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*CONTINUING COVENANTS AGREEMENT
(SERIES 2018)*

CONTINUING COVENANTS AGREEMENT

BETWEEN

DISTRICT OF COLUMBIA

AND

U.S. BANK NATIONAL ASSOCIATION

DATED AS OF AUGUST 1, 2018,

DISTRICT OF COLUMBIA
SOUTHWEST WATERFRONT PROJECT REVENUE BOND
(THE WHARF PROJECT)
SERIES 2018 (FEDERALLY TAXABLE)

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CONTINUING COVENANTS AGREEMENT

This CONTINUING COVENANTS AGREEMENT (this “*Agreement*”) is dated as of August 1, 2018, by and between THE DISTRICT OF COLUMBIA (the “*District*”) and U.S. BANK NATIONAL ASSOCIATION, as the Bank (as such term is hereinafter defined).

BACKGROUND

A. Pursuant to the terms of the District of Columbia Home Rule Act, approved December 24, 1973 P.L. 93-198; 87 Stat. 774; D.C. Official Code, 2001 Ed. § 1-201.01 *et. seq.*, as the same has or may in the future be amended (collectively, the “*Home Rule Act*”), the District is authorized and empowered to, among other things, issue revenue bonds, notes and other obligations and to pledge tax increment revenues, payments in lieu of taxes and special assessments to secure such bonds, notes and other obligations.

B. Pursuant to the Southwest Waterfront Bond Financing Act of 2008, effective October 22, 2008, (D.C. Law 17-252; D.C. Code § 2-1217.131 *et. seq.*) (the “*Southwest Waterfront Act*”), the Council of the District of Columbia (the “*Council*”) authorized the issuance of bonds, notes or other obligations payable from certain tax increment revenues, payments in lieu of taxes and special assessments to support certain improvements to be constructed by Wharf Horizontal Reit Leaseholder LLC and Wharf District Master Developer LLC (collectively, the “*Project Developer*”). The District and the Project Developer have entered into (i) a Public Infrastructure Development and Funding Agreement dated as of April 23, 2014 (as the same may be amended, supplemented, restated or otherwise modified in accordance with the terms thereof and hereof, the “*Funding Agreement*”), and (ii) a PILOT Agreement dated as of April 23, 2014, by and between the District and the Project Developer, as amended, and a PILOT Agreement dated as of December 31, 2014, by and among the District, Carr Waterfront Hotel, LLC and Carr-Wharf 3B Leaseholder LLC, as amended (collectively, the “*PILOT Agreement*”).

C. Pursuant to that certain Indenture of Trust dated as of September 1, 2015, by and between the District and The Bank of New York Mellon, as trustee (the “*Indenture*”), the District has previously issued its \$145,445,000 principal amount of Southwest Waterfront Project Revenue Bonds (The Wharf Project) Series 2015 (Federally Taxable) (the “*Series 2015 Bonds*”) to finance the Project (as defined as Southwest Waterfront Project in the Funding Agreement).

D. In order to provide additional funds for the Project, the Bank has agreed to advance funds to or for the account of the District, pursuant to and in accordance with the provisions of this Agreement and that certain First Supplemental Indenture of Trust dated as of August 1, 2018, by and between the District and The Bank of New York Mellon, as Trustee (as the same may be amended, supplemented, restated or otherwise modified in accordance with the terms thereof and hereof, the “*Supplemental Indenture*”).

E. The District has agreed to execute and deliver to the Bank its Southwest Waterfront Project Revenue Bond (The Wharf Project), Series 2018 (Federally Taxable) (as the same may be amended, supplemented, restated or otherwise modified in accordance with the terms thereof and hereof, the “*Series 2018 Bond*”) to evidence its obligation to make the payments due to the Bank

under the Loan as provided in this Agreement, all things necessary to make this Agreement and the Series 2018 Bond, the valid, binding and legal limited obligations of the District, have been done and performed, and the execution and delivery of this Agreement and the execution and delivery of the Series 2018 Bond, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, to induce the Bank to extend such credit, in consideration of the foregoing and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the undertakings herein set forth and intending to be legally bound, the parties hereto agree as follows:

SECTION 1. DEFINITIONS; INTERPRETATION.

As used in this Agreement, the terms defined in this Section 1 or elsewhere in this Agreement (including the preamble hereto and the recitals above) have the respective meanings indicated. Defined terms are capitalized throughout this Agreement, unless otherwise indicated.

“Affiliate” means a corporation, partnership, association, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one or more intermediaries Controlled by the Bank, Controls or is Controlled by, or is under common Control with, the Bank.

“Agreement” means this Continuing Covenants Agreement dated as of August 1, 2018, as amended, supplemented or otherwise modified in accordance with the terms hereof.

“Amendment Fee” shall have the meaning set forth in Section 32 hereof.

“Annual Amount Certification” means the Annual Financial Information filed by the District, no later than February 28 of each year, pursuant to the Continuing Disclosure Agreement executed by the District on September 3, 2015, in connection with the Series 2015 Bonds.

“Annual Financial Information” shall have the meaning set forth in the Continuing Disclosure Agreement executed by the District on September 3, 2015, in connection with the Series 2015 Bonds.

“Anti-Deficiency Acts” has the meaning set forth in Section 14 hereof.

“Anti-Terrorism Law” means any law applicable to the District relating to terrorism or money laundering, including Executive Order No. 13224 and the USA Patriot Act.

“Applicable Law” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all governmental and non-governmental bodies, (B) Governmental Approvals and (C) orders, decisions, and judgments and decrees of all courts (whether at law or in equity), applicable to the parties.

“Applicable Spread” means the Applicable Spread as set forth in District Rating Pricing Schedule. As of the Closing Date, the Applicable Spread is initially equal to [REDACTED] basis points per annum, subject to adjustment as set forth herein.

“Authorized Actions” means, collectively, the Southwest Waterfront Act and the Home Rule Act.

“Authorized Loan Amount” means \$27,500,000, that being the maximum principal amount of the Loan that may be outstanding at any time, which amount may be reduced by the District pursuant to the provisions of Section 5 hereof.

“Authorized Delegate” means the Chief Financial Officer, the District Treasurer, or any officer or employee of the executive office of the Mayor to whom the Mayor has delegated or to whom the foregoing individuals have subdelegated any of the Mayor’s functions under Section 422(6) of the Home Rule Act.

“Available Increment” shall have the meaning set forth in the Indenture.

“Bank” means, initially, U.S. Bank National Association, and its successors and assigns.

“Bank Agreement” shall have the meaning set forth in Section 10(h) hereof.

“Bank Interest Rate” means a per annum rate of interest established on each Computation Date equal to the sum of (i) the Applicable Spread plus (ii) the LIBOR Index; *provided that* if an Event of Default has occurred and is continuing, the Bank Interest Rate shall equal the Default Rate; *provided, further*, that, subject to the provisions of Section 36 hereof, the Bank Interest Rate shall not exceed the Maximum Rate. The Bank Interest Rate shall be rounded upward to the nearest third decimal place.

“Base Rate” [REDACTED]

“Bonds” shall have the meaning given such term in the Indenture, including, without limitation, the Series 2015 Bonds and the Series 2018 Bond.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP, or such other counsel of recognized national standing in the field of law relating to municipal bonds and the exemption from federal income taxation of interest thereon, appointed and paid by the District.

“Business Day” means any day which is not (i) a Saturday or a Sunday, (ii) another day of the year on which banks in the District of Columbia or the state of New York are required or authorized by law or by executive order to close, or (iii) a day on which banking institutions in the city in which the principal office designated by the Bank for making advances under the Series

2018 Bond or for receipt of payments on the Series 2018 Bond are required or authorized to remain closed.

“Certificate for Reimbursement” shall have the meaning set forth in Section 12(c) of this Agreement.

“Certificate of Tax Reimbursement” shall have the meaning set forth in Section 13(c) of this Agreement.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Laws, (b) any change in any Applicable Laws or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Closing Date” means the date on which the initial Loan advance is made by the Bank and the Series 2018 Bond is delivered by the District to the Bank, which shall be August 23, 2018, subject to the satisfaction or waiver by the Bank, of all the conditions precedent set forth in Section 7 hereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations and rulings issued thereunder.

“Commitment Termination Date” means the earliest to occur of: (a) February 1, 2023; and (b) the date the Authorized Loan Amount is terminated pursuant to Section 11 hereof.

“Computation Date” means, with respect to any advance of the Loan, the second New York Banking Day preceding the date such advance of the Loan is made and thereafter the second New York Banking Day preceding each LIBOR Index Reset Date

“Control” or any variant thereof means the ownership of, or power to vote (i) 51% of the outstanding capital stock of a corporation, the membership interests of a limited liability company, or the partnership interests of a partnership; or (ii) 100% of the membership interests of the managing members of a limited liability company or of the partnership interests of the general partners of a partnership.

“Debt Service Fund” shall have the meaning set forth in the Indenture but shall exclude the Capitalized Interest Account, as such term is defined in the Indenture.

“Debt Service Reserve Fund” shall have the meaning set forth in the Indenture.

“Default” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an Event of Default.

“Default Rate”



“District” means the District of Columbia, a body corporate, its permitted successors and assigns.

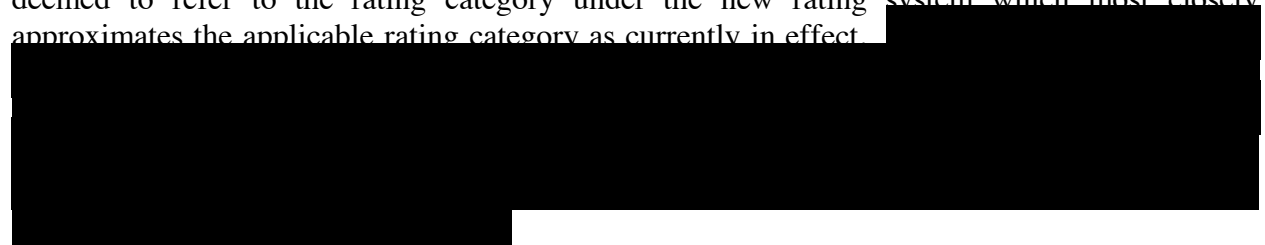
“District Rating” means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each Rating Agency to the District’s Series 2015 Bonds or any other Bonds issued under the Indenture constituting Parity Debt.

“District Rating Pricing Schedule” means the table setting forth the Undrawn Commitment Fee and the Applicable Spread, determined in relation to the applicable District Rating, as set forth below:

The applicable Undrawn Commitment Fee and Applicable Spread shall be the Level corresponding to the lowest prevailing District Rating on any day. In the event of a split rating (*i.e.*, one of the foregoing Rating Agencies’ District Ratings is at a different level than the District Ratings of either of the other Rating Agencies), the applicable Undrawn Commitment Fee and Applicable Spread shall be based upon the Level in which the lowest District Rating appears (for the avoidance of doubt, Level 4 is the lowest Level, and Level 1 is the highest Level for purposes of the above pricing grid). Any change in the Undrawn Commitment Fee and Applicable Spread resulting from a change in the District Rating shall be and become effective as of and on the date of the announcement of the change in the District Rating. References to the District Rating above are references to rating categories as presently determined by the Rating Agencies and in the event

of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the District Rating in connection with the adoption of a “global” rating scale, each District Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect.



“*Downtown TIF Area*” shall have the meaning set forth in the Indenture.

“*Draw Request*” means any request for an advance made by the Bank to the District, in the form of Exhibit B hereto, executed and delivered on behalf of the District by the manual or facsimile signatures of any Authorized Delegate

“*DTC*” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*EMMA*” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

“*ERISA*” shall mean the Employee Retirement Income Security Act of 1974, as now in effect or as hereinafter amended, and the regulations and rulings issued thereunder.

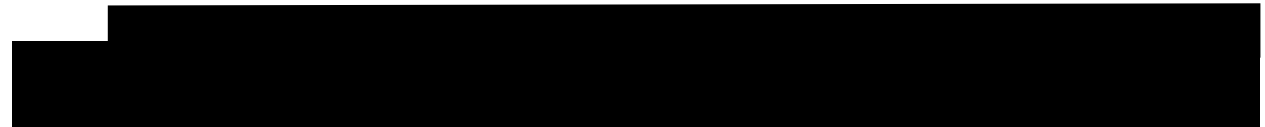
“*Event of Default*” shall have the meaning set forth in Section 11 of this Agreement.

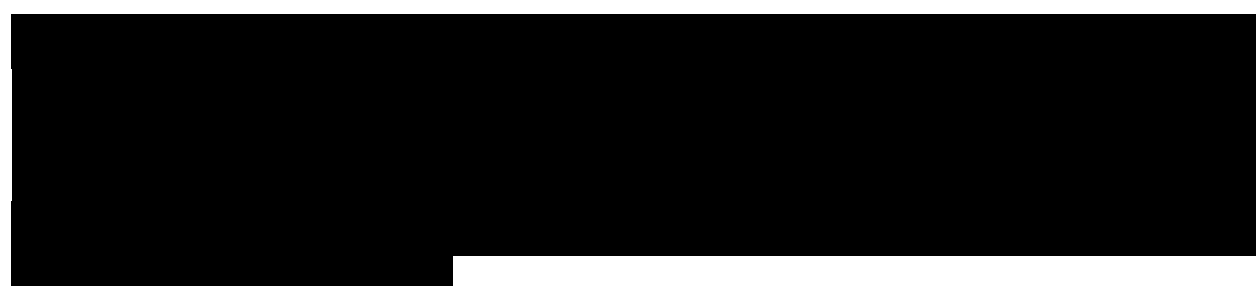
“*Excess Interest Amount*” shall have the meaning set forth in Section 36 hereof.

“*Executive Order No. 13224*” means the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“*Excluded Taxes*” means, with respect to the Bank, (i) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank is organized or in which its principal office is located, and (ii) any branch profits taxes imposed by the United States or any similar tax imposed by the District of Columbia.

“*FASB*” means the Financial Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.





“Financing Documents” means, collectively, this Agreement, the Series 2018 Bond, the Supplemental Indenture and the Indenture and any other agreements executed by the District pursuant to the terms of this Agreement, in each case as amended from time to time.

“Fitch” shall mean Fitch Ratings, Inc., and its successor and assigns.

“Funding Agreement” has the meaning set forth in the Indenture.

“GAAP” means accounting principles generally accepted in the United States as applied to local government units as prescribed by the pronouncements of the GASB and the FASB, consistently applied and maintained throughout the period indicated and consistent with the prior financial practice of the District, except for changes permitted by GASB, FASB or any similar accounting authority of comparable standing.

“GASB” means the Governmental Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.

“Governmental Approvals” means an applicable authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra- national bodies such as the European Union or the European Central Bank).

“Home Rule Act” shall have the meaning set forth in the recitals hereto.

“Included Taxes” means Taxes other than Excluded Taxes.

“Interest Payment Date” means the first Business Day of each calendar month, commencing September 1, 2018, and any date on which the Series 2018 Bond is subject to optional redemption or mandatory tender or is otherwise payable.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental

Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LIBOR Index” means the annual rate equal to the greater of (a) zero percent (0%) and (b) the rate of interest per annum for United States Dollar deposits in the London Interbank Market, which rate appears on the display designated as Reuters Screen LIBOR01 Page (or other commercially available source providing quotations of such rate as selected by the Bank in its reasonable judgement), which shall be that one-month LIBOR rate in effect two New York Banking Days prior to the LIBOR Index Reset Date, such rate to be reset monthly on each LIBOR Index Reset Date. If for any reason such rate is not available at such time, then the rate for the applicable interest period will be determined by such comparable alternate method designed to measure interest rates in a similar manner, as reasonably selected by the Bank in good faith. Any successor rate or alternate methodology must be an interest-based index, variations in the value of which can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in United States dollars for a similar term. In order to account for the relationship of the replacement index to the original one-month LIBOR rate, such alternate method will incorporate any spread to any replacement index as is necessary to ensure that the alternate method will measure interest rates in a manner similar to the original one-month LIBOR rate.

“LIBOR Index Reset Date” means, with respect to each advance of the Loan hereunder, the first day such advance of the Loan is made, and thereafter the first day of each calendar month.

“Loan” means, collectively, each advance of funds by the Bank to or for the account of the District, the repayment obligation for which is evidenced by the Series 2018 Bond.

“Mandatory Purchase Date” means, initially, August 23, 2023, subject to extension as set forth in Section 3 of this Agreement.

“Mandatory Purchase Price” means an amount equal to (i) 100% of the aggregate principal amount of the Series 2018 Bond subject to mandatory purchase on the Mandatory Purchase Date and any accrued interest thereon to but not including the Mandatory Purchase Date and (ii) all of the other Obligations.

“Maturity Date” means June 1, 2040.

“Maximum Rate” shall mean, subject to the provisions of Section 36 hereof, the lesser of (a) the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law, and (b) twelve percent (12%).

“Minimum Bond Rating” shall mean “BBB+” by Fitch, “Baa1” by Moody’s or “BBB+” by S&P.

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

“New York Banking Day” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

“Obligations” means all amounts payable by the District, and all other obligations to be performed by the District, pursuant to this Agreement and the other Financing Documents (including, without limitation, all Payment Obligations and obligations of the District to pay any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents).

“OFAC” shall have the meaning set forth in Section 27(b)(iv) hereof.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies charged or levied against the District arising from any payment made hereunder or under any other Financing Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Financing Document.

“Parity Debt” means any bonds, notes and similar obligations of the District secured by or payable from all or any portion of the Southwest Waterfront Pledged Revenues and other amounts pledged under the Indenture and/or the Available Increment on a senior or parity basis with the Series 2018 Bond.

“Participant” shall have the meaning set forth in Section 18(d) of this Agreement.

“Payment Obligations” shall have the meaning set forth in Section 2(j) of this Agreement.

“Payment Request” shall have the meaning set forth in the Funding Agreement.

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Rating Agency” means any of Fitch, Moody’s or S&P.

“Redemption Fund” shall have the meaning set forth in the Indenture.

“Revenue Fund” shall have the meaning set forth in the Indenture.

“Series 2015 Bonds” shall have the meaning set forth in the recitals hereto.

“Series 2018 Bond” shall have the meaning set forth in the recitals hereto.

“Series 2018 Project” shall have the meaning set forth in the Supplemental Indenture.

“Southwest Waterfront Available Sales Tax Revenues” shall have the meaning set forth in the Indenture.

“Southwest Waterfront Fund” shall have the meaning set forth in the Indenture.

“Southwest Waterfront PILOT” shall have the meaning set forth in the Indenture.

“Southwest Waterfront PILOT/TIF Area” shall have the meaning set forth in the Indenture.

“Southwest Waterfront Pledged Revenues” shall have the meaning set forth in the Indenture.

“S&P” means S&P Global Ratings.

“Supplemental Indenture” shall have the meaning set forth in the recitals hereto.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *“Master Agreement”*), including any such obligations or liabilities under any Master Agreement.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority as a result of the actions of the District or the District’s failure to act, including any interest, fines, additions to tax or penalties applicable thereto.

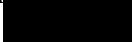
“Term Loan” means the term loan extended by the Bank pursuant to Section 4(a) hereof, constituting the principal amount of the Loan on the Mandatory Purchase Date.

“Term Loan Rate”



“Trustee” shall mean The Bank of New York Mellon serving as trustee for the Series 2018 Bond, pursuant to the Indenture.

“Trust Estate” shall have the meaning set forth in the Indenture.

“Undrawn Commitment Fee” shall mean the Undrawn Commitment Fee as set forth in the District Rating Pricing Schedule. As of the Closing Date, the Undrawn Commitment Fee is initially equal to  basis points per annum, subject to adjustment as set forth herein.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

In this Agreement (i) in the computation of a period of time from a specified date to a later specified date, unless otherwise indicated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”; (ii) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated or defined herein; (iii) the singular includes the plural and the plural, the singular; (iv) words importing any gender include the other genders; (v) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (vi) references to “writing” include printing, photocopy, typing, and

other means of reproducing words in a tangible visible form; (vii) the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; (viii) references to Sections (or sub-divisions of sections), Appendices and Schedules are to those of this Agreement unless otherwise indicated; (ix) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments, modifications, changes and waivers to such instruments, but only to the extent that such amendments, modifications, changes and waivers are permitted or not prohibited by the terms of this Agreement or the affected agreement or contractual instruments; and (x) references to Persons include their respective permitted successors and assigns.

SECTION 2. PURCHASE OF THE SERIES 2018 BOND; PAYMENT OBLIGATIONS.

(a) *Principal Amount.* Subject to paragraph (d) below, the maximum stated principal amount of the Series 2018 Bond is hereby expressly limited to the Authorized Loan Amount.

(b) *Draw-Down Funding.* (i) The Loan is originated on a draw-down basis. Upon making the initial advance of the Loan and receiving the Series 2018 Bond substantially in the form attached as Exhibit A to the Supplemental Indenture, the Bank shall be entitled to all rights and privileges accorded to the holder of the Series 2018 Bond (including the right to receive payments of principal and accrued interest with respect to the Series 2018 Bond). The Bank shall be recognized by the District as the true and lawful absolute owner of the Series 2018 Bond, free from any claims, liens, security, interests, equitable interest and other interests of the District, except as such interests might exist under the terms of the Series 2018 Bond with respect to all owners. The Bank shall hold the sole legal and beneficial interest in and to the Series 2018 Bond, subject to no lien, security interest, or claim of the District, or any Person claiming through the District, other than the Bank, except for consensual liens or other security interests as may be created by the Bank. The proceeds of the Loan shall be advanced by the Bank directly to or as directed by the District as and when needed to pay costs of the Series 2018 Project in accordance with the disbursement provisions of Section 7 of this Agreement.

(ii) *Advances.* Subject to the terms and conditions of this Agreement, the Bank agrees to make advances of the Loan from time to time on any Business Day, commencing on the Closing Date and ending on the Commitment Termination Date, in an aggregate amount not to exceed at any time outstanding the Authorized Loan Amount. Upon the Commitment Termination Date, the unused amount of the Authorized Loan Amount shall terminate immediately and without notice and shall not be available for any subsequent borrowing or disbursement. No amount of the Authorized Loan Amount may be reborrowed once any portion of the Loan is repaid and the Authorized Loan Amount shall not be reinstated for any amount of the Loan repaid. Each Advance requested shall be in a minimum principal amount of \$1,000,000 and any integral multiple of \$1,000 in excess thereof. The District hereby irrevocably authorizes the Bank to disburse the proceeds of each borrowing requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the account identified in a written notice delivered by the District to the Bank and authenticated to the Bank’s satisfaction or as may be otherwise agreed upon by the District and the Bank from time to time.

(iii) *Method of Borrowing.* Upon receipt of a Draw Request by the Bank not later than 11:30 a.m. New York time on the Business Day which is not less than one (1) Business Day prior to the requested funding date, the Bank, subject to the terms and conditions of this Agreement, shall be required to make such advance by 12:30 p.m. New York time on such day of the proposed advance for the account of the District in an amount equal to the amount of the requested advance. Each Draw Request shall be signed by an Authorized Delegate. Each advance shall be made by the Bank by wire transfer of immediately available funds to the District.

(iv) *Series 2018 Bond.* For purposes of clarity, each advance of Loan proceeds and the Term Loan under this Agreement shall also constitute an advance of Loan proceeds and the Term Loan under the Series 2018 Bond and repayments of the Loan and the Term Loan hereunder shall constitute a repayment of the Loan and the Term Loan under the Series 2018 Bond. The District's obligations to repay the Loan and/or Term Loan, as applicable, and to pay interest thereon as provided herein shall be evidenced and secured by the Series 2018 Bond, and the District shall, without duplication (A) make a principal payment on the Series 2018 Bond on each date on which the District is required to make a principal payment on the Loan and/or the Term Loan, as applicable, in an amount equal to the principal payment due on such date, and (B) make an interest payment on the Series 2018 Bond on each date on which the District is required to make an interest payment with respect to the Loan and/or the Term Loan, as applicable, in an amount equal to the interest payment due on such date. Without duplication, the payment of the principal of and interest on the Series 2018 Bond shall constitute payment of the principal of and interest on the Loan and the Term Loan, as applicable, and the payment of the principal of and interest on the Loan and the Term Loan, as applicable, shall constitute the payment of and principal and interest on the Series 2018 Bond and the failure to make any payment on the Loan or the Term Loan, as applicable, when due shall be a failure to make a payment on the Series 2018 Bond and the failure to make any payment on the Series 2018 Bond when due shall be a failure to make a payment on the Loan or the Term Loan, as applicable.

(c) *Origination Date; Maturity.* The Loan shall be originated on the Closing Date and shall mature on the Maturity Date at which time the entire principal amount, to the extent not previously paid, and all accrued and unpaid interest thereon, shall be due and payable.

(d) *Principal.* The outstanding principal amount of the Series 2018 Bond and of the Loan as of any given date shall be the total amount advanced by the Bank to or for the account of the District, less any payments of principal of the Series 2018 Bond previously received from the District, including regularly scheduled principal payments and voluntary and mandatory prepayments.

(e) *Monthly Statements.* The Bank shall keep a record of all principal advances and principal repayments made under the Series 2018 Bond and shall provide the District with monthly statements of the outstanding principal balance of the Series 2018 Bond and the Loan, and the Trustee shall provide monthly statements of the Southwest Waterfront Fund, the Revenue Fund, the Project Fund, the Redemption Fund, the Debt Service Fund and the Debt Service Reserve Fund setting forth the amounts on deposit therein, investment earnings thereon, and deposits to and

withdrawals therefrom. The Bank's statement of account, ledger or other relevant record shall, in the absence of manifest error, be conclusive as the statement of the amount of principal of and interest on the Loan and the Series 2018 Bond and other amounts owing under this Agreement and shall be deemed an "account stated."

(f) *Interest Rate.* The Series 2018 Bond will bear interest at the Bank Interest Rate as established in accordance with the terms hereof. Interest shall be payable by the District in arrears on each Interest Payment Date, commencing on the first such date following the date of the relevant advance of the Loan. Interest paid on each Interest Payment Date shall equal interest accrued during the preceding calendar month. The Bank shall determine the Bank Interest Rate on each Computation Date, to become effective on the next LIBOR Index Reset Date.

(g) *Default Rate.* From and after the occurrence of an Event of Default hereunder, but only for so long as such Event of Default shall be continuing, the Loan and the Series 2018 Bond and any other amounts due hereunder shall accrue interest at the Default Rate. In the event that any District Rating is reduced below Baa1 (or its equivalent), BBB+ (or its equivalent) or BBB+ (or its equivalent) or is suspended or withdrawn for any credit-related reason, the Loan and the Series 2018 Bond and any other amounts due hereunder shall accrue interest at the Default Rate.

(h) *Mandatory Purchase Date.* The Series 2018 Bond shall be subject to mandatory purchase by the District at the Mandatory Purchase Price on the Mandatory Purchase Date, subject to the provisions of Section 4 hereof.

(i) *Excess Interest Amount.* If at any time the Bank Interest Rate, Term Loan Rate or the Default Rate payable on the Loan, the Series 2018 Bond or under this Agreement shall exceed the Maximum Rate for any day for which interest is payable, any Excess Interest Amount arising on any Interest Payment Date shall be paid in accordance with Section 36 hereof.

(j) *Payment Obligations.* The obligations of the District to pay the Bank (i) the principal of and interest on the Series 2018 Bond as set forth in this Section 2, plus (ii) the Undrawn Commitment Fee, subject to the provisions of Section 2(k) hereof, are collectively referred to as the "Payment Obligations".

(k) *Undrawn Commitment Fee.* The District shall pay to the Bank a per annum fee equal to the product of the Undrawn Commitment Fee (computed on the basis of a 360-day year, actual days elapsed) from time to time in effect for each day during the period for which such Undrawn Commitment Fee is being paid, such period commencing on the Closing Date, times the undrawn Authorized Loan Amount in effect for each day during such period for which such Undrawn Commitment Fee is being paid, which fee shall be due and payable by District quarterly in arrears on the first Business Day of the of the first month which is at least six (6) months after the Closing Date and thereafter on the first Business Day of each January, April, July and October occurring thereafter to the Commitment Termination Date, and on the Commitment Termination Date; *provided, however,* that if, and only if (i) the initial advance of Loan proceeds on the Closing Date is in a principal amount equal to or in excess of \$20,000,000.00, (ii) the Districts draws at least the difference between \$27,250,000.00 and the initial advance described in the foregoing clause (i) within six (6) months of the Closing Date and (iii) the District terminates the remaining

unutilized Authorized Loan Amount of not more than \$250,000.00 on or before the date which is six (6) months succeeding the Closing Date, no Undrawn Commitment Fee shall be payable by the District to the Bank.

(l) *Reserved.*

(m) *Termination of Unutilized Authorized Loan Amount.* The District may terminate the remaining unutilized Authorized Loan Amount on any date which is at least six (6) months following the Closing Date after paying to the Bank the accrued and unpaid Undrawn Commitment Fee and any other applicable charges with respect to such unutilized Authorized Loan Amount.

SECTION 3. EXTENSION.

The District may request an extension of the Mandatory Purchase Date in writing within a time period of not less than 180 days prior to the then existing Mandatory Purchase Date. The Bank will respond in writing within 60 Business Days of receipt of such written request. The Bank's determination to accept or reject such request shall be within the Bank's sole and absolute discretion. The failure of the Bank to respond to such extension request within such 60-day period shall be deemed a denial of the request, and the District shall continue to be required to repurchase the Series 2018 Bond on the Mandatory Purchase Date. The terms of each extension of the Mandatory Purchase Date will be determined by mutual agreement of the District and Bank after such analysis and due diligence as the Bank may require.

SECTION 4. TERM LOAN.

(a) *Term Loan.* If on the Mandatory Purchase Date the Bank has not received the Mandatory Purchase Price as set forth in section 2(h) hereof, the District shall cause such Bonds to be redeemed on such Mandatory Purchase Date; provided, however, that if (i) the representations and warranties set forth in Section 8 hereof are true and correct and (ii) no Default or Event of Default shall occurred and be continuing hereunder, then the unpaid principal amount of the Loan shall be redeemed by the District in full by the third (3rd) anniversary of the Mandatory Purchase Date (the "*Term Loan*"). The obligations of the District to repay the Term Loan shall be evidenced by the Series 2018 Bond in the same manner as the Loan.

(b) *Principal.* The principal amount of the Term Loan will amortize in twelve (12) equal quarterly installments, payable by the District beginning on the first Business Day of the calendar quarter next succeeding the Mandatory Purchase Date, such that the full principal amount of the Term Loan shall be redeemed by the District in full by the third (3rd) anniversary of the Mandatory Purchase Date.

(c) *Interest.* The Term Loan will accrue interest at the Term Loan Rate, and such interest will be payable by the District monthly in arrears on the first Business Day of each month, commencing on the first such date next succeeding the Mandatory Purchase Date.

SECTION 5. REDEMPTION AND REDUCTION.

The District may optionally redeem the Series 2018 Bond in accordance with the provisions of the Indenture on any Interest Payment Date. By written notice to the Bank and the Trustee, the District may reduce the undrawn portion of the Authorized Loan Amount, subject to the requirements set forth in Section 2(k) and Section 2(m) hereto.

SECTION 6. CERTAIN SECURITY GRANTED BY THE DISTRICT.

The Series 2018 Bonds are secured by a lien on and pledge of (i) the Southwest Waterfront Pledged Revenues, (ii) the Southwest Waterfront Fund, and (iii) the monies and investments on deposit in certain funds and accounts established under the Indenture, including the Debt Service Fund, the Debt Service Reserve Fund, the Revenue Fund, the Redemption Fund, and the Project Fund, on a parity basis with the outstanding Series 2015 Bonds and any additional Bonds incurred pursuant to the terms of the Indenture. In addition, to the extent the sources in (i), (ii) and (iii) above are insufficient to satisfy the Payment Obligations, the Series 2018 Bonds are further secured by the Available Increment; *provided*, however, that the allocation of the Available Increment to satisfy the Payment Obligations is subordinate to District of Columbia (Washington, D.C.) Mandarin Oriental Hotel Project Tax Increment Revenue Bonds Series 2002 and on parity with the Series 2015 Bonds and any debt or obligation of the District secured by the Available Increment.

The District is duly authorized pursuant to law to create and issue the Series 2018 Bond and enter into this Agreement and to pledge the Southwest Waterfront Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Revenue Fund, the Redemption Fund and the Project Fund in the manner and to the extent provided in the Indenture. The Series 2018 Bond and the provisions of this Agreement are and will be the valid and legally enforceable special obligations of the District, all in accordance with their terms and the terms of this Agreement. To the extent permitted by law, the District shall at all times preserve, protect and defend the pledge of the Southwest Waterfront Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Revenue Fund, the Redemption Fund and the Project Fund and all the rights of the Bank hereunder against all claims and demands of all Persons whomsoever.

SECTION 7. CONDITIONS PRECEDENT.

(a) *Initial Draw.* As conditions precedent to the obligation of the Bank to purchase the Series 2018 Bond and make the initial advance of Loan proceeds, the District shall have provided to the Bank, on or before the Closing Date:

(i) true and correct copies of all governmental approvals, if any, necessary for the District to execute, deliver and perform its obligations under the Financing Documents;

(ii) the written opinion of the Office of the District's Attorney General addressed to the Bank, dated the Closing Date and in form and substance satisfactory to the Bank;

(iii) the written opinion of Bond Counsel and a reliance letter addressed to the Bank, dated the Closing Date and in form and substance satisfactory to the Bank, including without limitation, to the effect that the Series 2018 Bond is not subject to the registration requirements of the Securities Act and the Supplemental Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended and as then in effect, as to the validity of the Series 2018 Bond and that the pledge of the District securing the Series 2018 Bond constituting a valid pledge and such other matters as the Bank may reasonably request;

(iv) a certificate dated as of the Closing Date of the District as to the incumbency of the signatories to each Financing Document to which it is a party and attaching copies of resolution(s) authorizing the execution, delivery and performance of such Financing Documents;

(v) a certificate of the District, signed by an Authorized Delegate of the District, dated the Closing Date, stating that on the Closing Date: (1) the representations and warranties contained herein and in the Financing Documents are true and correct on and as of the Closing Date as though made on such date, except, in each case, to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, (2) no Event of Default has occurred and is continuing, or would result from the purchase of the Series 2018 Bond by the Bank, the execution and delivery of this Agreement or any other Financing Document to which the District is a party, and no event has occurred and is continuing which would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and (3) there have been no material adverse changes in the affairs of the District, financial or otherwise, since the audited financial statements for the twelve month period ending on September 30, 2017;

(vi) evidence satisfactory to the Bank that the unenhanced, long term debt ratings assigned to Parity Debt are at least “A+”, “Aa2” and “AA-” by S&P, Moody’s and Fitch, respectively;

(vii) receipt of all fees, costs and expenses payable to the Bank and its counsel as of the Closing Date by or on behalf of the District;

(viii) (A) the Series 2018 Bond in physical, certificated form, executed by the District, in the principal amount equal to the Authorized Loan Amount, issued to and registered in the name of the Bank, or as otherwise directed by the Bank; and (B) executed or certified, as applicable, counterparts of the Funding Agreement and the other Financing Documents;

(ix) audited financial statements of the District for the twelve-month period ending on September 30, 2017, in form and substance acceptable to the Bank and prepared in accordance with GAAP;

(x) a certificate of the District, signed by an Authorized Delegate of the District, dated the Closing Date, stating that on the Closing Date, there has been no amendment or proposed amendment to the Home Rule Act or any published administrative interpretation of the Home Rule Act or any District of Columbia law, or any published Attorney General of the District of Columbia opinion or judicial decision interpreting any of the foregoing, and there is no legislation that has passed by the Council of the District of Columbia, in each case, that could reasonably be expected to materially adversely affect the issuance of the Series 2018 Bond, any security for the Series 2018 Bond or the District's ability to repay when due its obligations under this Agreement, the Series 2018 Bond and the other Financing Documents;

(xi) a certificate of the District, signed by an Authorized Delegate of the District, dated the Closing Date, stating that on the Closing Date, to the District's best knowledge, the District has received all consents, licenses, approvals, validations and authorizations of, and filings, registrations, validations and declarations by or with, and formal exemptions from, any court or any Governmental Authority having competent jurisdiction over the District, or other Person required in connection with, the execution, delivery, performance, validity and enforceability of this Agreement and the Financing Documents (including the Series 2018 Bond) to which the District is or will be a party and that the same are in full force and effect;

(xii) to the extent known to the District, notice of any adverse material litigation with respect to or adverse changes in the Project;

(xiii) the written opinion of Bond Counsel required pursuant to Section 7.04 of the Indenture prior to the effectiveness of the Supplemental Indenture;

(xiv) a certificate from the Trustee setting forth (i) the outstanding balance in the Debt Service Reserve Fund, and (ii) the outstanding balance in the Redemption Fund;

(xv) a certificate from the District, signed by an Authorized Delegate of the District, dated the Closing Date (i) confirming that the outstanding balance in the Debt Service Reserve Fund set forth in the certificate delivered pursuant to Section 7(a)(xiv) hereof is equal to the maximum annual debt service on the Series 2015 Bonds and the Series 2018 Bonds (assuming a final maturity date of June 1, 2040 and level debt service with principal amortization commencing on June 1, 2024 and an interest rate per annum of 5.75%) of \$13,769,895.76, and (ii) confirming that the outstanding balance in the Redemption Fund set forth in the certificate delivered pursuant to Section 7(a)(xiv) hereof is equal to or greater than \$6,000,000.00;

(xvi) a certificate of the District, signed by an Authorized Delegate of the District, dated the Closing Date, stating that on the Closing Date the District is in compliance with the terms and conditions of Section 4.14 of the Indenture and, in all material respects, the terms and conditions of the Funding Agreement and the other Financing Documents based on the assumption that the Series 2018 Bond is issued on the Closing Date in the principal amount of \$27,500,000; and

(xvii) such other documents, certificates and opinions as the Bank or its counsel may reasonably request and the acceptability of such documents, certificates and opinions to such counsel.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement will be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Bank.

(b) *Subsequent Draws.* After the District has received a Payment Request, the District may request draws of additional advances of Loan proceeds after the initial draw on the Closing Date by providing a Draw Request to the Bank in accordance with Section 2(b)(iii) hereof. Each advance subsequent to the initial advance shall be made by the Bank not less than one (1) Business Day after receipt of such Draw Request by the District. As a condition precedent to funding by the Bank each installment of the Loan subsequent to the initial advance, the Bank shall have received the related Draw Request, signed by an Authorized Delegate of the District, dated the related funding date, certifying that (A) the representations and warranties of the District contained in this Agreement, the Funding Agreement and in the other Financing Documents remain true and correct on and as of the date hereof as though made on such date, except, in each case, to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date; and (B) no Default or Event of Default has occurred and is continuing, or would result from the delivery of the advance amount by the Bank.

SECTION 8. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT.

The District represents and warrants, as of the Closing Date, that:

(a) *Authority.* The District is duly organized and validly existing as a body corporate for municipal purposes. The District has the requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement, the other Financing Documents to which it is or will be a party, and the Funding Agreement.

(b) *Authorization; Legal, Valid and Binding Obligations.* The execution and delivery by the District of this Agreement, the Funding Agreement and the other Financing Documents to which the District is or will be a party have been duly authorized by all necessary legislative action of the District, and no further approval, authorization or consent is required by law or otherwise. This Agreement, the Funding Agreement and such other Financing Documents constitute the legal, valid and binding special obligations of the District, and are enforceable in accordance with their respective terms, except as such enforceability may be limited by insolvency, moratorium or other laws or equitable principles relating to the enforcement of creditors' rights generally, and by general principles of equity. The Payment Obligations are not subject to appropriation. Each of the Financing Documents and the Funding Agreement is or will be in full force and effect on the Closing Date.

(c) *No Conflict.* Neither the execution and delivery by the District of this Agreement and the other Financing Documents to which the District is or will be a party,

nor the consummation of the transactions contemplated hereby or thereby nor performance or compliance with the provisions hereof or thereof, will (i) violate any law, rule or regulation or any order, writ, judgment, injunction, decree or award of any court, arbitrator or Governmental Authority having competent jurisdiction over the District which could reasonably be expected to have a material adverse effect on (A) the ability of the District to perform its obligations under any Financing Document to which it is a party, including its ability to repay when due its obligations under this Agreement, the Series 2018 Bond and the other Financing Documents, (B) the legality, validity, binding effect or enforceability of any of the Financing Documents or the Funding Agreement, or (C) any security for the Series 2018 Bond, (ii) violate or conflict with, or constitute a default under, any mortgage, indenture, contract or other undertaking by which the District or any of its property or assets is bound which would reasonably be expected to have a material adverse effect on (A) the ability of the District to perform its obligations under any Financing Document to which it is a party, including its ability to repay when due its obligations under this Agreement, the Series 2018 Bond and the other Financing Documents, (B) the legality, validity, binding effect or enforceability of any of the Financing Documents and the Funding Agreement, or (C) any security for the Series 2018 Bond, or (iii) except as provided in this Agreement, result in the creation or imposition of any security interest, lien, charge, claim or encumbrance pursuant to the terms thereof.

(d) *Consents and Approvals.* All consents, approvals, validations and authorizations of, and filings, registrations, validations and declarations by or with, and formal exemptions from, any court or any Governmental Authority having competent jurisdiction over the District, or other Person required in connection with, the execution, delivery, performance, validity and enforceability of this Agreement, the Funding Agreement and the Financing Documents (including the Series 2018 Bond) to which the District is or will be a party have been obtained and are in full force and effect.

(e) *Litigation.* Except to the extent disclosed to the Bank in writing, there is no action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, public board or other body of competent jurisdiction pending or, to the best knowledge of the District, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would have a material adverse effect on (A) the ability of the District to perform its obligations under any Financing Document to which it is a party, including its ability to repay when due its obligations under this Agreement, the Series 2018 Bond and the other Financing Document, (B) the legality, validity, binding effect or enforceability of any of the Financing Documents or the Funding Agreement, or (C) any security for the Series 2018 Bond.

(f) *No Violations.* The District is not in violation of any material term of any bond or indenture agreement to which it is a party and to which all or any portion of the Trust Estate or the Pledged Amounts are pledged for the payment thereof or by which any of its property or assets is bound for the repayment of debt which could reasonably be expected to have a material adverse effect on (A) the ability of the District to perform its obligations under any Financing Document to which it is a party, including its ability to repay when due its obligations under this Agreement, the Series 2018 Bond and the other

Financing Document, (B) the legality, validity, binding effect or enforceability of any of the Financing Documents or the Funding Agreement, or (C) any security for the Series 2018 Bond.

(g) *No Defaults.* Each Financing Document to which the District is a party and the Funding Agreement is a legal, valid and binding obligation of the District, has not been terminated, cancelled or waived in any material respect and is in full force and effect, and the District is not in default under any such Financing Document or the Funding Agreement.

(h) *Financial Statements.* The statements of financial position of the District as of September 30, 2017, and the related statements of net position and statement of activities for the fiscal year then ended and the auditors' reports with respect thereto, correctly and fairly present the financial position, changes in financial position and results of operations of the District at and for the period ended on such date, and were prepared in accordance with GAAP. Since September 30, 2017, there has been no material adverse change in the properties, business, condition (financial or other), results of operations or prospects of the District or the District's ability to perform its obligations hereunder.

(i) *Accurate Information.* All information, reports and other papers and data with respect to the District furnished to the Bank were, at the time the same were so furnished, accurate in all material respects. Any projections in any of the information, reports and other papers and data furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such information, and represented and, as of the date of this representation, represent the District's best estimate of its future financial performance. No fact is known to the District and no transaction or event has occurred that materially adversely affects or could materially adversely affect the security for the Series 2018 Bond or the District's ability to repay when due its obligations under this Agreement, the Series 2018 Bond and the other Financing Documents. Taken as a whole, the documents furnished and statements made to the Bank in connection with the negotiation, preparation or execution of this Agreement and the other Financing Documents, as of the date so furnished or made, did not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Except for such amendments supplied by the District to the Bank in conjunction with the delivery of this Agreement, there have been no amendments or supplements to the Financing Documents and the Funding Agreement.

(j) *No Proposed Legal Changes.* There is no amendment or, to the best knowledge of the District, proposed amendment to the Home Rule Act or any published administrative interpretation of the Home Rule Act or any District of Columbia law, or any published Attorney General of the District of Columbia opinion or judicial decision interpreting any of the foregoing, and there is no legislation that has passed by the Council of the District of Columbia, in each case, that could reasonably be expected to materially adversely affect the issuance of the Series 2018 Bond, any security for the Series 2018

Bond or the District's ability to repay when due its obligations under this Agreement, the Series 2018 Bond and the other Financing Documents.

(k) *Compliance with Laws.* To the best knowledge of the District, with regard to noncompliance that would have a material adverse effect on the District's ability to perform its obligations under any Financing Document, the District is in material compliance with all statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards of any Governmental Authority having jurisdiction over the District or the ownership or use of its property or assets, the conduct of its business or the premises occupied by it or to which it is otherwise subject.

(l) *Interest Rate.* The terms of this Agreement and the Financing Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(m) *ERISA Compliance.* To the best knowledge of the District, it is in full compliance with the requirements of ERISA and the Code, and the District has not received any notice to the effect that it is not in full compliance with any of the requirements of ERISA or the Code.

(n) *Regulation U.* The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Series 2018 Bond have been or will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(o) *Liens.* The Series 2018 Bond will be transferred to the Bank free and clear of all security interests, liens, charges, claims or encumbrances of any Person other than the Bank, except for consensual liens or other security interests as may be created by the Bank.

(p) *Validity of Lien.* The lien granted hereunder and in the Indenture to the Trust Estate and the Pledged Amounts is a valid and enforceable lien securing the payment of the Series 2018 Bond and the Payment Obligations. The Series 2018 Bond constitutes an "Additional Bond" under the Indenture and will rank at least equally in right of payment by the District with the Bonds and all other Parity Debt.

(q) *Loan Proceeds.* The proceeds of the Loan will be used for the purposes set forth in the Financing Documents.

(r) *Trustee.* The Bank of New York Mellon is the duly appointed and acting Trustee for the Series 2018 Bond.

SECTION 9. AFFIRMATIVE COVENANTS OF THE DISTRICT.

The District covenants and agrees with the Bank that, so long as the Bank owns all or any portion of the Series 2018 Bond or until the full and final payment and satisfaction of all of the Obligations to the Bank, unless the Bank shall otherwise consent in writing, that:

(a) *Reporting Requirements.* The District shall keep, or cause to be kept, proper books of record and account in which full, true and correct entries will be made reflecting all financial transactions of the District in accordance with GAAP, consistently applied, and will furnish to the Bank (or with respect to the items referenced in clause (i) below, the requirement to furnish such financial statements will be deemed to have been satisfied if the District shall have posted such financial statements on EMMA or such other electronic platform) a copy of each of the following:

(i) as soon as available, and in any event within two hundred seventy (270) days after the close of each fiscal year of the District, the most recent audited statements of financial position, the related statements of activities and statements of net position for the fiscal year then ended and the auditors' reports with respect thereto;

(ii) concurrently with the furnishing of the financial statements under Section 9(a)(i) hereof, a certificate signed by an Authorized Delegate of the District stating that (A) the District has complied with all of the terms, provisions and conditions of this Agreement and the other Financing Documents to which it is a party, (B) to the best of his/her knowledge, the District has kept, observed, performed and fulfilled each covenant, provision and condition of this Agreement, the Funding Agreement and the other Financing Documents to which it is a party, required on its part to be performed, and (C) no Default or Event of Default has occurred or, if such Default or Event of Default has occurred, specifying the nature of such Default or Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Default or Event of Default;

(iii) forthwith and, in any event, within seven (7) Business Days after the District obtains actual knowledge thereof, a certificate of the District setting forth the occurrence of any Default or Event of Default, the details thereof and the action which the District is taking or proposes to take with respect thereto;

(iv) promptly after becoming known to any officer of the District upon whom process has been legally served or promptly after becoming known to an officer of the District, notice of any action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, public board or other body of competent jurisdiction against or affecting the District wherein an unfavorable decision, ruling or finding would have a material adverse effect on (A) the ability of the District to perform its obligations under any Financing Document to which it is a party, including its ability to repay when due its obligations under this Agreement, the

Series 2018 Bond and the other Financing Document, (B) the legality, validity, binding effect or enforceability of any of the Financing Documents or the Funding Agreement, or (C) any security for the Series 2018 Bond;

(v) copies of any communications delivered or received by it under any of the Financing Documents (unless, with respect to communications received by it under any of the Financing Documents, the same are required to be furnished by the sender thereof directly to the Bank under the terms of such Financing Documents), or from any taxing authority with respect to the transactions contemplated hereby;

(vi) on or before February 28 of each year, commencing February 28, 2019, the Annual Amount Certification;

(vii) to the extent known to the District, notice of any appeal of taxes or challenges to assessed valuation or the real property tax rates for any parcel in the Southwest Waterfront PILOT/TIF Area or the Downtown TIF Area, that would result in a material adverse effect on the ability of the District to perform its obligations under the Financing Documents;

(viii) promptly after the adoption thereof, copies of any amendments to the Financing Documents and the Funding Agreement; and

(ix) such other information respecting the affairs, condition and/or operations, financial or otherwise, of the District as the Bank may from time to time reasonably request.

(b) *Compliance with Laws.* The District shall comply with all applicable statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards of any Governmental Authority having jurisdiction over the District or the ownership or use of its property or assets, the conduct of its business or the premises occupied by it or to which it is otherwise subject, except as to those statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards for which noncompliance would not have a material adverse effect on the ability of the District to perform its obligations under the Financing Documents; *provided, however,* that the District may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the District's power and authority to execute this Agreement and the other Financing Documents to which it is a party or to perform its obligations and pay all amounts payable by it hereunder and thereunder.

(c) *Inspection Rights.* To the extent permitted by law, the District shall at all reasonable times during regular business hours, upon the written request of the Bank, permit the Bank by its representatives to inspect, to the extent permitted by law, the properties, books of account, records, reports and other papers of the District related to the Southwest Waterfront PILOT/TIF Area and the Downtown TIF Area, to take copies and

extracts therefrom, and to discuss the affairs, finances and accounts of the District with the chief financial officer of the District or the independent public accountants of the District. The District will afford and procure a reasonable opportunity to make any such inspection, and the District will furnish to the Bank any and all information as the Bank may reasonably request related to the Southwest Waterfront PILOT/TIF Area and the Downtown TIF Area, with respect to the performance by the District of the District's covenants in this Agreement; *provided*, that such inspection shall not interfere with the normal business of the District and the District incurs no out-of-pocket expenses as a result thereof; *provided further, however*, that from and after the occurrence and during the continuance of any Event of Default, the costs of any inspection by the Bank or the furnishing of any information to the Bank shall be, subject to the provisions of Section 14 hereof, for the account of the District.

(d) *Keeping of Records and Books of Account.* The District shall keep or cause to be kept proper records and books of account, including proper records and books of account in which correct and complete entries will be made in accordance with GAAP, reflecting all of its financial transactions related to the Southwest Waterfront PILOT/TIF Area and the Downtown TIF Area.

(e) *Maintenance of Approvals, Filings and Registrations.* The District shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for the execution, delivery and performance of the Financing Documents to which it is party and the Funding Agreement, and to make such Financing Documents and the Funding Agreement legal, valid, binding and enforceable, in accordance with their terms.

(f) *Further Assurance.* The District shall execute and deliver to the Bank all such documents and instruments and do all such other acts and things as may be reasonably necessary or required by the Bank to enable the Bank to exercise and enforce its rights under the Financing Documents and to record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the Bank to validate, preserve and protect the position of the Bank under the Financing Documents.

(g) *Notices.* The District will promptly furnish, or cause to be furnished, to the Bank (i) notice of the occurrence of any Event of Default or Default, (ii) each notice required to be given by the District to the Trustee under the Financing Documents (unless with respect to such communications under any of the Financing Documents, the same are required to be furnished directly to the Bank) under the terms of the Financing Documents, and (iii) such further financial and other information with respect to the Southwest Waterfront PILOT/TIF Area and the Downtown TIF Area and its affairs as the Bank may reasonably request from time to time.

(h) *Reserved.*

(i) *Loan Proceeds.* The District shall use the proceeds of the Loan under the Series 2018 Bond for the purposes set forth in the Financing Documents.

(j) *Payments.* The District shall punctually pay or cause to be paid all amounts payable under this Agreement, the Series 2018 Bond and the other Financing Documents in accordance with the terms hereof and thereof.

(k) *Incorporation of Certain Covenants.* The District shall perform and comply with each and every affirmative covenant, negative covenant and agreement required to be performed or observed by it in the Financing Documents to which it is a party which provisions, as well as related defined terms contained therein (as such provisions and defined terms are in effect on the date hereof), are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety.

(l) *ERISA.* To the extent applicable to the District, the District shall comply with the provisions of ERISA and the Code with respect to each employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained for employees of the District, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which the District is a part of or has within the preceding five plan years made contributions, or (iii) under which the District is a part of or has any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years or by reason of being deemed a contributing sponsor under Section 4069 of ERISA.

(m) *Maintenance of Rating.* The District shall at all times maintain, or cause to be maintained, long-term unenhanced credit ratings on the Series 2015 Bonds or other Parity Debt from any two of Moody's, Fitch or S&P. The District shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by Moody's, Fitch or S&P, to the extent such Rating Agency is then maintaining a rating on the Series 2015 Bonds or other Parity Debt.

SECTION 10. NEGATIVE COVENANTS OF THE DISTRICT.

The District covenants and agrees with the Bank that, so long as the Bank owns all or any portion of the Series 2018 Bond or until the full and final payment and satisfaction of all of the Obligations to the Bank, unless the Bank shall otherwise consent in writing, that the District will not, directly or indirectly:

(a) *Accounting Treatment.* Change accounting treatment and reporting practices in a manner that would adversely affect the Series 2018 Note, except as otherwise required by changes in federal tax rules, GASB, FASB or to the extent deemed appropriate in the reasonable judgment of the independent certified public accountants that are preparing the audited financial statements of the District.

(b) *Amendments to Financing Documents.* Amend, modify, terminate or grant, or permit the amendment, modification of, termination of or grant of any waiver under, or consent to, or knowingly permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination of, modification of, or grant of a waiver under the Financing Documents or any provision of the Funding Agreement which is referenced or incorporated in the Indenture that could have a material adverse effect on (A) the ability of the District to perform its obligations under the Financing Documents or (B) the rights, interests, security or remedies of the Bank, without the prior written consent of the Bank as required under Section 22 hereof (which such consent shall not be unreasonably withheld).

(c) *Waiver of Immunity.* To the extent permitted by applicable Law, the District shall not assert any right of immunity it may have as a sovereign or governmental entity from any action, lawsuit or other legal proceeding to enforce or collect upon any of the contractual obligations of the District under this Agreement, the Series 2018 Bond or any of the Financing Documents, *provided, however*, that nothing in this subsection (c) shall be deemed to constitute a waiver by the District of governmental or sovereign immunity of the District with respect to any administrative, jurisdictional, or procedural requirement under applicable Law or which is binding upon the District relating to the notice of claims against the District.

(d) *Additional Debt.* The District shall not issue any Parity Debt unless such issuance is in compliance with the terms and conditions of the Indenture, including, without limitation, Sections 2.04 and 4.14 of the Indenture, and the terms and conditions of Funding Agreement and the other Financing Documents. Notwithstanding anything in the Financing Documents to the contrary, the District shall not issue any bonds, notes or similar obligations secured by or payable from all or any portion of the Southwest Waterfront Pledged Revenues and other amounts pledged under the Indenture and/or the Available Increment on a basis that is senior to the Series 2018 Bond.

(e) *No Bond Rating; DTC; Offering Document; CUSIP.* The Series 2018 Bond shall not be (i) assigned a specific rating by any Rating Agency, (ii) registered with DTC any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service, or (v) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

(f) *Reserved.*

(g) *Defeasance.* Voluntarily defease or direct the defeasance of the Series 2018 Bond without (A) three (3) days prior written notice to the Bank, and (B) payment in full on or prior to the contemplated date of defeasance of all unpaid amounts owing under this Agreement as of such date, subject to the limitations set forth in Section 5 hereof.

(h) *No Acceleration of Other Obligations.* The District will not, without the prior written consent of the Bank, enter into, or otherwise consent to, any credit agreement,

standby bond purchase agreement, liquidity agreement, direct bond purchase agreement or other similar agreement or instrument (or any amendment, supplement or modification thereto) (each a “*Bank Agreement*”), which agreement or instrument includes, or otherwise grants to any Person as a remedy upon the occurrence of an event of default, the right to accelerate the payment of the principal of or interest on any Parity Debt or to otherwise declare the principal of or interest on any such Parity Debt to be immediately due and payable prior to its maturity or cause such Parity Debt to be paid pursuant to a mandatory tender, mandatory redemption or otherwise on any date other than a regularly scheduled payment date. Notwithstanding the foregoing sentence, in the event that the District shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which includes the right to accelerate the payment of the principal of or interest on any Parity Debt or to otherwise declare the principal of or interest on any such Parity Debt to be immediately due and payable prior to its maturity or cause such Parity Debt to be paid pursuant to a mandatory tender, mandatory redemption or otherwise on any date other than a regularly scheduled payment date, then the Bank shall have the right, upon the occurrence of an Event of Default, to declare all 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 District.

(i) *Swap Termination Payments.* The District shall not, directly or indirectly, (A) permit any termination payments with respect to any Swap Contract to be payable senior in terms of priority of payment to the payment of the principal and interest on the Loan and the Series 2018 Bond or (B) enter into any Swap Contract relating to Parity Debt which requires the District to post cash collateral to secure any termination payment thereunder.

(j) *Release of Debt Service Reserve Fund.* The District shall not, directly or indirectly, permit the release of monies held in the Debt Service Reserve Fund pursuant to Section 4.07(c)(iii) of the Indenture unless (A) the District shall have provided the Bank with an opinion of Bond Counsel that such monies held in the Debt Service Reserve Fund can be released pursuant to Section 4.07(c)(iii) of the Indenture, (B) there are monies on deposit in the Redemption Fund in an amount sufficient to be transferred to the Debt Service Reserve Fund to satisfy the Debt Service Reserve Fund Requirement following the release of monies pursuant to Section 4.07(c)(iii) of the Indenture, and (C) the District shall have provided the Bank with a copy of instructions to the Trustee to immediately transfer such funds from the Redemption Fund to the Debt Service Reserve Fund upon a deficiency caused by the release of funds pursuant to Section 4.07(c)(iii) of the Indenture.

SECTION 11. EVENTS OF DEFAULT AND REMEDIES.

(a) If any of the following events shall occur and be continuing (each such event shall be an “*Event of Default*”):

(i) any representation or warranty made by the District in any Financing Document or in any certificate, agreement, report instrument or statement contemplated by

or made or pursuant to or in connection with this Agreement shall prove to have been false or misleading in any material respect when made;

(ii) failure of the District to make any payment of the principal of or interest on the Loan, the Series 2018 Bond or any other Payment Obligation as and when due;

(iii) failure of the District to make any payment of any amount when due under this Agreement (other than a Payment Obligation) and such default shall continue for ten (10) days after written notice of such default shall have been given to the District by the Bank;

(iv) failure of the District to observe or perform the covenants set forth in Sections 9(a)(iii), 9(c) (but only with respect to the right to inspect and not the payment of the costs of such inspection), 9(f), 9(j) or 10 of this Agreement;

(v) failure of the District to observe or perform any other covenant set forth in this Agreement and such failure shall have continued for 180 consecutive days; provided that if the District is diligently seeking to cure such Event of Default it may, by written notice to the Bank (which shall include detailed information regarding the actions being taken to cure), request up to an additional sixty (60) days to cure such Event of Default, and the Bank shall not unreasonably reject such request;

(vi) any one of the long-term ratings assigned to the Series 2015 Bonds or any other Parity Debt is suspended or withdrawn for credit related reasons or downgraded below the Minimum Bond Rating.

(vii) the District makes an assignment for the benefit of creditors, enters into a composition agreement with creditors, files a petition in bankruptcy (to the extent permitted by law), is unable generally to pay its debts as they come due, is insolvent or bankrupt or there is entered any order or decree granting relief in any involuntary case commenced against the District under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or if the District petitions or applies to any tribunal or governmental entity for any receiver, trustee, liquidator, assignee, custodian or sequestrator (or other similar official) of the District or of any substantial part of the District's assets, or the District commences any case or proceeding in a court of law for a reorganization, readjustment of debt, dissolution, liquidation or other similar procedure under the law or statutes of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the District any such case or proceeding in a court of law which remains undismissed or shall not be discharged or vacated, or such jurisdiction shall not be relinquished or the District shall not have commenced proceedings to dismiss such case, within sixty (60) days after commencement, or the District by any act indicates its consent to, approval of, or acquiescence in any such case or proceeding in a court of law, or to an order for relief in an involuntary case commenced against the District under any such law, or to the appointment of any receiver, trustee, liquidator, assignee, custodian, sequestrator (or other similar official) for the District or a substantial part of the District's assets, or if the District takes any action for the purposes of effecting the foregoing; or if the District

becomes a debtor in a bankruptcy case or otherwise adjusts its debts under judicial administration or otherwise restructures its debts generally or is insolvent, bankrupt or unable to meet its debts as they become due;

(viii) any material provision of this Agreement, the other Financing Documents or any provision of the Funding Agreement which is referenced or incorporated in the Indenture shall cease to be valid and binding; or the District shall deny that it has any or further liability hereunder, under any of the other Financing Documents or any provision of the Funding Agreement which is referenced or incorporated in the Indenture;

(ix) the District shall default in the payment of any principal of or premium, if any, or interest on any of its Parity Debt, or the District shall default in the performance of any agreement (including any related financing document) under which any such Parity Debt is created if the effect of such default is to cause such Parity Debt to become, or to permit any holder or beneficiary thereof, or a trustee on behalf thereof, with notice if required, to declare such Parity Debt to be due prior to its stated maturity or scheduled payment date, whether pursuant to acceleration, mandatory tender, mandatory redemption or otherwise, after any applicable cure and payment periods, or a moratorium shall have been imposed by or with respect to the District with respect to any of its Parity Debt, or the occurrence of any of the foregoing may (in the reasonable judgment of the Bank) have a material adverse effect on the ability of the District to perform its obligations hereunder or under any Financing Document to which it is a party;

(x) an “Event of Default” occurs as defined in any of the other Financing Documents or under any Bank Agreement;

(xi) a final, non-appealable judgment is entered or issued against the District in an aggregate amount in excess of \$200,000,000 and not satisfied within one hundred twenty (120) days after entry or issuance thereof, *provided* that an agreement providing for payment of a judgment in installments over a period of time in excess of one hundred and twenty (120) days shall be considered satisfaction of such judgment; or

(xii) any Parity Debt is declared to be in default by the holder thereof, and the holder of the Parity Debt has accelerated the maturity of the Parity Debt.

(b) Upon the occurrence of any Event of Default, the Bank may exercise, or cause to be exercised, any and all remedies it may have under any Financing Document or as otherwise available at law or in equity, including, without limitation, specific performance, mandamus or injunctive relief.

(c) Upon the occurrence of an Event of Default, the Bank may, by notice to the District, terminate the undrawn portion of the Authorized Loan Amount and its obligation to fund any advance of Loan proceeds.

(d) Notwithstanding the exercise of any other remedies provided for herein, upon the occurrence and during the continuance of any Event of Default, the Series 2018 Bond and any amounts due hereunder shall bear interest at the Default Rate.

SECTION 12. INCREASED COSTS.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, liquidity coverage ratio, leverage ratio, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bank;

(ii) subject the Bank to any Tax of any kind whatsoever with respect to this Agreement, the Payment Obligations or the Series 2018 Bond, or change the basis of taxation of payments to the Bank in respect thereof (except for Included Taxes or Other Taxes covered by Section 13 and the imposition of, or any change in the rate of any Excluded Tax payable by the Bank); or

(iii) impose on the Bank any other condition, cost or expense affecting this Agreement, the Payment Obligations or the Series 2018 Bond;

and the result of any of the foregoing shall be to increase the cost to the Bank with respect to this Agreement, the Payment Obligations, the Series 2018 Bond, or the making, maintenance or funding of the Loan or the Series 2018 Bond, or to reduce the amount of any sum received or receivable by the Bank hereunder (whether of principal, interest or any other amount) then, upon written request of the Bank pursuant to a Certificate for Reimbursement and subject to Section 14, the District shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Bank determines that any Change in Law affecting the Bank or of the Bank's parent or holding company, if any, regarding capital or liquidity requirements has or would have the effect of (i) affecting the amount of capital or liquidity required or expected to be maintained by the Bank or the Bank's parent or holding company, as applicable, to a level above that which such Bank or the Bank's parent or holding company would have maintained but for such Change in Law, or (ii) reducing the rate of return on the Bank's capital or liquidity or on the capital or liquidity of the Bank's parent or holding company, if any, as a consequence of this Agreement, the Payment Obligations or ownership of the Series 2018 Bond, to a level below that which the Bank or the Bank's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's parent or holding company with respect to capital adequacy), then upon written request of the Bank pursuant to a Certificate for Reimbursement and subject to Section 14, the District shall pay to the Bank or the Bank's parent or holding company, as applicable, such additional amount or amounts as will compensate the Bank or the Bank's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* Within one hundred eighty (180) days of notice or knowledge of a Change in Law, the Bank shall deliver a written certificate for reimbursement (“*Certificate for Reimbursement*”) setting forth (i) the specific Change in Law that results in the cost increase in subsection (a) or the increase in capital or liquidity requirements set forth in subsection (b), (ii) the amount necessary to compensate the Bank or the Bank’s parent or holding company, as the case may be, (iii) the reason such amounts are necessary, as specified in paragraph (a) or (b) of this Section and the calculation thereof in reasonable detail, and (iv) a copy of the applicable Change in Law. Such Certificate for Reimbursement shall be delivered to the District and shall be conclusive absent manifest error. The District shall pay the Bank the amount shown as due in such Certificate for Reimbursement as promptly as possible, consistent with Section 14 hereof.

(d) *Delay in Requests.* Failure or delay on the part of the Bank to demand compensation pursuant to this Section shall not constitute a waiver of the Bank’s right to demand such compensation; *provided* that the District shall not be required to compensate the Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that the Bank notifies the District of the Change in Law giving rise to such increased costs or reductions and of the Bank’s intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) *Obligation of the District.* Any obligation of the District to make a payment under the provisions of (a), (b) or (c) of this Section shall be subject to Section 14 hereof and subordinated to the payment of principal and interest on the Series 2018 Bond and replenishment of any debt service fund or the Debt Service Reserve Fund. The District shall have no obligation to make any payment under the provisions of (b) or (c) of this Section with respect to any Participant unless the event giving rise to such payment would apply to the Bank if the Bank had not granted a participation interest to such Participant. The Bank shall return any payment made to it by the District by virtue of the provisions of (a), (b) or (c) of this Section for the period for which it is determined that there was no basis for any such payment.

SECTION 13. TAXES.

(a) *Payments Free of Taxes.* Any and all payments to the Bank by or on account of any obligation of the District hereunder or under the Series 2018 Bond shall be made free and clear of and without reduction or withholding for any Included Taxes or Other Taxes; *provided* that if the District shall be required by Applicable Law to deduct any Included Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the District shall make such deductions and (iii) the District shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Other Taxes by the District.* Without limiting the provisions of paragraph (a) above, the District shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Reimbursement by the District.* The District shall reimburse the Bank, within thirty (30) days after demand together with a written certificate of tax reimbursement (“*Certificate of Tax Reimbursement*”) therefor, for the full amount of any Included Taxes or Other Taxes (including Included Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Bank and any penalties, interest and reasonable expenses arising therefrom or with respect thereto. The Certificate of Tax Reimbursement shall specify: (i) the amount of the tax payment made by the Bank on behalf of the District and evidence of such payment, (ii) the amount of the tax levied, (iii) a copy of the Applicable Law authorizing the tax levy by the relevant Governmental Authority, and (iv) a detailed calculation and breakdown of the amount of the tax payment, penalties and interest paid, and the Bank’s expenses arising therefrom. Nothing in this section shall impair, limit or waive the District’s right to contest the tax levied.

(d) *Evidence of Payments.* As soon as practicable after any payment of Included Taxes or Other Taxes by the District to a Governmental Authority pursuant to clause (a) or (b) above, the District shall deliver to the Bank, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank.

(e) *Treatment of Certain Refunds.* If the Bank has received a refund of any Taxes or Other Taxes as to which it has been reimbursed by the District pursuant to this Section (including additional amounts paid by the District pursuant to this Section), it shall pay to District an amount equal to such refund (but only to the extent of reimbursement payments made, or additional amounts paid, under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out of pocket expenses of the Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the District, upon the request of the Bank, agrees to repay the amount paid over pursuant to this Section (plus any interest or other charges imposed by the relevant Governmental Authority) to the Bank, in the event the Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the Bank be required to pay any amount to the District pursuant to this paragraph (e) if the payment of which would place the Bank in a less favorable net after tax-position than the Bank would have been in if the additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the District or any other Person.

(f) *Obligation of the District.* The District shall have no obligation to make any payment under the provisions of (a) or (b) of this Section 13 with respect to any Participant unless the event giving rise to such payment would apply to the Bank if the Bank had not granted a participation interest to such Participant.

SECTION 14. COSTS AND EXPENSES.

(a) All requests that the District make payments pursuant to Sections 9(c), 12, 13, 16, 21 or 32 (the “*Applicable Provisions*”), or as otherwise specifically required by this Agreement, or any subsequent agreement are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351, 1511-1519 (2004) (the “*Federal ADA*”), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2001); (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 ~ 355.08 (2001) (the “*D.C. ADA*” and (i) and (ii) collectively, as amended from time to time, the “*Anti-Deficiency Acts*”); and (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2001). Pursuant to the Anti-Deficiency Acts, with the exception of Payment Obligations hereunder, nothing in this Agreement shall create an obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District’s legal liability for the payment of any settlement amount under this Agreement shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress.

(b) The terms and provisions of the Applicable Provisions do not create or constitute a present financial obligation of the District to the Bank or anyone else.

(c) The terms and provisions of the Applicable Provisions do not create or constitute a future financial obligation of the District to the Bank or anyone else.

(d) The Mayor of the District agrees to exercise all lawful authority available to it to satisfy the requests for payment that may arise under the Applicable Provisions. The Mayor of the District or other appropriate official shall, for each fiscal period, include in the budget application submitted to the Council of the District the amount necessary to fund the requests for payment under the Applicable Provisions for such fiscal period or relating to any previous fiscal period. In the event that a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay the amount and any other amount under the Applicable Provisions for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payments under the Applicable Provisions in such period or until appropriated funds for such purposes are available, and the unavailability of such funds shall not constitute an Event of Default.

(e) Notwithstanding the foregoing, no officer, elected or appointed official, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section 14 or in the event of a Default by the District under this Section 14.

(f) No District officer, elected or appointed official, employee or agent is authorized to obligate or expend any amount under this Section 14 unless such amount has been appropriated by Act of Congress and is lawfully available.

SECTION 15. OBLIGATIONS ABSOLUTE.

Except as otherwise stated herein, the obligations of the District under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of any of the Financing Documents or the Funding Agreement;
- (b) any amendment or waiver of or any consent to departure from all or any of the other Financing Documents or the Funding Agreement;
- (c) without waiving its right to contest claims, the existence of any claim, set-off, defense or other rights which the District may have at any time against the Bank (other than the defense of payment to the Bank in accordance with the terms of this Agreement), or any other person or entity, whether in connection with this Agreement, the Funding Agreement, the other Financing Documents or any unrelated transaction; and
- (d) any statement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever.

Notwithstanding anything set forth in this Section 15, the Bank acknowledges and agrees that the District has the right to bring a legal cause of action with respect to one or more of the foregoing circumstances. The District's payment obligations shall remain in full force and effect pending the final disposition of any such action.

SECTION 16. LIABILITY OF THE BANK .

Neither the Bank nor any of the officers, directors, employees or agents thereof shall be liable or responsible for any of the following: (a) the use that may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the District in connection therewith; or (b) the validity, sufficiency or genuineness of documents (except for the validity and enforceability of the Bank's obligations under this Agreement), or of any endorsement(s) thereon. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation. The foregoing provisions of this section shall not be construed to exculpate the Bank from any act of the Bank which constitutes gross negligence or willful misconduct.

SECTION 17. LIABILITY OF DISTRICT OFFICIALS.

The elected and appointed officials, officers, employees, or agents of the District shall not be liable personally for the payment of the Series 2018 Bond or be subject to any personal liability by reason of the issuance of the Series 2018 Bond.

SECTION 18. SUCCESSORS, ASSIGNS AND PARTICIPANTS.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the District, its successors, transferees and assigns and shall inure to the benefit of the Bank and its respective permitted successors, transferees and assigns as and to the extent set forth in this Section 18. The District may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Series 2018 Bond and the Financing Documents subject to subsection (b) and (c) below. In connection therewith, the Bank may disclose all documents and information which the Bank now has or may hereafter acquire relating to any credit subject hereto, or its business, any guarantor hereunder or the business of such guarantor, if any, or any collateral required hereunder. The Bank may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. The Bank may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by the Bank to a Bank Transferee.* The Bank may at any time sell or otherwise transfer to one or more transferees all or a portion of its interest in the Series 2018 Bond to a Person that is (i) an Affiliate of the Bank or (ii) a trust or other custodial arrangement established by the Bank or an Affiliate of the Bank (each, a “*Bank Transferee*”). From and after the date of such sale or transfer, U.S. Bank National Association (and its successors) shall continue to have all of the rights of the Bank hereunder and under the other Financing Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Bank hereunder, (B) the District shall be required to deal only with the Bank with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Bank shall be entitled to enforce the provisions of this Agreement against the District.

(c) *Sales and Transfers by Bondholder to a Non-Bank Transferee.* The Bank may at any time sell or otherwise transfer all or any portion of its interest in the Series 2018 Bond to one or more transferees that the Bank reasonably believes is qualified to purchase or hold an interest in the Series 2018 Bond which are not Bank Transferees (each a “*Non-Bank Transferee*”) if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the District and the Bank by such the Bank and Non-Bank Transferee, (B) the Non-Bank Transferee is a commercial bank with a minimum capitalization and surplus of \$5,000,000,000, and (C) the Non-Bank Transferee shall have delivered to the District and the Bank, an investment letter in substantially the form attached as Exhibit A hereto (the “*Purchaser Letter*”).

From and after the date the District and the Bank have received written notice and an executed Purchaser Letter, (A) the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of the Bank hereunder and under the other Financing Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the Bank hereunder and under

the other Financing Documents shall thereafter refer to the Bank and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the Bank no longer owns any interest in the Series 2018 Bond, then it shall relinquish its rights and be released from its obligations hereunder and under the Financing Documents.

(d) *Participations.* The Bank shall have the right to grant participation (to be evidenced by one or more participation agreements or certificates of participation) in the Series 2018 Bond, this Agreement and the other Financing Documents at any time and from time to time to one or more other institutions (each a “*Participant*”); *provided, however*, that any such participation shall not relieve the Bank from any of its obligations under this Agreement nor cause any additional expense or obligation to the District. The District agrees that each Participant shall be entitled to the benefits of Sections 12 and 13 hereof to the same extent as if it were the Bank hereunder; *provided, however*, that a participant shall not be entitled to receive any greater payment under Sections 12 and 13 than the Bank would have been entitled to receive with respect to the participation sold to such participant.

(e) *Certain Pledges.* Notwithstanding the foregoing, the Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Series 2018 Bond, this Agreement and the Financing Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits without notice to or consent by the District; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto or cause any additional expense or obligation to the District.

SECTION 19. CALCULATIONS.

Unless otherwise stated, all fees and interest on amounts owing the Bank under this Agreement shall be computed on the basis of the actual number of days elapsed over a year of 360 days, which shall include the first day on which fees are payable or any such amount is due, as the case may be, but shall exclude the day on which payment is made.

SECTION 20. PAYMENTS DUE ON A DAY OTHER THAN A BUSINESS DAY.

If any payment to the Bank would become due and payable on other than a Business Day, such payment shall instead become due on the next succeeding Business Day and interest shall be payable thereon at the rate herein specified during such extension.

SECTION 21. SURVIVAL OF THIS AGREEMENT.

Subject to Section 14 of this Agreement, all covenants, agreements, representations and warranties made in this Agreement shall continue in full force and effect until no amounts hereunder shall be outstanding or unpaid, it being understood that the agreements of the District found in Sections 2, 12, 13, 14, 15 and 16 hereof shall survive the termination of this Agreement and payment in full of such obligations (*provided* that any such obligations which are limited to

accruing in a particular fiscal year shall continue to be limited to accruing in such fiscal year). Whenever in this Agreement the Bank is referred to, such reference shall be deemed to include the successors and assigns of the Bank and all covenants, promises and agreements by or on behalf of the District which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank. The rights and duties of the District, however, may not be assigned or transferred, except as specifically provided in this Agreement or with the prior written consent of the Bank, and all obligations of the District hereunder shall continue in full force and effect notwithstanding any assignment by the District of any of its rights or obligations under any of the Financing Documents.

SECTION 22. MODIFICATION OF FINANCING DOCUMENTS.

No amendment, modification or waiver of any provision of any Financing Document or any provision of the Funding Agreement which is referenced or incorporated in the Indenture shall be effective unless the same shall be in writing and signed by the Bank and the District and no consent to any departure by the District therefrom, shall, in any event, be effective unless the same shall be in writing and signed by the Bank. Any such amendment, modification or waiver shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the District in any case shall entitle the District to any other or further notice or demand in the same, similar or other circumstances.

SECTION 23. NO WAIVER OF RIGHTS BY THE BANK.

No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder or under any Financing Document shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. The rights of the Bank under the Financing Documents are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have.

SECTION 24. SEVERABILITY.

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 25. GOVERNING LAW; VENUE.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; *PROVIDED* THAT THE POWER AND AUTHORITY OF THE DISTRICT HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA. ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERIES 2018 BOND INVOLVING THE BANK SHALL BE BROUGHT IN THE APPROPRIATE DISTRICT OF COLUMBIA COURT HAVING JURISDICTION OVER SUCH MATTER.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 26. WAIVER OF SPECIAL DAMAGES.

The District and the Bank each agree that it shall not assert, and hereby waives, any claim against the Bank in the case of the District and against the District in the case of the Bank, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages or damages otherwise recoverable pursuant to statute) arising out of, in connection with, or as a result of, this Agreement any other Financing Document or any agreement or instrument contemplated hereby, the transactions, or the use of the proceeds thereof.

SECTION 27. ANTI-TERRORISM LAWS.

The District hereby represents and warrants that:

(a) The District is not in violation of any Anti-Terrorism Law applicable to the District or engaged in or conspiring 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.

(b) Neither the District nor any of its agents acting or benefiting in any capacity in connection with this Agreement or other transactions hereunder, is any of the following (each a "*Blocked Person*");

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224; 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 No. 13224;

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

(iii) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224;

(iv) a Person or entity that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control (“OFAC”) at its official website: <http://www.treas.gov/ofachllsdn.pdf> or any replacement website or other replacement official publication of such list;

(v) a Person who is affiliated with a Person listed above; or

(vi) a Person who is listed on any other list of terrorist or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable executive order. The above-referenced lists contained in this Section 27 are collectively referred to as the “OFAC Lists.”

(c) Neither the District nor, to its knowledge, any of its agents acting in any capacity in connection with this Agreement or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

(d) The District and its agents shall not (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224, (iii) permit the transfer of any interest in either the District or its agents to any Blocked Person or any beneficial owner of such Blocked Person or (iv) engage in or conspire 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 the Executive Order No. 13224 or the USA Patriot Act. The District acknowledges that pursuant to the requirements of the USA Patriot Act, the Bank is required to obtain, verify and record information that identifies the District.

SECTION 28. NOTICE.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, or sent by overnight mail, with return receipt, or five (5) days following mailing by registered or certified mail, postage prepaid, to the parties at the following addresses. Any of the foregoing parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communication shall be sent.

If to the Bank for additional advances on the Loan:

[REDACTED]

[REDACTED]

The District:

[REDACTED]

The Bank may in its sole discretion rely on any notice (including telephone communication or e-mail communication) purportedly made by or on behalf of the District, but it shall have no duty to accept any notice not given as prescribed in this Section and shall have no duty to verify the identity or authority of the Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

SECTION 29. HEADINGS.

The table of contents and captions in this Agreement are for convenience of reference only and shall not define or limit the provisions of this Agreement.

SECTION 30. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

SECTION 31. ENTIRE AGREEMENT.

This Agreement sets forth the entire agreement between the District and the Bank covering the subject matter of this Agreement and the terms of this Agreement shall supersede the terms of any commitment letter or other agreement covering the subject matter of this Agreement between the District and the Bank.

SECTION 32. OTHER COSTS AND EXPENSES.

Subject to Section 14, the District agrees to pay on demand (a) as part of the costs of issuance of the Series 2018 Bond, all reasonable costs and expenses of the Bank in connection with the preparation, execution, delivery and administration of this Agreement and the other Financing Documents, and all other instruments and documents to be delivered under or in connection with this Agreement, including the reasonable fees and expenses of counsel (██████████); (b) all reasonable costs and expenses of the Bank in connection with all other instruments and documents delivered under or in connection with this Agreement (including, but not limited to, an amendment fee in an amount equal to ██████████ in connection with each amendment (the “*Amendment Fee*”)) and also including the reasonable fees and expenses of counsel (in an amount to be determined and mutually agreed upon at the time of such amendment, provided that such fees and expenses shall not exceed ██████████ in connection with any such amendment); and (c) all reasonable costs and expenses of the Bank upon or following the occurrence of a Default or Event of Default, including in connection with the enforcement of this Agreement or any other Financing Document, and all other instruments and documents to be delivered under or in connection with this Agreement, including the reasonable fees and expenses of counsel and the reasonable fees and expenses of appraisers, accountants, and other professionals. With respect to clause (c) above, such costs and expenses shall include all costs and expenses (including the reasonable fees and expenses of counsel for the Bank) incurred in connection with: (A) the protection, exercise or enforcement of the Bank’s rights with respect to the Trust Estate and the Pledged Amounts for the Series 2018 Bond; and (B) the assertion, protection, exercise or enforcement of the Bank’s rights in any proceeding under the United States Bankruptcy Code, including without limitation the preparation, filing and prosecution of (i) proofs of claim, (ii) motions for relief from the automatic stay, (iii) motions for adequate protection and (iv) complaints, answers and other pleadings in adversary proceedings by or against the Bank or relating in any way to any of the Trust Estate and/or the Pledged Amounts. Such costs and expenses also shall include the fees and expenses of counsel for the Bank in advising the Bank as to its rights and responsibilities under this Agreement or any of the other Financing Documents and in representing the Bank in any legal proceeding relating thereto.

SECTION 33. EVIDENCE OF DEBT.

The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the District resulting from this Agreement and the amounts of principal, interest and fees payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence of the existence and amounts of the obligations of the District therein recorded, absent manifest error.

SECTION 34. NO FIDUCIARY RELATIONSHIP.

The District acknowledges and agrees that its dealings with the Bank are solely in the nature of a debtor/creditor relationship and that in no event shall the Bank be considered to be a partner or joint venturer of the District. Also, the District represents and warrants that it has

independently evaluated the business transaction and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Bank (including agents of the Bank), if any, in deciding to pursue such undertaking. As the District is experienced in business, in no event shall the Bank owe any fiduciary or similar obligations to it in connection with the subject transaction.

In connection with all aspects of the transactions contemplated hereunder, including in connection with any amendment, waiver or other modification hereof or of the Funding Agreement or any other Financing Document (the “*Transactions*”), the District acknowledges and agrees that: (a)(i) the Bank or any of its respective Affiliates may have an ownership interest in secondary market securities of which the Series 2018 Bond form the underlying asset; (ii) the arranging, structuring and other services regarding this Agreement provided by the Bank are arm’s-length commercial transactions between the District and its Affiliates, on the one hand, and the Bank and its Affiliates, on the other hand; (iii) the District has consulted its own legal, financial or other advisors with respect to the Transactions to the extent it has deemed appropriate; and (iv) the District is capable of evaluating, and understands and accepts, the terms, risks and conditions of the Transactions; (b)(i) the Bank is and has been acting solely as a principal and have not been, are not, and will not be acting as a municipal advisor (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended), or agent, advisor or fiduciary for the District with respect to the Transactions (whether or not the Bank and its Affiliates have advised or is currently advising the District on other matters); and (ii) neither the Bank nor any of its Affiliates have any obligation to the District with respect to the Transactions, except those obligations expressly set forth herein and the other Financing Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the District and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the District.

SECTION 35. RIGHTS CUMULATIVE.

All rights, powers and remedies herein given to the Bank are cumulative and not alternative, and are in addition to all statutes or rules of law; any forbearance or delay by the Bank in exercising the same shall not be deemed to be a waiver thereof, and the exercise of any right or partial exercise thereof shall not preclude the further exercise thereof, and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by the Bank.

SECTION 36. INTEREST LIMITATION.

(a) Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, if the amount of interest payable for any period in accordance with Series 2018 Bond or under this Agreement exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Rate then interest for such period shall be payable in an amount calculated at the Maximum Rate.

(b) Any interest that would have been due and payable for any period but for the operation of the immediately preceding paragraph (a) shall accrue and be payable as provided in this paragraph (b) and shall, less interest actually paid to the Bank for such period, constitute the

“Excess Interest Amount.” If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall (i) for each day during the current fiscal year which elapsed prior to the date on which the Excess Interest Amount began to accrue, bear interest at the Maximum Rate and (ii) for each day on and after the accrual of the Excess Interest Amount, bear interest at the Maximum Rate in each case, until payment to the Bank of the entire Excess Interest Amount; *provided, however*, that notwithstanding the foregoing, the total liability of the District for payment of interest pursuant hereto and under the Series 2018 Bond (including, without limitation, any Excess Interest Amount payable pursuant to this Section 36) shall not exceed, in any fiscal year, the amount of interest that would have been payable during such fiscal year if the applicable interest rate on the Series 2018 Bond had been equal to the Maximum Rate for such entire fiscal year.

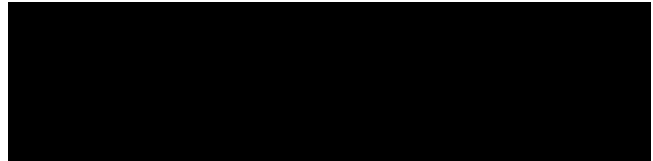
SECTION 37. DISCLOSURE.

The Bank shall not make a public offering of the Series 2018 Bond, and the District will not be responsible for the provision of any public disclosure with respect to the Series 2018 Bond, or to any party other than the Bank. On or after the Closing Date, the District may disclose the transaction to the market in the form of notice of the transaction, and post redacted transaction documents, which redaction shall be subject to review by the Bank prior to disclosure by the District.

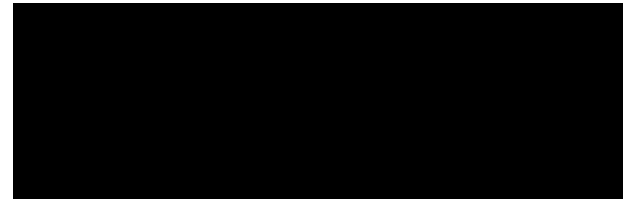
[Signatures appear on the next page]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Covenants Agreement to be duly executed, sealed and delivered as of the Closing Date.

U.S. BANK NATIONAL ASSOCIATION

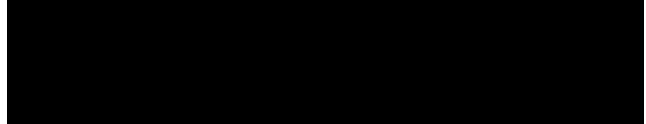


DISTRICT OF COLUMBIA



IN WITNESS WHEREOF, the parties hereto have caused this Continuing Covenants Agreement to be duly executed, sealed and delivered as of the Closing Date.

U.S. BANK NATIONAL ASSOCIATION

A solid black rectangular redaction box covering the signature area.

DISTRICT OF COLUMBIA

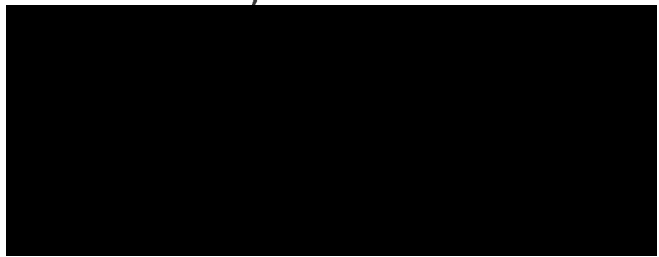
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EXHIBIT A

FORM OF PURCHASER LETTER

District of Columbia
John A. Wilson Building
Office of the Chief Financial Officer
1350 Pennsylvania Avenue, N.W. Suite 203
Washington, D.C. 20004

Re: District of Columbia

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the District of Columbia Southwest Waterfront Project Revenue Note (The Wharf Project) Series 2018 (Federally Taxable) (the "*Series 2018 Bond*"). U.S. Bank National Association (the "*Bank*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Series 2018 Bond pursuant to a Continuing Covenants Agreement, dated as of August 1, 2018 (as the same may be amended, supplemented, restated or otherwise modified, the "*Agreement*"), between the District of Columbia (the "*Borrower*") and the Bank. We hereby represent to you as follows:

1. We understand that the Series 2018 Bond has not been registered pursuant to any federal securities laws or the securities laws of any state.
2. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Series 2018 Bond.
3. We have authority to purchase the Series 2018 Bond and to execute this letter and any other instruments and documents required to be executed by the Bank in connection with the purchase of the Series 2018 Bond.
4. The undersigned is a duly appointed, qualified and acting representative of the Bank and is authorized to cause the Bank to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Bank.
5. The Bank is a national bank organized under the laws of the United States of America and is able to bear the economic risks of purchasing the Series 2018 Bond.
6. The Bank understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Series 2018 Bond. The Bank has made its own inquiry and analysis with respect to the

Borrower, the Series 2018 Bond and the security therefor, and other material factors affecting the security for and payment of the Series 2018 Bond.

7. The Bank acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Borrower, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Series 2018 Bond and the security therefor, so that it has been able to make an informed decision to purchase the Series 2018 Bond; *provided, however*, that this letter shall not constitute a waiver of any rights or remedies the Bank may have with respect to any untrue information it may have received or any material information which was withheld from its review.

8. The Series 2018 Bond is being acquired by the Bank for its own loan account and not with a present view toward resale, transfer or distribution and we have not offered, offered to sell, offered for sale or sold any of the Series 2018 Bond by means of any form of general solicitation or general advertising.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF DRAW REQUEST FOR SUBSEQUENT ADVANCES

DRAW REQUEST

[DATE OF DRAW REQUEST]

US Bank National Association
1095 Avenue of the Americas, 13th Floor
New York, New York 10036
Attention: Gerri Kerr
E-Mail: geraldine.kerr@usbank.com

Ladies and Gentlemen:

The undersigned, an Authorized Delegate, hereby requests an advance of Loan proceeds pursuant to and in accordance with the terms of Section 7(b) of the Agreement and in connection with such request sets forth below the following information relating to such advance of Loan proceeds (the "*Proposed Advance*"):

1. The amount of the Proposed Advance is \$_____.

2. The sum of the Proposed Advance and the outstanding balance of the Loan as of the date hereof is \$_____, which is less than the Authorized Loan Amount.

3. The Proposed Advance shall be made by the Bank by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth in Section 2(b) of the Agreement.

4. As of the date hereof and on the funding date of the Proposed Advance:

(a) the District is in compliance with the terms and conditions of Sections 2.04 and 4.14 of the Indenture and the terms and conditions of Funding Agreement and the other Financing Documents when taking into account the Proposed Advance;

(b) The representations and warranties contained in the Agreement and in the other Financing Documents remain true and correct on and as of the date hereof as though made on such date; and

(c) No Default or Event of Default has occurred and is continuing, or would result from the delivery of the Proposed Advance amount by the Bank.

6. The Proposed Advance will be evidenced by the Note (as defined in the Agreement).

7. The interest rate with respect to the Proposed Advance shall be the Bank Interest Rate.

The terms capitalized herein but not otherwise defined herein shall have the meanings assigned to them in the Continuing Covenant Agreement between the District of Columbia and U.S. Bank National Association dated as of August 1, 2018.

By: _____

Name: _____

Title: _____