

---

CONTINUING COVENANTS AGREEMENT

Dated September 1, 2011

Between

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

and

CITIBANK, N.A.

Relating to

\$207,640,000

Metropolitan Washington Airports Authority  
Airport System Revenue and Refunding Variable Rate Bonds,  
Series 2011B

---

## TABLE OF CONTENTS

Page

### ARTICLE I

#### DEFINITIONS

Section 1.01.	Definitions .....	2
Section 1.02.	Construction of References .....	10
Section 1.03.	Severability Clause .....	10

### ARTICLE II

#### PURCHASE OF 2011B BONDS

Section 2.01.	Agreement to Purchase 2011B Bonds; Index Rate .....	10
Section 2.02.	Term of this Agreement.....	11
Section 2.03.	Optional Redemption; Mandatory Redemption and Mandatory Purchase.....	11
Section 2.04.	Payments after Index Rate Purchase Date .....	11
Section 2.05.	Increased Costs; Funding Indemnity .....	12
Section 2.06.	Excess Interest .....	13
Section 2.07.	Increased Taxes; Taxability .....	14

### ARTICLE III

#### PAYMENT

Section 3.01.	Payment Obligations.....	15
Section 3.02.	Default Rate .....	15
Section 3.03.	Computation of Interest and Fees .....	15
Section 3.04.	Withholding Taxes .....	15
Section 3.05.	Character of Obligations Hereunder.....	17

### ARTICLE IV

#### CONDITIONS PRECEDENT TO PURCHASE OF 2011B BONDS

Section 4.01.	Conditions.....	18
---------------	-----------------	----

### ARTICLE V

#### REPRESENTATIONS AND WARRANTIES

Section 5.01.	Corporate Existence.....	20
Section 5.02.	Authorization; No Conflict.....	20
Section 5.03.	Approvals.....	20

Section 5.04.	Binding Obligations.....	21
Section 5.05.	No Defaults.....	21
Section 5.06.	No Material Restrictions.....	21
Section 5.07.	Disclosure .....	21
Section 5.08.	Financial Information .....	21
Section 5.09.	Litigation .....	21
Section 5.10.	Taxes.....	22
Section 5.11.	Environmental Matters .....	22
Section 5.12.	Licenses and Permits .....	22
Section 5.13.	Labor Relations.....	22
Section 5.14.	Dulles Corridor Enterprise.....	22
Section 5.15.	No Existing Right to Accelerate.....	22
Section 5.16.	Anti-Terrorism Representation.....	23
Section 5.17.	No Immunity.....	23

## ARTICLE VI

### AFFIRMATIVE COVENANTS

Section 6.01.	Existence and Qualification.....	23
Section 6.02.	Compliance with Laws .....	24
Section 6.03.	Performance of This and Other Agreements .....	24
Section 6.04.	Further Assurances .....	24
Section 6.05.	Books and Records; Inspection .....	24
Section 6.06.	Taxes.....	24
Section 6.07.	Payment of Debts.....	24
Section 6.08.	Use of Proceeds of 2011B Bonds .....	25
Section 6.09.	Operation and Maintenance of Airports .....	25
Section 6.10.	Incorporation of Master Indenture and 2011B Indenture Covenants; Consents; Notice.....	25
Section 6.11.	Other Obligations of the Airports Authority .....	25
Section 6.12.	Right to Accelerate .....	25
Section 6.13.	Rating Maintenance.....	26

## ARTICLE VII

### DELIVERY OF FINANCIAL STATEMENTS, CERTIFICATES OF NO DEFAULT, OTHER INFORMATION

Section 7.01.	Financial Statements and Other Reports .....	26
Section 7.02.	Continuing Disclosure .....	27
Section 7.03.	Notices of Material Events .....	27
Section 7.04.	Non-Controlled Person.....	28
Section 7.05.	Other Notices.....	28

## ARTICLE VIII

### NEGATIVE COVENANTS

Section 8.01.	Operating Certificates .....	29
Section 8.02.	Environmental Compliance .....	29
Section 8.03.	Amendment to Material Documents.....	29
Section 8.04.	No Adverse Effect .....	29
Section 8.05.	Transfer of Airports .....	30
Section 8.06.	Liens .....	30
Section 8.07.	Optional Redemption.....	30
Section 8.08.	Prohibited Use of Proceeds.....	30

## ARTICLE IX

### EVENTS OF DEFAULT; REMEDIES

Section 9.01.	Events of Default .....	30
---------------	-------------------------	----

## ARTICLE X

### MISCELLANEOUS

Section 10.01.	Notices .....	33
Section 10.02.	Waiver; Amendments .....	34
Section 10.03.	Expenses; Indemnification .....	34
Section 10.04.	Successors and Assigns; Participants .....	35
Section 10.05.	Governing Law; Jurisdiction; Consent to Service of Process .....	36
Section 10.06.	WAIVER OF JURY TRIAL .....	37
Section 10.07.	Waiver of Automatic or Supplemental Stay.....	37
Section 10.08.	Right of Setoff .....	37
Section 10.09.	Counterparts; Integration.....	38
Section 10.10.	Survival.....	38
Section 10.11.	Severability .....	38
Section 10.12.	USA PATRIOT Act Notice .....	38

## CONTINUING COVENANTS AGREEMENT

THIS CONTINUING COVENANTS AGREEMENT, dated as of September 1, 2011 (this "Agreement"), between METROPOLITAN WASHINGTON AIRPORTS AUTHORITY, a public body corporate, created with the consent of Congress of the United States of America by an Act of the District of Columbia and an Act of the Commonwealth of Virginia to operate, maintain and improve Ronald Reagan Washington National Airport and Washington Dulles International Airport, whose principal office is located at 1 Aviation Circle, Washington, DC 20001-6000 (the "Airports Authority"), and CITIBANK, N.A., a national banking association (the "Bank").

### WITNESSETH:

WHEREAS, the Airports Authority is issuing its Airport System Revenue and Refunding Variable Rate Bonds Series 2011B Bonds in the aggregate principal amount of \$207,640,000 (the "2011B Bonds"), the proceeds of which are to be used to (1) finance the costs of certain capital improvements to the Airports Authority's airport facilities for Ronald Reagan Washington National Airport located in Arlington County, Virginia ("National Airport"), and Washington Dulles International Airport located in Fairfax and Loudoun Counties, Virginia ("Dulles Airport," and together with National Airport, the "Airports"), which improvements are described in the Indenture referenced below, (2) refund a portion of the Airports Authority's Airport System Revenue Variable Rate Refunding Bonds, Series 2002C, and (3) for other authorized purposes, including costs incurred in conjunction with the issuance of the 2011B Bonds (collectively, the "Project");

WHEREAS, the Airports Authority is issuing the 2011B Bonds pursuant to an Amended and Restated Master Indenture of Trust, dated as of September 1, 2001 (as amended and supplemented, the "Master Indenture"), between the Airports Authority and Manufacturers and Traders Trust Company (as successor to Allfirst Bank), a New York banking corporation (the "Trustee"), as supplemented by the Forty-First Supplemental Indenture of Trust, dated as of September 1, 2011 (the "2011B Indenture" together with the Master Indenture, the "Indenture"), between the Airports Authority and the Trustee;

WHEREAS the Bank has agreed to purchase the 2011B Bonds under the terms set forth herein ("Purchaser");

WHEREAS, it is a condition precedent to the Bank's agreement to purchase the 2011B Bonds that the Airports Authority shall have executed and delivered this Agreement and such other documents as may be set forth in this Agreement;

WHEREAS, the Airports Authority agrees that its Payment Obligations to the Bank under this Agreement shall be secured equally and ratably with respect to Pledged Funds under the Master Indenture with any Series of Bonds issued pursuant to the Master Indenture, without preference, priority or distinction;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** For the purpose of this Agreement, in addition to terms defined elsewhere herein (capitalized terms not otherwise defined below have the meanings provided in the Indenture), the following terms have the following meanings:

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, (i) “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, membership or otherwise; and (ii) the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Agreement*” means this Continuing Covenants Agreement.

“*Airline Agreement*” means the Airport Use Agreement and Premises Lease, dated as of January 1, 1990, by and between the Airports Authority and the Airlines party thereto, as the same may be amended and supplemented from time to time.

“*Airports*” means, collectively, Dulles Airport and National Airport.

“*Airports Authority*” has the meaning provided in the preambles to this Agreement.

“*Applicable Spread*” means during any Index Rate Period, the number of basis points specified below, which corresponds to the lowest rating assigned to the Parity Debt including the 2011B Bonds (without regard to credit enhancement) of the Airports Authority, as follows:

<u>Credit Rating</u> <u>(Moody's/S&amp;P/Fitch</u>	<u>Applicable Spread</u>
Aa3/AA-/AA- or higher	55
A1/A+/A+	75
A2/A/A	95
A3/A-/A- or lower	115

In the event of a split rating (i.e., one or more of the rating agency's ratings is at a different level than the rating of the other rating agencies), the Applicable Spread shall be based upon the lowest rating, effective as of the announcement of any rating changes by any rating agency. If one or more of the ratings is/are withdrawn or suspended, or any rating falls below investment grade, the 2011B Bonds shall bear interest at the Default Rate. References above are to rating categories as presently determined by the rating agencies, and in the event of the adoption of any new or changed rating system or a “global” rating scale by any such rating agency, the ratings categories shall be adjusted accordingly to a new rating which most closely approximates the ratings currently in effect.

“*Authority Representative*” has the meaning assigned to such term in the Master Indenture.

*“Authorized Denominations”* has the meaning provided in the 2011B Indenture.

*“Aviation Enterprise Fund”* means the enterprise fund for operation of the Airports identified in the Airports Authority’s 2011 Budget.

*“Bank Rate”* means the interest rate applicable to any principal amount of the 2011B Bonds that is not purchased by the Airports Authority on the Index Rate Purchase Date, and shall be the rate per annum equal to the LIBOR Index as of the Rate Determination Date plus seven hundred fifty (750) basis points (7.50%).

*“Bonds”* means the 2011B Bonds and any other bonds outstanding and issued under the Master Indenture and any additional bonds issued pursuant to the terms of the Master Indenture.

*“Business Day”* means a day other than (i) Saturday, (ii) Sunday, (iii) a day on which the Securities Depository is required or authorized by law to remain closed, (iv) a day on which banks located in the Commonwealth of Virginia, the District of Columbia, The City of New York, New York or any other city or cities in which are located the principal corporate or corporate trust offices of the Trustee, the Tender Agent, the Bank, the Calculation Agent or any Remarketing Agent, are required or authorized by law to remain closed, or (v) a day on which The New York Stock Exchange is closed.

*“Calculation Agent”* means the Trustee, or any successor appointed pursuant to the terms of this Agreement or Indenture.

*“Code”* means the Internal Revenue Code of 1986, as amended from time to time, including all applicable regulations thereunder whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable to the Bonds under the Code and under any successor provisions to the relevant provisions of the Code or regulations.

*“Counsel”* means a lawyer duly admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, or any law firm, who or which, as the case may be, is not unsatisfactory to any recipient of the opinion required to be rendered by such Counsel.

*“Date of Delivery”* means September 21, 2011.

*“Debt”* means, as applied to any Person (without duplication) as of any date as of which the amount thereof is to be determined, (1) all items (other than capital items such as surplus and fund balances, as well as reserves for taxes in respect of income deferred to the future and other deferred credits and reserves) that in accordance with GAAP would be included in determining total liabilities on the balance sheet of such Person as of such date (including, without limitation, capitalized leases), (2) all obligations that are secured by a Lien existing on Property owned by such Person, whether or not the obligations secured thereby shall have been assumed by such Person, (3) all obligations of such Person to purchase any materials, supplies or other Property, or to obtain the services of any other Person, if the relevant contract or other related document requires that payment for such materials, supplies or other Property, or for such services, shall be made regardless of whether or not delivery of such materials, supplies or other Property is ever made or tendered or such services are ever performed or tendered, (4) all Parity Debt and all

obligations under this Agreement and the other Related Documents and (5) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor against loss; provided, that the term "Debt" shall not include any debt of the Dulles Corridor Enterprise Fund.

"*Default*" means any event which with notice or lapse of time, or both, would become an Event of Default.

"*Default Rate*" means the rate per annum equal to the sum of the LIBOR Index as of the Rate Determination Date plus nine percent (9.0%).

"*Dulles Airport*" means Washington Dulles International Airport, located in Fairfax and Loudoun Counties, Virginia.

"*Dulles Corridor Enterprise Fund*" means the enterprise of the Airports Authority established by Resolution No. 07-16 of the Airports Authority.

"*Environmental Liability*" means any liability, contingent or otherwise (including any liability for damages, costs of environmental investigation and remediation, costs of administrative oversight, fines, natural resource damages, penalties or indemnities), of the Airports Authority directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Hazardous Materials Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any actual or alleged exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, including any rules and regulations promulgated thereunder, whether proposed, temporary or final.

"*Event of Default*" has the meaning provided in Article Nine hereof.

"*Excess Interest Amount*" has the meaning provided in Section 2.06 hereof.

"*Existing Debt*" means Debt issued and outstanding on the Date of Delivery to the extent set forth in the financial statements described in Section 5.08 of this Agreement and Debt incurred in connection with this Agreement.

"*Federal Lease*" means the Agreement and Deed of Lease effective June 7, 1987, between the United States of America and the Airports Authority as amended from time to time.

"*Fiscal Year*" means a period of twelve consecutive months ending on December 31 or on such other date as may be specified in a certificate executed by an Authority Representative and delivered to the Bank.

"*Fitch*" means Fitch, Inc.



*“Generally Accepted Accounting Principles”* or *“GAAP”* means generally accepted accounting principles as defined by the Financial Accounting Standards Board as from time to time in effect that are consistently applied and, when used with respect to the Airports Authority, that are consistent with the accounting practice of the Airports Authority, reflected in the financial statements for the Airports Authority, with such changes as may be approved by an independent public accountant satisfactory to the Bank.

*“Hazardous Materials”* means any petroleum product, and any hazardous, toxic or dangerous waste, substance or material defined as such in Hazardous Materials Law.

*“Hazardous Materials Laws”* means, collectively, all federal, state and local laws, ordinances or regulations, now or hereafter in effect, relating to environmental conditions or Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 9601, et seq., (the “RCRA”), the Clean Air Act, 42 U.S.C. § 7401, et seq. (the “CAA”), the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2929 (the “TSCA”), and all similar federal, state and local laws and ordinances, together with all regulations now or hereafter adopted, published or promulgated pursuant thereto.

*“Hedge Agreement”* means (a) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (b) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (c) any contract to exchange cash flows or payments or series of payments; (d) any type of contract called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk; and (e) any other type of contract or arrangement that the Airports Authority determines is to be used, to manage or reduce the cost of any Debt, to convert any element of any Debt from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

*“Holder”* has the meaning provided in the Master Indenture.

*“Index Rate”* means a per annum rate of interest equal to the sum of the SIFMA Index as of the Rate Determination Date plus the Applicable Spread. The Index Rate shall be calculated on the basis of a 365/366-day year and the actual number of days elapsed.

*“Index Rate Conversion Date”* means (a) the date on which the 2011B Bonds begin to bear interest at the Index Rate or, (b) if the 2011B Bonds have previously borne interest at the Index Rate during an Index Rate Period then ending, the Index Rate Purchase Date occurring at the end of the then ending Index Rate Period.

*“Index Rate Period”* means (a) the Initial Index Rate Period, and (b) each period thereafter from and including an Index Rate Conversion Date to but excluding the earlier of (i) the immediately succeeding Index Rate Purchase Date and (ii) the maturity date of the 2011B Bonds.

*“Index Rate Purchase Date”* means September 17, 2015, on which the 2011B Bonds will be subject to mandatory tender for purchase.

*“Initial Index Rate Period”* means the period from the Date of Delivery to but excluding September 17, 2015.

*“Interest Period”* means (i) while the 2011B Bonds bear the Index Rate, the date of issuance of the 2011B Bonds to (but excluding) the first Thursday thereafter, and each subsequent period from (and including) Thursday of each week to (but excluding) Thursday of the following week (or, if sooner, to but excluding the Index Rate Purchase Date) and (ii) while the 2011B Bonds bear the Bank Rate, the Taxable Rate or the Default Rate, the initial date of effect of such applicable interest rates, respectively, pursuant to the terms of this Agreement, to (but excluding) the first Thursday of the next succeeding month, and each subsequent period from (and including) first Thursday of each month to (but excluding) the first Thursday of the next succeeding month.

*“Interest Payment Date”* means the first Thursday of each month or the next succeeding Business Day if such day is not a Business Day and the Index Rate Purchase Date.

*“Interest Rate Mode”* has the meaning assigned to the term “Mode” in the 2011B Indenture.

*“LIBOR Index”* means, as of any date of determination, the interest rate per annum equal to (i) the offered quotations for deposits in U.S. Dollars for a period of one month which appears on LIBOR01 Page of the Thomson Reuters BBA LIBOR Rates Screen (or such other page as may replace LIBOR01 Page, or the service as may be nominated by the British Bankers’ Association as the information vendor for the purpose of displaying British Banker’ Association Interest Settlement Rates for deposits in U.S. Dollars) at or about 11:00 a.m. (London time) on the applicable determination date; or (ii) if no such interest rate determined under clause (i) is available, the arithmetic mean (rounded upward to the nearest one-sixteenth of one percent (0.0625%)) of the interest rates quoted by the “London Reference Banks” to leading banks in the London interbank market at or about 11:00 a.m. (London time) on the applicable determination date for a period of one month (commencing on the first day of the relevant interest period) in U.S. Dollars.

*“Lien”* means, as to any asset, (a) any lien, charge, claim, mortgage, security interest, pledge or other encumbrance of any kind with respect to such asset, (b) any interest of a vendor or lessor under any conditional sale agreement, capitalized lease or other title retention agreement relating to such asset, (c) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception affecting such asset, or (d) any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

*“Master Indenture”* has the meaning provided in the preambles to this Agreement.

*“Material Adverse Effect”* means, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences whether or not related, a material adverse change in, or a material adverse effect on, (a) the business, results of operations, financial condition, assets, liabilities or prospects of the Aviation Enterprise Fund of the Airports Authority, (b) the ability of the Airports Authority to perform any of its obligations under the Related Documents, (c) the rights and remedies of the Bank under any of the Related Documents or (d) the legality, validity or enforceability of any of the Related Documents.

*“Maximum Lawful Rate”* means the maximum, non-usurious, lawful rate of interest that may be contracted for, charged or received in connection with the payment obligations of the Airports Authority under this Agreement or under the 2011B Bonds, as the case may be, under applicable law presently in effect or, to the extent permitted by law, under applicable law that may hereafter be in effect and that allows a higher maximum and non-usurious rate of interest than applicable law now allows.

*“Maximum Rate”* means the lesser of (i) 25% per annum and (ii) the Maximum Lawful Rate.

*“Moody’s”* means Moody’s Investors Service, Inc.

*“National Airport”* means Ronald Reagan Washington National Airport, located in Arlington County, Virginia.

*“Net Revenues”* has the meaning provided in the Master Indenture.

*“Opinion of Bond Counsel”* means an opinion in writing signed by an attorney or firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

*“Outstanding”* has the meaning set forth in the Master Indenture.

*“Parity Debt”* means all indebtedness incurred by the Airports Authority which is secured on parity with the 2011B Bonds by a pledge, charge and lien on the Net Revenues and Pledged Funds under the Master Indenture.

*“Participant”* means any bank or financial institution to which the Bank or any such bank or financial institution has granted a participation in this Agreement and/or the 2011B Bonds pursuant to a Participation Agreement.

*“Participation Agreement”* means any Participation Agreement, between the Bank and any other Person purchasing participations in this Agreement and/or the 2011B Bonds and named therein.

*“Payment Obligations”* means any one or more of the obligations of the Airports Authority to the Bank under this Agreement.

*“Permitted Liens”* means, with respect to any Person, as of any particular time, (1) statutory rights of the United States of America under 42 U.S.C. §291, et seq.; (2) a money

judgment rendered by a court or administrative tribunal, but only to the extent that the existence of such judgment does not constitute an Event of Default under Section 9.1 of this Agreement or under any Related Document; (3) a Lien consisting of a deposit or pledge made in the ordinary course of business, in connection with, or to secure payment of, obligations under worker's compensation, unemployment insurance or similar legislation; (4) any credit agreement, standby purchase agreement, remarketing agreement or escrow depositary agreement relating to 2011B Bonds and encumbrances provided for therein with respect to amounts on deposit that are available solely for the payment of debt service on the 2011B Bonds or payment obligations in respect thereof; (5) Liens securing the obligations of the Airports Authority under the Related Documents; (6) a Lien in existence on the Date of Delivery as disclosed in writing to the Bank, but only, in the case of each such Lien, to the extent it secures Existing Debt; (7) a Lien securing Purchase Money Debt, as permitted by the Bank; (8) a Lien securing additional Debt, as permitted by the Bank; (9) a Lien securing any other indebtedness to the Bank, (10) a Lien securing any payments due under any Hedge Agreement with the Bank or other approved swap counterparty which is secured on a parity with, or junior to, the Lien securing the Payment Obligations; and (11) a Lien constituting a renewal, extension or replacement of a Lien constituting a Permitted Lien by virtue of clauses (5), (6), (7) and (8) of this definition, but only, in the case of each such renewal, extension or replacement Lien, to the extent that the principal amount of debt secured by such Lien is otherwise permitted under this Agreement, and that such renewal, extension or replacement Lien is limited to all or a part of the Property that secured the Lien extended, renewed or replaced.

*"Person"* means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated organization, a governmental unit or an agency, political subdivision or instrumentality thereof or any other group or organization of individuals; provided, that the term "Person" shall not include the Dulles Corridor Enterprise Fund.

*"Pledged Funds"* means those funds and accounts, including, but not limited to, the Net Revenues, as described in the granting clauses of the Master Indenture.

*"Project"* has the meaning provided in the preambles to this Agreement.

*"Property"* means any and all rights, titles and interests in and to any and all assets of a Person, including all real or personal property, all tangible or intangible property, and all cash, wherever such assets are situated.

*"Rate Determination Date"* means (i) while the Series 2011 Bonds bear interest at the Index Rate, the first Business Day preceding the first day of each Interest Period for the Index Rate and (ii) while the 2011B Bonds bear interest at the Bank Rate, the Default Rate or the Taxable Rate, the second London business day preceding each Interest Period for the Bank Rate, the Default Rate or the Taxable Rate, as applicable.

*"Rating Agency"* means, severally or collectively, if applicable (i) S&P and any successor thereto, if it has assigned a rating to the Bonds, (ii) Moody's and any successor thereto, if it has assigned a rating to the Bonds, and (iii) Fitch and any successor thereto, if it has assigned a rating to the Bonds. If any such Rating Agency shall no longer perform the functions of a securities rating service for whatever reason, the term "Rating Agency" shall thereafter be deemed to refer to the others, but if both of the others shall no longer perform the functions of a securities rating

service for whatever reason, the term “Rating Agency” shall thereafter be deemed to refer to any other nationally recognized rating service or services as shall be designated in writing by the Airports Authority to the Bank; provided that such designee shall not be unsatisfactory to the Bank.

“*Regulation U*” means Regulation U of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

“*Related Documents*” means, collectively, this Agreement, the Master Indenture, the 2011B Indenture, the 2011B Bonds, any Hedge Agreement relating to the 2011B Bonds, and each other agreement, instrument, or document evidencing, guaranteeing, or securing the obligations of the Aviation Enterprise Fund of the Airports Authority pursuant to this Agreement.

“*Release*” means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

“*Remarketing Agent*” for the 2011B Bonds, means any remarketing agent appointed by the Airports Authority in accordance with the terms of the 2011B Indenture after the Initial Index Rate Period.

“*Remarketing Agreement*” means, collectively, if more than one, the Remarketing Agreement between the Airports Authority and any Remarketing Agent.

“*Revenues*” has the meaning provided in the Master Indenture.

“*S&P*” means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc.

“*SIFMA Index*” shall mean the Securities Industry and Financial Markets Association Municipal Swap Index (previously known as the “Bond Market Association Municipal Swap Index” and the “PSA Municipal Swap Index”) announced by Municipal Market Data on the most recent date based upon the weekly rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meets specified criteria established by the Securities Industry and Financial Markets Association. The SIFMA Index shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days’ notice, the interest on which is tax-exempt and not subject to any personal “alternative minimum tax” or similar tax under the Code unless all tax-exempt securities are subject to such tax. In the event that Municipal Market Data no longer provides an index satisfying the requirements of the preceding sentence, references herein to the SIFMA Index shall mean the S&P Weekly High Grade Index. If the SIFMA Index is no longer published, and if the S&P Weekly High Grade Index is no longer available, an alternate index shall be calculated based upon the criteria for the SIFMA Index by an entity (which may be the Remarketing Agent) selected in good faith by the Airports Authority for purposes of determining the rate on the 2011B Bonds.

“*Supplemental Indenture*” means an indenture supplemental to, and authorized and executed pursuant to, the terms of the Master Indenture.

“*Taxable Date*” means the date as of which interest on the 2011B Bonds is first includable in the gross income of the Holder (including, without limitation, the Bank and any previous Holder) thereof as determined by such Holder.

“*Taxable Rate*” means the rate per annum equal to the sum of the LIBOR Index as of the Rate Determination Date plus five and one-half percent (5.5%).

“*Trustee*” has the meaning provided for in the preambles to this Agreement.

“*2011A Bonds*” means the Airport Authority’s Airport System Revenue and Refunding Variable Rate Bonds, Series 2011A.

**Section 1.02. Construction of References.** References by number in this Agreement to any Article or Section shall be construed as referring to the articles and Sections contained in this Agreement, unless otherwise stated. The words “hereby”, “herein”, “hereof”, “hereto”, and “hereunder” and any compounds thereof shall be construed as referring to this Agreement generally and not merely to the particular Article, Section or subdivision in which they occur, unless otherwise required by the context. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa. All references to time in this Agreement mean the prevailing local time in New York, New York.

**Section 1.03. Severability Clause.** If any provision of this Agreement shall be held or be deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because any provision conflicts with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable.

## ARTICLE II

### PURCHASE OF 2011B BONDS

**Section 2.01. Agreement to Purchase 2011B Bonds; Index Rate.** Subject to the terms and conditions set forth in this Agreement, the Bank hereby agrees to purchase the 2011B Bonds on the date hereof. During the Index Rate Period, and so long as no Event of Default shall have occurred, the 2011B Bonds shall bear interest at the Index Rate. The Index Rate shall be determined by the Calculation Agent on the applicable Rate Determination Date, and the Index Rate so determined shall become effective on the first day of the Interest Period next succeeding such Rate Determination Date. The Index Rate shall be rounded upward to the fifth decimal place. The Calculation Agent’s determination of any Index Rate, and its calculation of the amount of interest payable for any Interest Period, will be final and binding in the absence of

manifest error. Interest accrued on the 2011B Bonds bearing interest at the Index Rate shall be payable in arrears on each Interest Payment Date.

**Section 2.02. Term of this Agreement.** Unless otherwise noted, the provisions of this Agreement shall be in effect until all Payment Obligations have been paid.

**Section 2.03. Optional Redemption; Mandatory Redemption and Mandatory Purchase.**

(a) At the option of the Airports Authority, the 2011B Bonds may be optionally redeemed on any Interest Payment Date prior to the Index Rate Purchase Date or converted to another Interest Rate Mode to be effective on any Interest Payment Date prior to the Index Rate Purchase Date, upon 60 days' prior written notice to the Bank in compliance with the applicable provisions of the Related Documents, including Section 8.07 herein.

(b) The 2011B Bonds shall be subject to mandatory redemption on the 90<sup>th</sup> day following the date the long term rating of the 2011B Bonds or any other Parity Debt issued pursuant to the Master Indenture is reduced to or below Baa1 or BBB+ or BBB+ by any of Moody's, S&P or Fitch, respectively, or the date any of the ratings of any Parity Debt issued pursuant to the Master Indenture is withdrawn or suspended for any reason.

(c) The 2011B Bonds shall be subject to mandatory tender for purchase whether upon a conversion of Interest Rate Mode, Event of Default or otherwise as provided under the Indenture.

**Section 2.04. Payments after Index Rate Purchase Date.** So long as no Event of Default shall have occurred and is continuing and the representations and warranties contained in Article V of this Agreement are true and correct in all material respects as of such date, any principal amount of the 2011B Bonds that is not repaid by the Airports Authority on the Index Rate Purchase Date shall be repaid on the earlier of (i) the first Business Day which is thirteen (13) months after the Index Rate Purchase Date; (ii) the date on which the 2011B Bonds mature or are redeemed, repaid, prepaid or cancelled pursuant to the terms of the Related Documents; or (iii) the date on which the 2011B Bonds are remarketed; provided that such principal of the 2011B Bonds may be prepaid at any time prior to such date without penalty. So long as no Event of Default has occurred and is continuing, interest on the 2011B Bonds from the Index Rate Purchase Date shall accrue at the Bank Rate. The Bank Rate shall be determined by the Calculation Agent on the applicable Rate Determination Date, and the Bank Rate so determined shall become effective on the first day of the Interest Period next succeeding such Rate Determination Date. The Bank Rate shall be rounded upward to the fifth decimal place. The Calculation Agent's determination of any Bank Rate, and its calculation of the amount of interest payable for any Interest Period, will be final and binding in the absence of manifest error. Interest accrued on the 2011B Bonds bearing interest at the Bank Rate shall be payable in arrears on each Interest Payment Date.

**Section 2.05. Increased Costs; Funding Indemnity.**

(a) If the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard

or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation or application implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, policies, regulations, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (BIS) (or any successor or similar organizations), shall (i) change the basis of taxation of payments to the Bank of any amounts payable hereunder (except for taxes on the overall net income of the Bank), (ii) impose, modify or deem applicable any reserve, liquidity, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against entering into this, or complying with any term of this Agreement, or against assets held by, or deposits with or for the account of, the Bank or (iii) impose on the Bank any other condition, expense or cost regarding this Agreement, and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank of complying with any term of this Agreement or to reduce the amount of any sum received or receivable by the Bank hereunder, then, upon demand by the Bank, the Airports Authority shall pay to the Bank for its own account, as applicable, such additional amount or amounts as will compensate the Bank for such increased costs or reductions in amount. All payments of amounts referred to in this clause (a) shall be paid by the Airports Authority to the Bank within thirty (30) days of such demand.

(b) If the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case whether or not having the force of law), or compliance by the Bank with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation or application implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (BIS) (or any successor or similar organizations), shall impose, modify or deem applicable any capital (including but not limited to contingent capital) adequacy, reserve, insurance, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank allocates capital resources or reserves to its commitments (including its obligations under letters of credit)) that either (i) affects or would affect the amount of capital or reserves to be maintained by the Bank or (ii) reduces or would reduce the rate of return on the Bank's capital or reserves to a level below that which the Bank could have achieved but for such circumstances (taking into consideration the policies of the Bank with respect to capital adequacy or the maintenance of reserves) then, upon demand by the Bank, the Airports Authority shall pay to the Bank for its own account, as applicable, such additional amount or amounts as will compensate the Bank for such



event. All payments of amounts referred to in this clause (b) shall be paid by the Airports Authority to the Bank within thirty (30) days of such demand.

(c) The Bank will use its best efforts to notify the Airports Authority within 30 days of the Bank obtaining actual knowledge of any event occurring after the date hereof that will entitle the Bank to compensation pursuant to this Section 2.05; provided that the failure of the Bank to notify the Airports Authority within such 30-day period shall not relieve the Airports Authority from any liability for payment of such compensation; provided further that the failure of the Bank to notify the Airports Authority within 180 days of obtaining actual knowledge of such event shall relieve the Airports Authority from any liability for payment of such compensation. A certificate as to such increased cost, increased capital or reserves or reduction in return incurred by the Bank as a result of any event mentioned in clause (a) or (b) of this subsection setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the Airports Authority simultaneously with such demand for payment and shall be conclusive as to the amount thereof absent manifest error. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

**Section 2.06. Excess Interest.** 2011B Bonds shall bear interest at the rates identified herein; provided that, subject to the following provisions of this Section 2.06, at no time shall 2011B Bonds bear interest at a rate in excess of the Maximum Rate.

(a) If the amount of interest required to be paid on any Interest Payment Date calculated in accordance with the terms hereof (amounts which are treated as interest on amounts advanced hereunder or on the 2011B Bonds (collectively, the "Charges")) exceeds the amount of interest that would have been payable for the applicable period had interest for such period been calculated at the Maximum Rate, then the required interest for such period (together with any Charges payable with respect thereto) shall be payable in an amount of interest calculated on the basis of the Maximum Rate.

(b) Any interest or Charges that would have been due and payable under any provision hereof but for the operation of paragraph (a) immediately above, shall accrue and be payable as provided in this subparagraph (b) and shall constitute, less interest actually paid to the Bank on such Interest Payment Date, the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any Interest Payment Date, then, on the current and each subsequent Interest Payment Date, interest shall be paid at the Maximum Rate rather than the otherwise applicable rate until the earliest of (x) payment to the Bank of the entire accrued Excess Interest Amount, (y) the termination of this Agreement or (z) the date on which no principal amount hereunder remains unpaid.

(c) Notwithstanding the foregoing, all unpaid Excess Interest Amount shall be, to the fullest extent permitted by applicable law, due and payable by the Airports Authority as a fee on the earlier of (i) the termination of this Agreement or (ii) the date on which no principal amount hereunder remains unpaid.

**Section 2.07. Increased Taxes; Taxability.**

(a) In the event that the Bank shall determine that interest on the 2011B Bonds is includable in the gross income of the Bank, in addition to the amounts required to be paid by the Airports Authority under the Indenture and the 2011B Bonds, the Airports Authority hereby agrees to pay to the Bank on demand therefor or at such other times as may be mutually agreed upon by the Bank and the Airports Authority (A) an amount equal to the difference between (i) the amount of interest paid to the Bank on the 2011B Bonds during the period (the "*Taxable Period*"), in which interest on the 2011B Bonds is includable in the gross income of the Bank beginning on the Taxable Date and (ii) the amount of interest that would have been paid to the Bank during such Taxable Period had the 2011B Bonds borne the applicable Taxable Rates for each Interest Period during the Taxable Period, and (B) an amount equal to any interest, penalties or charges owed by the Bank as a result of interest on the 2011B Bonds becoming includable in the gross income of the Bank, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Bank in connection therewith. The Taxable Rates for each Interest Period during the Taxable Period shall be determined by the Calculation Agent, provided however, if an Event of Default shall have occurred during the Taxable Period, the interest rate on the 2011B Bonds shall be calculated at the Default Rate as set forth in Section 3.02 hereof. The Calculation Agent's determination of any Taxable Rate, and its calculation of the amount of interest payable for any Interest Period during the Taxable Period, will be final and binding in the absence of manifest error.

(b) Subject to the provisions of clauses (iii) and (iv) below, the Bank shall afford the Airports Authority the opportunity, at the Airports Authority's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on the 2011B Bonds to be includable in the gross income of the Bank or (2) any challenge to the validity of the tax exemption with respect to the interest on the 2011B Bonds, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(c) The following shall constitute conditions precedent to the exercise by the Airports Authority of its right to contest set forth in clause (ii) above:

(i) the Airports Authority shall, on demand, immediately reimburse the Bank for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by the Bank in its sole discretion) that may be incurred by the Bank in connection with any such contest, and shall, on demand, immediately reimburse the Bank for any and all penalties or other charges payable by the Bank for failure to include such interest in its gross income; and

(ii) the Airports Authority shall furnish to the Bank such security and indemnity as the Bank may in its sole discretion require to assure that the Bank shall not receive a lower yield (net of income taxes) on the 2011B Bonds than would have been realized by the Bank had such contest by the Airports Authority never occurred.

(iii) The obligations of the Airports Authority under this 2.07 shall survive the termination of this Agreement, and the redemption of the 2011B Bonds.

## ARTICLE III

### PAYMENT

**Section 3.01. Payment Obligations.** All payments of Payment Obligations shall be made by the Airports Authority to the Bank in immediately available funds on the due date thereof no later than 3:00 p.m. in the account designated by the Bank or such other location as the Bank may designate in writing to the Airports Authority, free and clear of any defenses, rights of set-off, counterclaim, recoupment or withholding. Any payments received by the Bank from the Airports Authority after the time specified in the preceding sentence shall be deemed to have been received on the next Business Day.

**Section 3.02. Default Rate.** If payment of any Payment Obligation or any other amounts to be paid by the Airports Authority under this Agreement is not made when due after the expiration of any grace period applicable to such payment, such Payment Obligation and any such amount shall bear interest at the Default Rate, until such Payment Obligation or other amount then due is paid in full, which the Airports Authority agrees to pay on demand. The Default Rate shall be determined by the Calculation Agent on the applicable Rate Determination Date, and the Default Rate so determined shall become effective on the first day of the Interest Period next succeeding such Rate Determination Date. The Bank Rate shall be rounded upward to the fifth decimal place. The Calculation Agent's determination of any Default Rate, and its calculation of the amount of interest payable for any Interest Period, will be final and binding in the absence of manifest error.

**Section 3.03. Computation of Interest and Fees.** Fees and interest thereon payable hereunder shall be computed on the basis of a 360-day year and the actual number of days elapsed. If the date specified for any payment hereunder is not a Business Day, such payment shall be made on the next following Business Day, and interest shall be paid at the rate provided for herein on any such payment to the Business Day on which such payment is actually made.

#### **Section 3.04. Withholding Taxes.**

(a) Payments Free of Withholding. Except as otherwise required by law, each payment by the Airports Authority to the Bank under this Agreement or any other Related Document shall be made without withholding for or on account of any present or future taxes imposed by or within the jurisdiction in which the Airports Authority is incorporated, any jurisdiction from which the Airports Authority makes any payment, or (in each case) any political subdivision or taxing authority thereof or therein, excluding the following taxes:

- (i) taxes imposed on, based upon, or measured by, the Bank's net income or profits, and branch profits, franchise and similar taxes imposed on it;
- (ii) taxes imposed on the Bank as a result of a present or former connection between the taxing jurisdiction and the Bank or any of its affiliates other than a connection resulting solely from the transactions contemplated by this Agreement;

(iii) taxes imposed as a result of the transfer by the Bank of its interest in this Agreement or any other Related Document or a designation by the Bank of a new lending office (other than taxes imposed as a result of any change in treaty, law or regulation after such transfer of the Bank's interest in this Agreement or any other Related Document or designation of a new lending office);

(iv) taxes imposed by the United States of America (or any political subdivision thereof or tax authority therein) upon the Bank organized under the laws of a jurisdiction outside of the United States, except to the extent that such tax is imposed as a result of any change in applicable law, regulation or treaty (other than any addition of or change in any "anti-treaty shopping," "limitation of benefits," or similar provision applicable to a treaty) after the date hereof; or

(v) taxes which would not have been imposed but for (a) the failure of the Bank to provide (x) the applicable forms prescribed by the Internal Revenue Service, as required by this Section 3.04, or (y) any other form, certification, documentation or proof which is reasonably requested by the Airports Authority, or (b) a determination by a taxing authority or a court of competent jurisdiction that a form, certification, documentation or other proof provided by the Bank to establish an exemption from such tax, assessment or other governmental charge is false;

(all such present or future taxes, excluding only the taxes described in the preceding clauses (i) through (v), being hereinafter referred to as "*Indemnified Taxes*"). If any such withholding is so required, the Airports Authority shall make the withholding, pay the amount withheld to the appropriate governmental authority before penalties attach thereto or interest accrues thereon and forthwith pay such additional amount as may be necessary to ensure that the net amount actually received by the Bank is free and clear of such Indemnified Taxes (including Indemnified Taxes on such additional amount) and is equal to the amount that the Bank would have received had withholding of any Indemnified Tax not been made. If the Airports Authority pays any Indemnified Taxes, or any penalties or interest in connection therewith, it shall deliver official tax receipts evidencing the payment or certified copies thereof, or other evidence of payment if such tax receipts have not yet been received by the Airports Authority (with such tax receipts to be delivered within fifteen (15) days after being actually received), to the Bank within fifteen (15) days of such payment. If the Bank pays any Indemnified Taxes, or any penalties or interest in connection therewith, the Airports Authority shall reimburse the Bank for the payment on demand. The Bank shall make written demand on the Airports Authority for reimbursement hereunder, including a description in reasonable detail of the amounts and taxes paid, no later than thirty (30) days after the earlier of (i) the date on which the Bank makes payment of the Indemnified Taxes, penalties and interest, and (ii) the date on which the relevant taxing authority or other governmental authority makes written demand upon the Bank for payment of the Indemnified Taxes, penalties and interest. Any such demand shall describe in reasonable detail such Indemnified Taxes, penalties or interest, including the amount thereof if then known to the Bank. Failure to provide such description shall not relieve the Airports Authority of its obligation under this Section to reimburse the Bank for such Indemnified Taxes.

(b) Refund of Taxes. If the Bank becomes aware that it has received a refund of any Indemnified Tax with respect to which the Airports Authority has paid any amount pursuant to paragraph (a) of this Section 3.04, the Bank shall pay the amount of such refund (including any interest received with respect thereto) to the Airports Authority within fifteen (15) days after receipt thereof. The Bank shall provide, at the sole cost and expense of the Airports Authority, such assistance as the Airports Authority may reasonably request in order to obtain such a refund; provided, however, that the Bank shall not be required in any event to disclose any information to the Airports Authority with respect to the overall tax position of the Bank.

**Section 3.05. Character of Obligations Hereunder.** The Airports Authority agrees for the benefit of the Bank that, notwithstanding any provision of any other Related Document, the obligations of the Airports Authority under this Agreement and each other Related Document shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement and each applicable other Related Document under all circumstances whatsoever (other than the defense of final, indefeasible payment in accordance with this Agreement), including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of any of the Related Documents;
- (b) any amendment or waiver of or any consent to depart from all or any of the provisions of any of the Related Documents;
- (c) the existence of any claim, setoff, defense or other rights which the Airports Authority or any other Person may have at any time against the Trustee, the Calculation Agent (or any such beneficiary or any such transferee may be acting), the Bank, or any other Person, whether in connection with this Agreement, or any of the other Related Documents or any unrelated transaction;
- (d) Any statement or any other document presented under this Agreement proves to be forged, fraudulent or invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever (absent gross negligence or willful misconduct by the Bank);
- (e) any other act or omission to act or delay of any kind by the Bank or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this Section 3.05, constitute a legal or equitable discharge of the Airports Authority's obligations hereunder or any other Related Document; provided that the Airports Authority shall have no obligation to pay except from the Pledged Funds and Net Revenues of the Aviation Enterprise Fund; and
- (f) Any other circumstance or happening whatsoever whether or not similar to any of the foregoing.

## ARTICLE IV

### CONDITIONS PRECEDENT TO PURCHASE OF 2011B BONDS

**Section 4.01. Conditions.** Each of the following is a condition precedent to the obligation of the Bank to purchase the 2011B Bonds:

(a) Related Documents. This Agreement, the 2011B Bonds, the 2011B Indenture and any other Related Document shall have been executed and delivered by the parties thereto, each in form and substance satisfactory to the Bank. The Bank shall have received an executed or conformed copy of the Master Indenture.

(b) No Material Adverse Change. No material adverse change in the financial conditions or business affairs of the Airports Authority shall have occurred since May 31, 2011, the date of the unaudited financial statements delivered to the Bank.

(c) No Litigation. Except as disclosed to the Bank in writing, there shall be no action, suit or proceeding or any governmental investigation or any arbitration, in each case pending or, to the knowledge of the Airports Authority, threatened against or affecting it or its properties before any court or arbitrator or governmental department, commission, board, bureau, agency or instrumentality which, if determined adversely to the Airports Authority, could have a Material Adverse Effect.

(d) No Default. On the Date of Delivery and after giving effect to the issuance of the 2011B Bonds and the Related Documents, there shall exist no Default or Event of Default.

(e) Representations and Warranties. On the Date of Delivery and after giving effect to the issuance of the 2011B Bonds and the Related Documents, all representations and warranties of the Airports Authority contained herein, in the other Related Documents or otherwise made in writing in connection herewith, shall be true and correct in all respects with the same force and effect as though such representations and warranties had been made on and as of such date.

(f) Authority's Certificate. There shall have been delivered to the Bank a certificate of an Authority Representative, dated the Date of Delivery, evidencing the representations made in subsections (b), (c), (d) and (e) of this Section 4.01 and providing that all of the conditions to the purchase of the 2011B Bonds specified in this Section 4.01 have been satisfied as of the Date of Delivery.

(g) Opinion of Authority's Counsel. There shall have been delivered to the Bank an opinion from Authority's General Counsel, as counsel to the Airports Authority, dated the Date of Delivery, which opinion shall be in form and substance satisfactory to the Bank and shall cover, among other things, that the Airports Authority is a duly created and validly existing body politic and corporate, created with the consent of the Congress of the United States by the Acts to operate, maintain and improve the Airports, the Related Documents to which the Airports Authority is a party are the valid, legal and binding obligations of the Airports Authority enforceable in accordance with their terms

subject to customary equity and bankruptcy exceptions, and such other matters as the Bank may reasonably request.

(h) Opinion of Bond Counsel. There shall have been delivered to the Bank a Favorable Opinion of Bond Counsel (as defined in the 2011B Indenture) (or signed copies of such opinions together with satisfactory reliance letters) from Hogan Lovells US, LLP and Lewis, Munday, Harrell & Chambliss, each as bond counsel, dated the Date of Delivery and in form and substance satisfactory to the Bank and its counsel.

(i) Evidence of Authority Action. There shall have been delivered to the Bank certified copies of papers evidencing all corporate action taken by the Airports Authority and any other governmental authority to authorize this Agreement and such other papers as the Bank shall reasonably require. Such evidence shall include, but not be limited to, certified copies of resolutions of the Board of Directors of the Airports Authority and evidence of compliance with Sections 210 and 213 of the Master Indenture.

(j) Rating Letter. A rating letter from the Rating Agencies that confirms that the 2011B Bonds and the other Parity Debt of the Airports Authority have a rating of at least “Aa3,” “AA-,” and “AA-” from Moody’s, S&P and Fitch, respectively.

(k) CUSIP. The Airports Authority shall have delivered to the Bank evidence satisfactory to it that a CUSIP number has been obtained and reserved from Standard & Poor’s CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. for the 2011B Bonds.

(l) Other Documents. There shall have been delivered to the Bank such other information, documents, instruments, approvals (and if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank or its counsel may reasonably request.

(m) Documentation and Proceedings. All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement and the other Related Documents shall be satisfactory in form and substance to the Bank and its counsel and the Bank shall have received all information and copies of all documents, including records of corporate proceedings, governmental approvals and incumbency certificates which it may have reasonably requested in connection with the transactions contemplated by this Agreement and the other Related Documents, such documents where appropriate to be certified by proper officers.

(n) Payment of Fees. All fees payable to the Bank as of the Date of Delivery, including the fees and expenses of counsel for the Bank, shall have been paid in full.

(o) 2011A Bonds. No event shall have occurred and be continuing which would prevent the sale, execution and delivery of the 2011A Bonds by the Airport Authority to the initial purchasers thereof.

(p) Material Adverse Effect. As of the Date of Delivery, the Bank shall be satisfied that no Material Adverse Effect has occurred and is continuing, and that all

information, representations and materials submitted to the Bank by the Airports Authority in connection with the purchase of the 2011B Bonds are accurate and complete in all material respects.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES

The Airports Authority represents and warrants to the Bank as of the date of this Agreement as follows:

**Section 5.01. Corporate Existence.** The Airports Authority is a public body politic and corporate, created with the consent of the Congress of the United States by D.C. Law 6-67 as amended and Chapter 598 of the Virginia Acts of Assembly of 1985 as amended (such acts and laws of the District of Columbia and the Commonwealth of Virginia being herein referred to as the “*Acts*”) for the purpose of operating, maintaining and improving the Airports. The Airports Authority has full power and authority to operate the Airports as now being operated.

**Section 5.02. Authorization; No Conflict.** The Airports Authority has full corporate power and authority to enter into this Agreement, to make the borrowings hereunder, to execute and deliver the Related Documents to which it is a party, to consummate the transactions contemplated hereby and thereby, to incur the obligations provided for herein and therein, all of which have been duly authorized by resolution adopted by the Board of Directors of the Airports Authority. No further action on the part of the Airports Authority and no consent or approval of the Commonwealth of Virginia, the District of Columbia or the Congress of the United States or consent or approval of, notice to or filing with the FAA or any other governmental authority or any airline or other Person is required as a condition to the validity of this Agreement or any of the other Related Documents. The execution, delivery and performance by the Airports Authority of this Agreement and each other Related Document to which it is a party and the consummation of the transactions contemplated hereby and thereby are within its corporate powers, have been duly authorized by all necessary corporate action, and do not and will not (i) conflict with, contravene or violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Airports Authority or the operative documents of the Airports Authority, including all amendments thereto, (ii) result in a breach of or constitute a default under any material indenture or loan or credit agreement or any other agreement, lease or instrument to which it is a party or by which it or its properties may be bound or affected, or (iii) except for Permitted Liens or as provided in or contemplated by the Related Documents, result in or require the creation of any material Lien, security interest or other charge or encumbrance upon or with respect to its Property. The Master Indenture is in full force and effect.

**Section 5.03. Approvals.** No consent of any person and no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the valid or due execution, delivery and performance by the Airports Authority, of any Related Document to which it is a party, other than such consents, authorizations, approvals or actions as have already been obtained or which cannot be obtained on the date hereof and are not required to be obtained on the date hereof. The Airports Authority is in compliance with all of the terms and conditions of each such consent, authorization, approval or action already obtained, has applied for each such consent, authorization, approval or action that may be



applied for at this time and has met or has made provisions adequate for meeting all requirements for each such consent, authorization, approval or action not yet obtained.

**Section 5.04. Binding Obligations.** This Agreement and each of the other Related Documents to which the Airports Authority is a party is a legal, valid and binding obligation of the Airports Authority, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors' rights generally.

**Section 5.05. No Defaults.** The Airports Authority is not in violation of any statute or other law or in default under any order, regulation or ruling of any court or other tribunal or governmental or administrative authority or agency, or in default under its Articles of Incorporation or Bylaws, any material indenture, agreement, lease, instrument or other undertaking to which it is a party or by which it or its property or assets may be bound or affected, which could reasonably be expected to have a Material Adverse Effect.

**Section 5.06. No Material Restrictions.** The Airports Authority is not subject to any charter, corporate or other legal restriction, or any contract, lease or other agreement, or any judgment, decree, order, law, rule or regulation which in the judgment of the Airports Authority has or is expected in the future to have a Material Adverse Effect.

**Section 5.07. Disclosure.** Neither this Agreement nor any other document, certificate or statement furnished in writing to the Bank by or on behalf of the Airports Authority in connection herewith contains any untrue statement of a material fact.

**Section 5.08. Financial Information.** The statement of net assets of the Airports Authority as of December 31, 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, certified by PricewaterhouseCoopers LLP, heretofore delivered to the Bank, are complete and correct and fairly present the financial condition of the Airports Authority and the results of its operations and cash flows as of the date and for the period referred to therein and have been prepared in accordance with GAAP. There are no material liabilities, direct or indirect, fixed or contingent, of the Airports Authority as of the date of such statement of net assets that are not reflected therein or in the notes thereto. The unaudited statement of net assets of the Airports Authority as of May 31, 2011 and the related statement of revenues, expenses and changes in net assets for the five-month period then ended, heretofore delivered to the Bank are complete and correct and fairly present the financial condition of the Airports Authority and the results of its operations as of the date and for the periods referred to therein subject to year-end adjustments. There are no material liabilities, direct or indirect, fixed or contingent, of the Airports Authority as of the date of such statement of net assets that are not reflected therein. There has been no material adverse change in the financial condition, business prospects or operations of the Airports Authority since the date of such statement of net assets, and there has been no other material adverse change in the Airports Authority since such date.

**Section 5.09. Litigation.** Except as disclosed to the Bank in writing, no litigation is pending or, to the knowledge of the Airports Authority, threatened (i) seeking to restrain or enjoin the execution of this Agreement or the execution and delivery of the 2011B Bonds, (ii) in any way contesting or affecting any authority for the issuance of the 2011B Bonds or the validity of the 2011B Bonds, the bond authorizing resolution, this Agreement or the Indenture, (iii) in

any way contesting the creation, existence or powers of the Airports Authority or the validity or effect of the Federal Lease, the Acts or any provision thereof or the application of the proceeds of the 2011B Bonds, or (iv) if adversely determined, could have a Material Adverse Effect on the financial position of the Aviation Enterprise Fund of the Airports Authority or the transactions contemplated by the bond authorizing resolution, the Related Documents or the lease of the Airports from the federal government.

**Section 5.10. Taxes.** The Airports Authority has not failed to file any required federal, state or local tax returns and has paid all taxes due pursuant to such returns or pursuant to any assessment received by it, except where it is contesting such taxes diligently and in good faith by appropriate proceedings and has provided adequate reserves for the payment thereof.

**Section 5.11. Environmental Matters.** The Airports Authority is in compliance in all material respects with all federal, state and local environmental laws, rules, regulations, ordinances and other requirements including, without limitation, all Hazardous Materials Laws. Except as disclosed to the Bank, the Airports Authority (i) has become subject to no Environmental Liability, (ii) has received no notice of any claim with respect to any Environmental Liability and (iii) knows of no basis for any Environmental Liability.

**Section 5.12. Licenses and Permits.** The Airports Authority is in all material respects in compliance with all applicable licensing requirements for the operation of the Airports as now being operated.

**Section 5.13. Labor Relations.** There are no strikes, lockouts or other material labor disputes or grievances against the Airports Authority or, to the Airports Authority's knowledge, threatened against or affecting the Airports Authority, and no significant unfair labor practice, charges or grievances are pending against the Airports Authority, or to the Airports Authority's knowledge, threatened against it before any governmental authority which could reasonably be expected to have a Material Adverse Effect.

**Section 5.14. Dulles Corridor Enterprise.** The Revenues cannot be used by the Dulles Corridor Enterprise (or by the Airports Authority on behalf of the Dulles Corridor Enterprise) for any reason, including without limitation, the payment of any of its expenses or any of its Debts; provided, however, that Revenues in an amount not to exceed \$10,000,000 in the aggregate may be used by the Dulles Corridor Enterprise in accordance with Section 10.10 of the Airline Agreement (as in effect as of the date thereof).

**Section 5.15. No Existing Right to Accelerate.** As of the Date of Delivery, no Person, including, without limitation, a credit facility provider or a liquidity provider, either of which provides credit enhancement or liquidity support to any Debt of the Airports Authority secured by Net Revenues, or any Holder of Debt of the Airports Authority, has a right under any indenture or any supplemental indenture relating to any Debt of the Airports Authority secured by Net Revenues or any other document or agreement relating to any Debt of the Airports Authority secured by Net Revenues, to declare or direct any trustee to declare the principal of and interest on any Debt of the Airports Authority secured by Net Revenues to be immediately due and payable.

**Section 5.16. Anti-Terrorism Representation.**

(a) The Airports Authority is not in violation of any laws relating to terrorism or money laundering (“Anti-Terrorism Laws”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “Executive Order”), and the USA Patriot Act, Title III of Pub. L. 107-56, 115 Stat. 272 (the “Patriot Act”);

(b) The Airports Authority is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; or

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order.

(c) The Airports Authority neither (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order nor (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

**Section 5.17. No Immunity.** Under existing law, the Airports Authority is not entitled to raise the defense of sovereign immunity in connection with any legal proceedings to enforce or collect upon its obligations hereunder, under the resolution authorizing the 2011B Bonds or under any other Related Document to which it is a party or the transactions contemplated hereby or thereby, including the Payment Obligations of the Airports Authority hereunder and thereunder.

## ARTICLE VI

### AFFIRMATIVE COVENANTS

The Airports Authority agrees and covenants with the Bank, unless the Bank shall otherwise consent in writing, as follows:

**Section 6.01. Existence and Qualification.** Except as otherwise expressly provided herein, the Airports Authority will preserve its corporate or other separate legal existence and will remain qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualifications.

**Section 6.02. Compliance with Laws.** The Airports Authority will do all things reasonably necessary to conduct its affairs and to carry on its business and operations in such manner as to comply with any and all applicable laws of the United States and the several states

thereof, including ERISA (to the extent applicable), and to duly observe and conform to all valid orders, regulations or requirements of any governmental authority relative to the conduct of its business and the ownership of its Property; provided, nevertheless, that nothing herein contained shall require it to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof or the applicability thereof to it shall be contested diligently and in good faith by appropriate proceedings.

**Section 6.03. Performance of This and Other Agreements.** The Airports Authority will punctually pay or cause to be paid all amounts payable under this Agreement and the other Related Documents and observe and perform all of the conditions, covenants and requirements of this Agreement and the other Related Documents. If for any reason the Calculation Agent does not use its best efforts to accurately calculate the Index Rate for the 2011B Bonds, the Airports Authority shall, at the direction of the Bank, appoint a successor calculation agent acceptable to the Bank. The Airports Authority shall, at all times, cause a calculation agent to be in place, acceptable to the Bank.

**Section 6.04. Further Assurances.** The Airports Authority will execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Bank, all such instruments and documents as are usual and customary or advisable to carry out the intent and purpose of this Agreement and the Related Documents.

**Section 6.05. Books and Records; Inspection.** The Airports Authority will keep adequate records and books of account, in which complete entries will be made, reflecting all financial transactions of the Airports Authority and at any reasonable time and from time to time, permit the Bank, at its own expense, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Airports Authority and to discuss the affairs, finances and accounts of the Airports Authority with any of the Airports Authority's officers, trustees and independent auditors (and by this provision the Airports Authority authorizes said auditors to discuss with the Bank the affairs, finances and accounts of the Airports Authority).

**Section 6.06. Taxes.** The Airports Authority will pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges lawfully imposed upon the Airports or upon any part thereof, or upon the revenues from the operation thereof prior to the date on which penalties are attached thereto, unless and to the extent only that such taxes, assessments and governmental charges shall be contested by it in good faith and by appropriate proceedings, and the Airports Authority shall have set aside on its books adequate reserves with respect to any such tax, assessment or charge so contested.

**Section 6.07. Payment of Debts.** The Airports Authority will pay and discharge at or before their maturity all its material indebtedness and other material obligations and liabilities of the Aviation Enterprise Fund, except when the same may be contested in good faith and by appropriate proceedings, and the Airports Authority shall have set aside on its books adequate reserves with respect to any such obligation or liability.

**Section 6.08. Use of Proceeds of 2011B Bonds.** The proceeds of the 2011B Bonds will be used solely to finance or refinance the Project.

**Section 6.09. Operation and Maintenance of Airports.** The Airports Authority will operate and maintain the Airports as a revenue-producing enterprise in accordance with the Federal Lease and the Acts and in a manner which will entitle it at all times to charge and collect fees, charges and rentals in accordance with the Airline Agreement, or as otherwise permitted by law and take all reasonable measures permitted by law to enforce prompt payment to it of such fees, charges and rentals when and as due.

**Section 6.10. Incorporation of Master Indenture and 2011B Indenture Covenants; Consents; Notice.**

(a) The covenants, representations and warranties of the Airports Authority contained in the Master Indenture, the 2011B Indenture and any other Related Documents are hereby incorporated herein by this reference and are made a part of this Agreement as if fully set forth at this point.

(b) The Airports Authority covenants and agrees to deliver to the Bank copies of any and all notices, financial statements or other information or materials required to be delivered by the Airports Authority to the Trustee or any Credit Provider under the provisions of the Master Indenture and the 2011B Indenture to the extent such notices, financial statements or other information are not otherwise provided to the Bank under this Agreement.

(c) The Airports Authority will obtain the consent of the Bank before taking any action under any Related Document that requires the consent of the Credit Provider, including, but not limited to, taking any action with respect to any Hedge Agreement.

(d) All references to "Credit Provider" contained in the Indenture are expressly incorporated herein by reference thereto shall be deemed to refer also to the Bank, as applicable.

**Section 6.11. Other Obligations of the Airports Authority.** To the extent the Airports Authority should issue other obligations, incur additional Debt or enter into or otherwise consent to any credit agreement, bond purchase agreement or other agreement or instrument (or any amendment, supplement or modification thereto) with any Person, which requires the Airports Authority to abide by more restrictive covenants, ratios, or tests and provide the holder of such Debt or obligation or any Person with greater remedies, such provisions shall be deemed automatically incorporated into this Agreement and the Airports Authority shall also deliver a copy of such agreement or obligation to the Bank. Moreover, to the extent provisions of this Agreement are required to be modified to reflect such provisions, the parties agree that this Agreement shall be deemed modified.

**Section 6.12. Right to Accelerate.** In the event that the Airports Authority shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement, supplemental indenture or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make loans or extend credit or liquidity to the Airports Authority in connection with any Debt of the Airports Authority, or purchase Debt from the Airports Authority, which is secured by Net Revenues or provide credit enhancement with respect thereto, which includes the right to accelerate the payment of the principal of or interest on any Debt of

the Airports Authority secured by Net Revenues, then (i) the definition of “Event of Default” as provided in Section 9.01 hereof shall include the following: (A) a failure of the Airports Authority to pay when due (whether by scheduled maturity or required prepayment) any Debt (other than Parity Debt) issued, assumed, or guaranteed by the Airports Authority exceeding \$10,000,000 in aggregate principal amount which is payable from or secured by Net Revenues, or interest or premium thereon, and a continuation of such failure beyond any applicable period of grace specified in the underlying resolution, indenture, agreement or other instrument providing for the creation of or concerning such Debt, or (B) pursuant to the provisions of any such resolution, indenture, agreement or other instrument, any such Debt, as a result of the occurrence of a default thereunder, may be required to be prepaid prior to the maturity thereof; and (ii) the Bank shall have the right, upon the occurrence of an Event of Default, to require the Airports Authority to immediately declare all Payment Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Airports Authority, and to accelerate the payment of the principal and interest on the 2011B Bonds; provided that upon the occurrence of an Event of Default under Section 9.01(g) or (h) hereof, such prepayment obligation or acceleration shall automatically become due and payable or automatically occur, as applicable, and without any notice.

**Section 6.13. Rating Maintenance.** The Airports Authority covenants that at all times it will cause any two of Moody’s, S&P and Fitch to assign long term ratings to the 2011B Bonds.

## **ARTICLE VII**

### **DELIVERY OF FINANCIAL STATEMENTS, CERTIFICATES OF NO DEFAULT, OTHER INFORMATION**

**Section 7.01. Financial Statements and Other Reports.** The Airports Authority covenants that it will deliver to the Bank:

(a) within 180 days after the end of each Fiscal Year, the comprehensive annual financial report of the Airports Authority for such Fiscal Year, including the audited financial statements therein, accompanied by a certificate of compliance signed by a responsible officer of the Airports Authority that includes the computation of all financial covenants;

(b) within 60 days after the end of each quarter of each Fiscal Year, the unaudited financial statements of the Airports Authority for such quarter, in the form customarily prepared by the Airports Authority and distributed to the members of the Board of the Airports Authority;

(c) concurrently with each delivery of the comprehensive annual financial report referred to in clause (a) above, a certificate of the Airports Authority’s Chief Financial Officer to the effect that based on a review of this Agreement and the Related Documents (1) such review has not disclosed the existence of a Default or Event of Default during or at the end of the accounting period covered by such financial statements, and the Chief Financial Officer has no knowledge of the existence of any Default or Event of Default as of the date thereof, (2) if the Airports Authority were to make the representations and warranties set forth in this Agreement as of the date thereof,

such representations and warranties would be true and correct in all material respects, or, if such representations and warranties would not be true and correct in all material respects, a description of the events or circumstances which would cause any of such representations or warranties to not be true and correct in all material respects;

(d) within 60 days of the start of the Fiscal Year, the annual budget of the Airports Authority, containing estimates of expenditures and anticipated Revenues for the Fiscal Year covered thereby;

(e) upon the request of the Bank, promptly after the same shall have become publicly available, copies of (1) all financial reports, feasibility studies, budgets, if any, and other similar information with respect to the Aviation Enterprise Fund of the Airports Authority that are released or available to the public, and (2) all final official statements or other final disclosure statements prepared with respect to any bonds issued under the Master Indenture or other additional debt relating to the Aviation Enterprise Fund of the Airports Authority;

(f) promptly after the receipt or giving thereof, copies of all notices of resignation by or removal of the Calculation Agent, the Paying Agent or the Remarketing Agent which are received or given by the Airports Authority;

(g) notice of any litigation pending or to its knowledge threatened to which the Airports Authority is or may be a party, the adverse determination of which could have a Material Adverse Effect, and (b) any materially adverse developments in any such litigation previously disclosed to the Bank;

(h) with reasonable promptness, such other information and data with respect to the business, properties, condition (financial or other), operations or prospects of the Aviation Enterprise Fund of the Airports Authority as from time to time may be reasonably requested by the Bank.

**Section 7.02. Continuing Disclosure.** Promptly after the filing thereof with certain nationally recognized municipal securities information repositories, the Airports Authority shall deliver to the Bank copies of annual reports and notices of material events required to be filed pursuant to any continuing disclosure undertakings entered into by the Airports Authority in connection with any tax exempt bonds or other obligations as to which it is an obligor.

**Section 7.03. Notices of Material Events.** The Airports Authority will furnish to the Bank and Calculation Agent prompt written notice of the following:

(a) the occurrence of any Default or Event of Default under this Agreement or under any indenture, lease, loan or credit agreement, instrument or other contract or agreement to which the Aviation Enterprise Fund of the Airports Authority is a party or by which the Aviation Enterprise Fund of the Airports Authority or any of its properties relating to the Airports may be bound;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or governmental authority against or, to the knowledge of the Airports

Authority, affecting the Airports Authority which, if adversely determined, could have a Material Adverse Effect;

(c) the occurrence of any event or any other development by which the Airports Authority (i) fails to comply with any Hazardous Materials Law or to obtain, maintain or comply with any permit, license or other approval required under any Hazardous Materials Law, (ii) becomes subject to any Environmental Liability, (iii) receives notice of any claim with respect, to any Environmental Liability, or (iv) becomes aware of any basis for any Environmental Liability, and in each of the preceding clauses, which individually or in the aggregate, could have a Material Adverse Effect;

(d) as soon as possible and in any event within thirty (30) days after the Airports Authority knows, or has reason to know of any state, local or federal legislation which has been introduced in any legislative body of the Commonwealth of Virginia or the District of Columbia, any local jurisdiction therein or the federal government and any other event which, in the reasonable judgment of the Airports Authority, is likely to have a Material Adverse Effect on the Airports or the operations or Revenues of the Airports Authority, the security or sources of repayment for 2011B Bonds or the transactions contemplated by this Agreement or by the Related Documents;

(e) any other development that has, or could reasonably be expected to have, a Material Adverse Effect, including, but not limited to, any reduction, withdrawal or suspension for credit-related reasons by any Rating Agency then rating the 2011B Bonds or any other Parity Debt.

Each notice delivered under this Section 7.03 shall be accompanied by a written statement of an officer of the Airports Authority setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

**Section 7.04. Non-Controlled Person.** The Airports Authority shall provide written notice to the Bank thirty (30) days prior to the consummation of any transaction that would result in its controlling or being controlled by an “investment company” within the meaning of Section 2(a)(9) of the Investment Company Act of 1940, as amended.

**Section 7.05. Other Notices.** The Airports Authority shall provide to the Bank copies of any notices required to be provided to the Master Trustee pursuant to the Master Indenture concurrently with their provision to the Master Trustee.

## **ARTICLE VIII**

### **NEGATIVE COVENANTS**

The Airports Authority covenants and agrees with the Bank that, so long as the 2011B Bonds remain outstanding:

**Section 8.01. Operating Certificates.** The Airports Authority will not take or allow any Person to take any action which would cause the FAA to suspend or revoke the Airports’ operating certificates issued under the Federal Aviation Act of 1958, or any successor statute.



**Section 8.02. Environmental Compliance.** The Airports Authority will not use any Hazardous Materials at either Airport or any other place of business of the Aviation Enterprise Fund of the Airports Authority, or permit any other Person to use any Hazardous Materials at either Airport, except such materials as are incidental to the normal course of business, maintenance and repair of the Airports Authority and are used in strict accordance with applicable laws. The Airports Authority agrees to permit the Bank and its respective agents, contractors and employees to enter and inspect the Airports and any other places of business of the Aviation Enterprise Fund of the Airports Authority at any reasonable times upon three (3) days' prior notice for the purposes of conducting an environmental investigation and audit (including taking physical samples) to ensure that the Airports Authority is complying with this covenant. The Airports Authority shall provide the Bank and its respective agents, contractors, employees and representatives with access to and copies of any and all data and documents relating to or dealing with any Hazardous Materials used, generated, manufactured, stored or disposed of by the business operations of the Airports Authority within five (5) days of the request therefor.

**Section 8.03. Amendment to Material Documents.** Except as otherwise provided in Section 8.4, modify, amend or supplement any of the Related Documents, (ii) give any consent to any modification, amendment or supplement of any of the Related Documents, or (iii) make any waiver with respect to any of the Related Documents; provided, however, that amendments, modifications, supplements and waivers of any Remarketing Agreement shall be effective without the prior written consent of the Bank to the extent, and only to the extent, that such amendments, modifications, supplements and waivers would not have any Material Adverse Effect on the 2011B Bonds, the Related Documents, the Net Revenues, the Pledged Funds or the Bank or the ability of the Airports Authority to meet its obligations under this Agreement. In addition, the Airports Authority promptly will supply the Bank with one fully executed copy of any modification, amendment, supplement or waiver of any Related Document.

**Section 8.04. No Adverse Effect.** The Airports Authority will not take any action or omit to take any action that, if taken or omitted, would cause a Material Adverse Effect or would otherwise adversely affect (1) the excludability of interest on the 2011B Bonds from the gross income of the Holders thereof for purposes of federal income taxation, (2) the rights or security of the Bank under this Agreement or under any other Related Document (including, without limitation, the right to receive timely and sufficient payment thereunder), or (3) the rights of the Holders of the 2011B Bonds (including, without limitation, the right to receive timely and sufficient payment thereunder); provided, however, that nothing contained in this Section or in Section 8.3, shall impair, limit or restrict the right of the Airports Authority to issue additional bonds, without notice to or consent from the Bank, in accordance with, and subject to the fulfillment of the conditions precedent contained in, Sections 210 and 213 of the Master Indenture; provided, further, in no event shall the Airports Authority issue or incur any Debt payable from or secured by a lien on the Net Revenues which is senior to the 2011B Bonds. Notwithstanding the foregoing, in no event shall the Airports Authority modify, amend and supplement any of Section 213 or 604 of the Master Indenture or the definitions of the terms contained therein without the prior written consent of the Bank.

**Section 8.05. Transfer of Airports.** The Airports Authority will not transfer, sell, lease or dispose of all or substantially all of the properties and facilities constituting the Airports, except as permitted under the Master Indenture.

**Section 8.06. Liens.** Except as permitted under the Master Indenture, the Airports Authority shall not create, incur, assume or suffer to exist any lien, pledge or charge on the Net Revenues or the Pledged Funds.

**Section 8.07. Optional Redemption.** The Airports Authority shall not declare, or instruct the Trustee to declare, or permit an optional redemption of the 2011B Bonds pursuant to the 2011B Indenture unless funds therefor have been deposited with the Trustee for deposit in the Bond Fund prior to the notice of redemption being sent to the Holders of the 2011B Bonds in an amount equal to the principal amount of 2011B Bonds to be optionally redeemed, plus accrued interest thereon to the redemption date.

**Section 8.08. Prohibited Use of Proceeds.** The Airports Authority will not use the proceeds of the 2011B Bonds in any manner which would (i) whether directly or indirectly, for any purpose that would cause the 2011B Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code, or (ii) whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

## **ARTICLE IX**

### **EVENTS OF DEFAULT; REMEDIES**

**Section 9.01. Events of Default.** Upon the occurrence of any of the following events (each referred to as an “Event of Default”):

- (a) the occurrence of a “Default” or an “Event of Default” as described and defined in any of the Related Documents; or
- (b) failure of the Airports Authority to pay any amount when due under the terms of this Agreement; or
- (c) the Airports Authority shall fail to observe or perform any covenant or agreement contained in (i) Section 6.01 (as to the existence of the Airports Authority), 6.12 or Section 7.03(a) (with respect to the occurrence of any Default or Event of Default under this Agreement), or (ii) Article Eight; or
- (d) failure on the part of the Airports Authority to perform or observe any other term, covenant or agreement contained in this Agreement or in any of the Related Documents to which it is a party on its part to be performed or observed and (i) with respect to any such other term, covenant or agreement contained herein, any such failure remains unremedied for 30 days after the earlier of its discovery by the Airports Authority or written notice thereof to the Airports Authority by the Bank; and (ii) with respect to any such other term, covenant or agreement contained in any of the other Related Documents to which the Airports Authority is a party, any such failure remains unremedied after any applicable grace period specified in such Related Documents; or

(e) the Airports Authority shall (i) default in any payment of any Parity Debt or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or contained in any instrument or agreement, including any Hedge Agreement related to any Parity Debt, evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Parity Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Parity Debt to become due prior to its stated maturity; or

(f) any warranty, representation or other written statement made by or on behalf of the Airports Authority contained herein, in any of the other Related Documents to which it is a party or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect on the date as of which made; or

(g) the Airports Authority shall fail to pay its debts generally as they come due, or shall voluntarily commence any proceeding or file any petition or action for relief under any federal, state or other bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors, or consent to the institution of, or fail to contest in a timely and appropriate manner any such proceeding or petition; or

(h) an involuntary petition shall be filed under any bankruptcy statute against the Airports Authority, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) shall be appointed to take possession, custody, or control of the properties of the Airports Authority, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment; or

(i) any challenge or contest by the Airports Authority or any other Person a party thereto in any action, suit or proceeding in any court or before any arbitrator or governmental body challenging the validity or enforceability of this Agreement or any Related Document or the enforceability of, or the perfection or priority of, the Bank's lien in any of the 2011B Bonds;

(j) dissolution or termination of the existence of the Airports Authority;

(k) (i) any of Fitch, Moody's or S&P shall downgrade their respective ratings of any indebtedness of the Airports Authority secured by or payable from Net Revenues that is on a parity with the 2011B Bonds to below investment grade, or (ii) any of Fitch, Moody's or S&P shall suspend or withdraw their respective ratings of any long term, unenhanced indebtedness of the Airports Authority or (iii) the Airports Authority shall fail to have a rating on any of the long term, unenhanced indebtedness of the Airports Authority maintained by any two of Fitch, Moody's or S&P if in existence; or

(l) a final judgment, decree or order for the payment of money (except to the extent covered by self-insured retention trust, captive insurance or premium-based insurance) in excess of \$25,000,000 shall be rendered against the Airports Authority and

such judgment, decree or order shall continue to be unsatisfied and in effect for any period of thirty consecutive days without a stay of execution;

then, and in every such event (other than an event described in Section 9.01(g) or (h)) and at any time thereafter during the continuance of such event, the Bank may by notice to the Airports Authority, the Calculation Agent, the Remarketing Agent and the Trustee, take any or all of the following actions, at the same or different times: (i) declare all Payment Obligations hereunder to be due and payable, whereupon the same shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Airports Authority; provided, however, the principal amount of the 2011B Bonds shall be payable in accordance with the terms of the Master Indenture and Section 302 of the 2011B Indenture, and shall thereafter bear interest at the Default Rate; (ii) notify the Trustee and Airports Authority as to the occurrence and continuance of such Event of Default and provide a direction to the Trustee to cause a mandatory tender of the 2011B Bonds in accordance with the 2011B Indenture; (iii) pursue its rights with respect to any 2011B Bonds or other security (including the Pledged Revenues) as described in the Master Indenture; and (iv) exercise all remedies contained in this Agreement or in any other Related Document or otherwise available under applicable law; and that, if an Event of Default specified in either Section 9.01(g) or (h) shall occur, all Payment Obligations shall automatically become due and payable, including, if the conditions set forth in Section 6.12 of this Agreement have occurred, the principal of and interest on the 2011B Bonds, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Airports Authority.

No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or any other Related Document now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Bank in this Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any provision contained in this Agreement should be breached by any party hereto and thereafter duly waived by any other party hereto so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties thereunto duly authorized by this Agreement.

## **ARTICLE X**

### **MISCELLANEOUS**

#### **Section 10.01. Notices.**

(a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications to any party herein to be effective shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

To the Airports Authority: Metropolitan Washington Airports Authority  
1 Aviation Circle  
Washington, DC 20001-6000  
Attention: Vice President and Chief Financial Officer  
Telecopy Number: 703-417-8934

With a copy to: Metropolitan Washington Airports Authority  
1 Aviation Circle  
Washington, DC 20001-6000  
Attention: Vice President and General Counsel

To the Bank: Citibank, N.A.  
390 Greenwich Street, 2<sup>nd</sup> Floor  
New York, New York 10013  
Attention: Rebekah McGuire

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All such notices and other communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the mails or if delivered, upon delivery; provided, that notices delivered to the Bank shall not be effective until actually received at its address specified in this Section 10.01.

(b) Any agreement of the Bank herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of the Airports Authority. The Bank shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Airports Authority to give such notice and the Bank shall not have any liability to the Airports Authority or other Person on account of any action taken or not taken by the Bank in reliance upon such telephonic or facsimile notice. The obligation of the Airports Authority to repay the Payment Obligations hereunder shall not be affected in any way or to any extent by any failure of the Bank to receive written confirmation of any telephonic or facsimile notice or the receipt by the Bank of a confirmation which is at variance with the terms understood by the Bank to be contained in any such telephonic or facsimile notice.

#### **Section 10.02. Waiver; Amendments.**

(a) No failure or delay by the Bank in exercising any right or power hereunder or any other Related Document, and no course of dealing between the Airports Authority and the Bank shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power hereunder or thereunder. The rights and remedies of the Bank hereunder and under the other Related Documents are cumulative and are not exclusive of any rights or remedies provided by law. No waiver of any provision of this Agreement or any

other Related Document or consent to any departure by the Airports Authority therefrom shall in any event be effective unless the same shall be permitted by Section 10.02(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the purchase of the 2011B Bonds shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Bank may have had notice or knowledge of such Default or Event of Default at the time.

(b) No amendment or waiver of any provision of this Agreement or the other Related Documents, nor consent to any departure by the Airports Authority therefrom, shall in any event be effective unless the same shall be in writing and signed by the Airports Authority and the Bank.

**Section 10.03. Expenses; Indemnification.**

(a) The Airports Authority shall pay (i) all reasonable, out-of-pocket costs and expenses of the Bank and its affiliates, including the reasonable fees, charges and disbursements of counsel for the Bank and its affiliates, in connection with the preparation and administration of the Related Documents and any amendments, modifications or waivers thereof (whether or not the transactions contemplated in this Agreement or any other Related Document shall be consummated), and (ii) all out-of-pocket costs and expenses (including, without limitation, the reasonable fees, charges and disbursements of outside counsel actually incurred) incurred by the Bank in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the 2011B Bonds.

(b) Neither the Bank, its Affiliates nor any of their respective officers, directors, employees or agents shall be liable or responsible for any of the following: (i) any of the acts, omissions, agreements, circumstances or conditions covered by the indemnification provided in this Section 10.03; or (ii) any other act or omission of the Bank, other than an act or omission which is determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Bank.

(c) In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, to the extent permitted by law, the Airports Authority shall indemnify the Bank and its directors, officers, employees, agents or advisors (each, an "Indemnatee") against, and hold the Indemnitees harmless from, any and all costs, losses, liabilities, claims, damages and related expenses, including the fees, charges and disbursements of any counsel for any Indemnatee ("Claims and Expenses"), which may be incurred by or asserted against any Indemnatee arising out of, in connection with or as a result of the following (each, an "Indemnity Proceeding"): (i) the execution or delivery of this Agreement and any other Related Document or other agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of any of the transactions contemplated hereby or thereby, (ii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Airports Authority or any Environmental Liability related in any way to

the Airports Authority or (iii) any actual or threatened claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Airports Authority and regardless of whether any Indemnatee is a party thereto; provided, such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee.

(d) To the extent permitted by law, the Airports Authority shall not assert, and hereby waives, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Payment Obligation or the 2011B Bonds or the use of the proceeds thereof. No Indemnatee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby.

(e) To the extent permitted by law, the Airports Authority shall indemnify and hold harmless the Indemnitees from and against any and all claims, damages, losses, liabilities, cost or expenses whatsoever which any Indemnatee may incur (or which may be claimed against any Indemnatee by any Person whatsoever) by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any offering material which makes reference to the 2011B Bonds, or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading.

(f) All amounts due under this Section shall be due and payable promptly after written demand therefor.

**Section 10.04. Successors and Assigns; Participants.**

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Airports Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank (and any attempted such assignment or transfer without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) The Bank shall have the right to grant participations (to be evidenced by one or more Participation Agreements or certificates of participation) in this Agreement and the 2011B Bonds to one or more other banking institutions, without the consent of

the Airports Authority. Such participants shall be entitled to the benefits of this Agreement, including, without limitation, Sections 2.05, 2.06, 2.07, 3.04 and 10.03 of this Agreement, to the same extent as if they were a direct party to this Agreement; provided, however, that no such Participant shall be entitled to receive payment hereunder of any amount greater than the amount that would have been payable had the Bank not granted a participation to such Participant. Notwithstanding anything herein to the contrary, the Bank may transfer or convey the 2011B Bonds or pledge or grant a security interest in this Agreement or 2011B Bonds, right to payment or other benefit under this Agreement to any other banking institution or Federal Reserve Bank without the consent of any party, without notice to any party and without payment of any fees in accordance with applicable law.

**Section 10.05. Governing Law; Jurisdiction; Consent to Service of Process.**

(a) THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF NEW YORK AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES OTHER THAN NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401 (OR ANY SUCCESSOR STATUTE THERETO); PROVIDED THAT THE CORPORATE POWERS, LEGAL CAPACITY, OBLIGATIONS, RIGHTS AND REMEDIES OF THE AIRPORTS AUTHORITY UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA AND APPLICABLE FEDERAL LAW.

(b) The Airports Authority hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the United States District Court for the Eastern District of Virginia and of any state court of the Commonwealth of Virginia located in Arlington County, Virginia, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Related Document or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Virginia state court or, to the extent permitted by applicable law, such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Related Document shall affect any right that the Bank may otherwise have to bring any action or proceeding relating to this Agreement or any other Related Document against the Airports Authority or its properties in the courts of any jurisdiction.

(c) The Airports Authority irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding described in Section 10.05(b) and brought in any court referred to in Section 10.05(b). Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.



(d) Each party to this Agreement irrevocably consents to the service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement or in any other Related Document will affect the right of any party hereto to serve process in any other manner permitted by law.

**Section 10.06. WAIVER OF JURY TRIAL.** THE AIRPORTS AUTHORITY AND THE BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (WHETHER AS CLAIM, COUNTER-CLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE) BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE AIRPORTS AUTHORITY OR THE BANK. THE AIRPORTS AUTHORITY ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION AND RECOGNIZES AND AGREES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK ENTERING INTO THIS AGREEMENT AND PURCHASING THE BONDS. THE AIRPORTS AUTHORITY REPRESENTS AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS PROVISION WITH ITS LEGAL COUNSEL AND THAT IT HAS KNOWINGLY AND VOLUNTARILY WAIVED ANY JURY TRIAL RIGHTS IT MAY HAVE FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL.

**Section 10.07. Waiver of Automatic or Supplemental Stay.** In the event that a petition for relief under any chapter of the Bankruptcy Code is filed by or against the Airports Authority, Airports Authority promises and covenants that it will not seek a supplemental stay pursuant to Bankruptcy Code §§ 105 or 362 or any other relief pursuant to Bankruptcy Code § 105 or any other provision of the Bankruptcy Code, whether injunctive or otherwise, which would stay, interdict, condition, reduce or inhibit the Bank's ability to enforce any rights it has, at law or in equity, to collect the Payment Obligations from any Person other than the Airports Authority.

**Section 10.08. Right of Setoff.** Upon the occurrence of an Event of Default, the Bank and its Affiliates may, at any time and from time to time, without notice to the Airports Authority or any other Person (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the Airports Authority to the Bank or its Affiliates, whether or not arising under or connected with this Agreement or the Related Documents and without regard to whether or not the Bank shall have made any demand therefore and although such obligations and liabilities may be contingent or unmatured and regardless of currency, place of payment or booking office thereof, any and all deposits (general or special, including but not limited to Debt evidenced by certificates of deposit, but not including trust accounts) and any other Debt or other payment obligation at any time held or owing by the Bank or its Affiliates to or for the credit or the account of the Airports Authority, whether or not arising under or connected with this Agreement or the Related Documents, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office thereof. The rights of the Bank under this Section are in addition to other rights and remedies (including other rights of setoff) which the Bank may have at law or in equity.

**Section 10.09. Counterparts; Integration.** This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement the other Related Documents, and any separate letter agreement(s) relating to any fees payable to the Bank, constitute the entire agreement among the parties hereto and thereto regarding the subject matters hereof and thereof and supersede all prior agreements and understandings, oral or written, regarding such subject matters.

**Section 10.10. Survival.** All covenants, agreements, representations and warranties made by the Airports Authority herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the purchase of the 2011B Bonds, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any amount payable under this Agreement is outstanding and unpaid or the 2011B Bonds are outstanding. The provisions of Sections 2.05, 2.06, 2.07, 3.04 and 10.03 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of all Payment Obligations hereunder or the termination of this Agreement or any provision hereof. All representations and warranties made herein, in the certificates, reports, notices, and other documents delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement and the other Related Documents.

**Section 10.11. Severability.** Any provision of this Agreement or any other Related Document held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof or thereof; and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Section 10.12. USA PATRIOT Act Notice.** The Bank hereby notifies the Airports Authority that, pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56, signed into law October 26, 2001, as amended), it is required to obtain, verify and record information that identifies the Airports Authority, which information includes the names and addresses of the Airports Authority and other information that will allow the Bank to identify the Airports Authority in accordance with such Act.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

[SEAL]

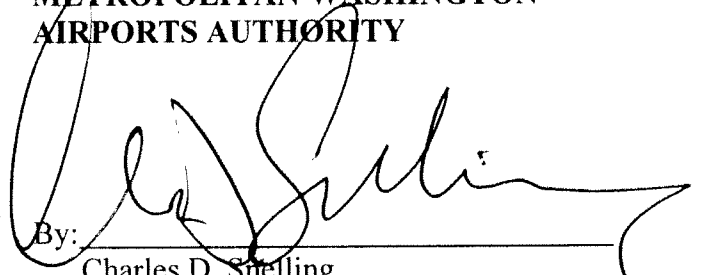
**METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY**

ATTEST:

By: \_\_\_\_\_

  
Quince T. Brinkley, Jr.  
Secretary


By: \_\_\_\_\_

  
Charles D. Snelling  
Chairman

(Signature Page to Continuing Covenants Agreement)



CITIBANK, N.A.

By:  \_\_\_\_\_

(Signature Page to Continuing Covenants Agreement)

