstanding, the Majority Owners of the Subordinate Bonds, have made written request of the Trustee to institute the suit, action, proceeding or other remedy, after the right to exercise the powers or rights of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in this Master Indenture or to institute the action, suit or proceeding in its or their name; (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred as provided in Section 14.1(l); and (iv) the Trustee has not complied with the request within a reasonable time. Such notification, request and offer of indemnity are declared, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Master Indenture or for any other remedy under this Master Indenture. It is intended that no one or more Owners will have any right to affect, disturb or prejudice the security of this Master Indenture, or to enforce any right

under this Master Indenture or the Bonds, except in the manner provided for in this Master Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in this Master Indenture and for the benefit of all Owners. Nothing in this Master Indenture will affect or impair the right of the Owners to enforce payment of the Bonds in accordance with their terms.

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

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

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

(b) No delay or omission of the Trustee or of any Owner to exercise any right, power or remedy accruing upon any default or Event of Default will impair any such right, power or remedy or will be construed to be a waiver of or acquiescence in any such default or Event of Default. Every right, power and remedy given by this Article to the Trustee and to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

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

FIRST - To the payment of the persons entitled to it of all installments of interest then due on the Senior Bonds, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably,

according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege;

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

THIRD - To the payment of the persons entitled to it of all installments of interest then due on the Subordinate Bonds to the extent the same is not to be paid from amounts in the Capital Reserve Fund, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege; and

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

(b) Whenever money is to be applied pursuant to the provisions of this Section, it will be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee applies such money, it will fix the date on which payment is to be made, and interest on the amount of principal to be paid on such date will cease to accrue. The Trustee will give, by first class mail as it may deem appropriate, notice to the Owners of the fixing of such payment date.

(c) Notwithstanding anything to the contrary in this Master Indenture, amounts at any time on deposit in or transferred to the Capital Reserve Fund as described in Section 8.6(d) or (e) above shall be used only to pay the principal of and interest on the Subordinate Bonds and such amounts shall be so used but only to the extent that amounts in the above-described Account and the Subordinate Debt Service Fund are insufficient therefor.

**Section 13.10 Notice of Certain Defaults; Opportunity to Cure Such Defaults.**  
Notwithstanding anything to the contrary in this Master Indenture, no default under Section 13.1(a)(4) will constitute an Event of Default until actual notice of the default is given to VRA by the Trustee or by the Owners of not less than twenty-five percent in aggregate principal amount of all Outstanding Bonds, and VRA has had (i) 30 days after receipt of the notice with respect to any default in the payment of money or (ii) 90 days after receipt of the notice of any

other default to correct the default or to cause the default to be corrected, provided, however, that if the default can be corrected, but cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action is instituted by VRA within the applicable period and diligently pursued until the default is corrected.

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

#### ARTICLE XIV THE TRUSTEE

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

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

(b) The Trustee may execute any of the trusts or powers under this Master Indenture and perform any of its duties by or through attorneys, accountants, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standards specified in subsection (a) of this Section. The Trustee also shall be entitled to act on the opinion or advice of its counsel concerning all matters of trust and the duties under this Master Indenture, and may be reimbursed for reasonable compensation to all such attorneys, accountants, agents, receivers and employees as may reasonably be employed in connection with this Master Indenture. The Trustee may act on an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance on such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital in this Master Indenture or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for the filing or re-filing of any financing or continuation statement or other document or instrument, or for insuring any property of VRA or a Locality or collecting any insurance money, or for the validity of VRA's execution of this Master Indenture or of any

supplements to it or instruments of further assurance, or for the sufficiency of the security for the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of money made by it in accordance with Article XI.

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

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

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

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

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

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

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

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

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

**Section 14.2 Fees, Charges and Expenses of Trustee.** The Trustee shall be entitled to payment and reimbursement for such fees, charges and expenses as may specifically be agreed upon with VRA and, absent such agreement, for reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of, premium, if any, and interest on any Bond upon the Revenues for the foregoing fees, charges and expenses incurred by the Trustee.

**Section 14.3 Notice Required of Trustee.** If either VRA or a Locality fails to make any payment on a Series of Bonds or its Local Obligation, as applicable, on the day such payment is due and payable, the Trustee shall give notice thereof by telephone or facsimile to VRA and the defaulting Locality, if any, on the next succeeding Business Day. If (i) any such failure of VRA to make a payment on a Series of Bonds continues for thirty days, or (ii) the Owners of not less than twenty-five percent in aggregate principal amount of Bonds then Outstanding notify the Trustee of any default under this Master Indenture, then the Trustee shall give notice of such default by registered or certified mail to the Owner of each Bond of such Series then Outstanding. The Trustee's failure to give any notice required by this Section shall not subject the Trustee to any liability to any person, firm, corporation or other entity, including, but not limited to, VRA and the Owners, nor shall such failure relieve VRA of its obligation to make payments under the Bonds and this Master Indenture, any Locality of its obligation to make payments under its Local Obligation or Related Agreement or waive the Trustee's right to exercise its remedies under this Master Indenture.

**Section 14.4 Intervention by Trustee.** In any judicial proceeding to which VRA is a party and that in the Trustee's opinion has a substantial bearing on the Owners' interests, the Trustee may intervene on the Owners' behalf and, subject to Section 14.1(l), shall do so if requested by the Owners of not less than twenty-five percent in aggregate principal amount of

Bonds then Outstanding. The Trustee's rights and obligations under this Section are subject to the approval of a court of competent jurisdiction.

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

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

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

**Section 14.8 Appointment of Successor Trustee; Temporary Trustee.** If the Trustee shall resign, be removed, be dissolved, be in the course of dissolution or liquidation or otherwise become incapable of acting hereunder, or if it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, then, unless an Event of Default with respect to any Series of Bonds has occurred and is continuing, a successor may be appointed by VRA by an instrument in writing signed by a VRA Representative. If an Event of Default has occurred and is continuing, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Owners. In case of such vacancy, VRA, by an instrument signed by a VRA Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners as provided above and any such temporary Trustee so appointed by VRA shall immediately and without further act be replaced by the Trustee so appointed by such Owners. Any Trustee appointed under this Section shall be, if

there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, (i) a bank or trust company within or without the Commonwealth of Virginia, in good standing and having a reported capital, surplus and undivided profits of not less than \$50,000,000, or (ii) a subsidiary trust company whose parent bank or bank holding company has undertaken to be fully responsible for the acts and omissions of such subsidiary trust company, and whose capital, surplus and undivided profits, together with that of its parent bank or bank holding company, as the case may be, is not less than \$50,000,000.

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

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

**Section 14.11 Appointment of and Acceptance of Paying Agent.** VRA may at any time or from time to time appoint one or more Paying Agents for each Series of Bonds in the manner and subject to the conditions set forth in Section 14.12 for the appointment of a successor Paying Agent. Unless another Paying Agent is appointed for a Series of Bonds in the Related Supplemental Series Indenture, the Trustee shall serve as Paying Agent. Each Paying Agent (other than the Trustee) will signify its acceptance of the duties and obligations imposed on it under this Master Indenture and any Supplemental Indenture by written instrument of acceptance deposited with VRA and the Trustee.

**Section 14.12 Resignation or Removal of Paying Agent; Appointment of Successor.** Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Master Indenture by giving at least sixty days written notice to VRA and the Trustee. Any Paying Agent may be removed at any time by an instrument signed by a VRA Representative and filed with the Paying Agent and the Trustee. Any successor Paying Agent

shall be appointed by VRA, and shall be a bank or trust company duly organized under the laws of the United States or any of its states or territories, having a capital stock and surplus aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon the Paying Agent by this Master Indenture and any Supplemental Indenture.

If any Paying Agent resigns or is removed, the Paying Agent shall pay over, assign and deliver any money held by it as Paying Agent to its successor or to the Trustee. If for any reason there is a vacancy in the office of any Paying Agent, the Trustee shall act as such until a new Paying Agent is appointed.

**Section 14.13 Notification to Rating Agency.** The Trustee shall notify each Rating Agency of (i) the execution and delivery of any Supplemental Indenture, (ii) the appointment of any successor Trustee under this Master Indenture, and (iii) the payment or redemption in full of the Bonds. Notice of any of the foregoing shall be given to the Rating Agency before or as soon as possible after its occurrence.

#### ARTICLE XV SUPPLEMENTAL INDENTURES

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

- (a) To cure or correct any ambiguity, formal defect, omission or inconsistent provision in this Master Indenture or in a Supplemental Series Indenture;
- (b) To grant to or confer on the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Owners or the Trustee or either of them;
- (c) To subject to the lien and pledge of this Master Indenture additional revenues, properties or collateral;
- (d) To provide for the issuance of coupon Bonds if authorized under the Related Supplemental Series Indenture;
- (e) To amend certain provisions of this Master Indenture or any Supplemental Series Indenture in any manner consistent with Sections 103 and 141 through 150 of the Code (or such other hereinafter enacted sections of the Code as may be applicable to the Bonds) as in effect at the time of the amendment;
- (f) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Master Indenture or any Supplemental Series Indenture, of the Revenues, the Senior Bond Revenues or any other moneys, property or Funds or Accounts;

(g) To modify, amend or supplement this Master Indenture or any Supplemental Series Indenture as required to permit its qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of any of the Bonds for sale under the securities laws of any of the states of the United States, and, if VRA and the Trustee so determine, to add to this Master Indenture or any Supplemental Series Indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute;

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

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

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

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

(l) To make any other changes that, as expressed in a determination or finding by VRA (which shall be stated in the Supplemental Indenture, and may be based upon an Opinion of Counsel and/or the opinion of VRA's financial advisor) shall not prejudice in any material respect the rights of the Owners of the Bonds then Outstanding; and

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

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

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

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

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

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

**Section 15.3 Opinion of Counsel Required.** The Trustee shall not execute any Supplemental Indenture unless there shall have been filed with the Trustee an Opinion (or Opinions) of Counsel, subject to customary exceptions and qualifications, stating that (i) such Supplemental Indenture is authorized or permitted by this Master Indenture, (ii) upon execution the Supplemental Indenture will be valid and binding on VRA in accordance with its terms and (iii) the Supplemental Indenture will have no adverse effect on the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

**Section 15.4 No Unreasonable Refusal.** The Trustee shall not unreasonably refuse to enter into any Supplemental Indenture permitted under this Article; provided, however, that such refusal shall not be deemed unreasonable if the Trustee believes in good faith that such

Supplemental Indenture will or may prejudice any right of the Owners of the Bonds then Outstanding or adversely affect the rights and immunities, or increase the duties, of the Trustee.

## ARTICLE XVI MISCELLANEOUS

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

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

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

**Section 16.4 Notices.** Unless otherwise provided in this Master Indenture, all demands, notices, approvals, consents, requests, opinions and other communications under this Master Indenture shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail addressed (i) if to VRA, at 707 East Main Street, Suite 1350, Richmond, Virginia 23219, Attention: Executive Director; or (ii) if to the Trustee, at HDQ 5310, 919 East Main Street, 10<sup>th</sup> Floor, Richmond, Virginia 23219. VRA and the Trustee may by notice given under this Section, designate any further or different addresses to which subsequent

demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

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

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

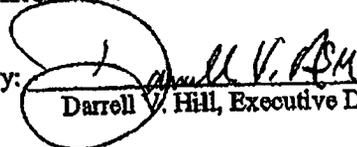
**Section 16.7 Applicable Law.** This Master Indenture shall be governed by the laws of the Commonwealth of Virginia.

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

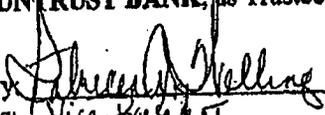
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IN WITNESS WHEREOF, VRA and the Trustee have caused this Master Indenture to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

**VIRGINIA RESOURCES AUTHORITY**

By:   
Darrell V. Hill, Executive Director

**SUNTRUST BANK, as Trustee**

By:   
Its: Vice President

[Signature Page of Master Indenture]