INSTALLMENT PURCHASE CONTRACT

between the

TRUCKEE TAHOE AIRPORT DISTRICT

and

CSDA FINANCE CORPORATION

Dated as of July 1, 2025

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INSTALLMENT PURCHASE CONTRACT

This INSTALLMENT PURCHASE CONTRACT, dated as of July 1, 2025 (as amended and supplemented hereafter, the "**Installment Purchase Contract**"), is entered into by and between the TRUCKEE TAHOE AIRPORT DISTRICT, an airport district that is duly organized and existing under the California Airport District Act (Part 2 of Division 9, commencing with Section 22001, of the California Public Utilities Code) (the "**District**"), and CSDA FINANCE CORPORATION, a nonprofit public benefit corporation that is duly organized and existing under the California Nonprofit Public Benefit Corporation Law (Part 2 of Division 2 of Title 1, commencing with Section 5110, of the California Corporations Code), including its successors and permitted assigns hereunder, the "**Corporation**").

RECITALS

A. The District is authorized by the laws of the State of California, including but not limited Sections 22553 and 22554 of the California Public Utilities Code, to purchase, lease or otherwise acquire, hold and enjoy, and lease or dispose of, real and personal property of every kind within or without the District through the execution of installment purchase contracts.

B. The District proposes to finance certain improvements to and provide working capital for the District's municipal airport, as more particularly described in Exhibit B hereto (the "**Project**").

C. In order to finance the Project, the District has entered into a Conveyance Agreement, dated as of the date hereof, pursuant to which the District has sold the Project to the Corporation, but only to the extent that the components of the Project can be legally transferred by the District.

D. The District proposes to purchase the Project pursuant to this Installment Purchase Contract.

E. The District has determined that it is in the best interests of the District, and it is necessary and proper for District purposes, that the District acquire the Project from the Corporation in the manner described herein, and that the District pay the Corporation for the costs of acquiring the Project in the manner described herein.

F. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Installment Purchase Contract do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Contract.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof, and of any amendment hereof, and of any opinion or report or other document mentioned herein or therein have the meanings defined herein, the following

definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

"Acquisition," "Acquire" or "Acquired" means, with respect to the Project or the Enterprise, the acquisition, installation or perfection of an ownership or capacity interest in the Project or the Enterprise, or the construction, financing or ownership of the Project or the Enterprise, including payment of Delivery Costs.

"Acquisition Costs" means, with respect to the Project, the contract price paid or to be paid for the Acquisition of the Project.

"Acquisition Fund" means the fund established and maintained by the District with the Lender, as described in Section 2.05.

"Advance" means each advance made by the Lender, pursuant to this Installment Purchase Contract, to the District, in accordance with the procedures set forth in this Installment Purchase Contract, on the corresponding Draw Down Date, subject to the terms and conditions of this Installment Purchase Contract.

"Alternate Project" means an alternate project designated by the District pursuant to Section 2.01.

"Assignment Agreement" means the Assignment Agreement, dated as of July 1, 2025, by and between the Corporation and the Lender, as amended and supplemented.

"Available Commitment" means, on the Closing Date, an initial amount equal to $5,588,000 less the initial Advance of $87,397.00 on the Closing Date, and thereafter as adjusted from time to time as follows: (a) downward in an amount equal to any Advance (other than the initial Advance) made hereunder; and (b) downward to zero upon termination of the Commitment in accordance with the terms hereof; provided that in no event shall the Available Commitment exceed $5,588,000. Notwithstanding the foregoing, the District may at any time provide written notice to the Lender that it does not intend to request additional Advances under the Commitment, in which case the Available Commitment shall be limited to the sum of all Advances then outstanding and the date of such written notice shall constitute the Commitment Termination Date.

"Business Day" means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in Washington, California and/or New York.

"Closing Date" means July 9, 2025.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Commitment" means the obligation of the Lender, pursuant to this Installment Purchase Contract, to make future Advances of the unfunded portion of the Available Commitment, subject to the terms and conditions of this Installment Purchase Contract.

"Commitment Termination Date" means the earliest to occur of: (a) July 9, 2026; (b) the date that the Available Commitment equals $0; or (c) the date on which the District provides written notice to the Lender as set forth in the last sentence of the definition of "Available Commitment."

"Conveyance Agreement" means the Conveyance Agreement, dated as of July 1, 2025, between the District and the Corporation, as amended and supplemented.

"Debt Service" means, for any period of calculation, the sum of: (a) the interest payable on all outstanding Parity Obligations, assuming that all outstanding serial Parity Obligations are retired as scheduled and that all outstanding term Parity Obligations are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to any program similar to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)); (b) (b) those portions of the principal amount of all outstanding serial Parity Obligations maturing in such period; and (c) those portions of the principal amount of all outstanding term Parity Obligations required to be prepaid or paid in such period; but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Parity Obligations; provided that, as to any such Parity Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of: (i) the then current variable interest rate borne by such Parity Obligations plus one percentage point; and (ii) the highest variable rate borne over the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued; provided further that if any series or issue of such Parity Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

"Debt Service Fund" means the fund established in Section 3.04.

"Debt Service Payments" mean the payments of Debt Service.

"Default" means any of the events specified in Section 7.01 which with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

"Default Rate" means 6.72% per annum.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the District, the Lender or the Corporation relating to the financing of the Project, including but not

limited to filing costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Corporation, the Lender and their counsel, financing discounts, California Debt Investment Advisory Commission fees, legal fees and charges, financial and other professional consultant fees and charges and fees in connection with the foregoing.

"Determination of Taxability" means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue, or any court of competent jurisdiction, to the effect that: (a) interest paid or to be paid to the Lender hereunder is or will be includable for federal income tax purposes in the gross income of the Lender, but excluding the inclusion of interest as an item of tax preference for purposes of the calculation of an alternative minimum tax imposed on the Lender; or that (b) an Event of Taxability shall have occurred; provided, however, that the District shall have the opportunity to take such remedial action necessary to restore the tax-exempt status of the interest component of Installment Payments under this Installment Purchase Contract specifically afforded to it in such determination, decision or decree so long as such remedial action is promptly commenced by the District and in no event later than thirty (30) days after receipt of such determination, decision or decree. A Determination of Taxability also shall be deemed to have occurred on the date when the District files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred.

"Draw Down Date" means each date for funding an Advance.

"Enterprise" means the whole and each and every part of: (a) Truckee Tahoe Airport, a public airport located east of and immediately adjacent to the Town of Truckee, California; (b) all land, buildings, structures and other facilities thereof or related thereto of whatsoever character and wherever situated, and all future enlargements thereof and improvements thereto and substitutions therefor; and (c) all properties, whether real, personal, mixed or otherwise, now owned or hereafter acquired by the District and used in connection therewith and in any way pertaining thereto.

"Environmental Regulations" means all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA") and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, "TSCA"), and any state or local similar Laws and Regulations and any so-called local, state or federal "superfund" or "superlien" law and any other applicable state, local or federal environmental laws or regulations.

"Event of Default" means an event of default described in Section 7.01.

"Event of Taxability" means, with respect to the Installment Purchase Contract: (a) the application of the proceeds of the purchase price of the Project pursuant to the Conveyance Agreement in such manner that the Installment Purchase Contract becomes an "arbitrage bond" within the meaning

of Code Sections 103(b)(2) and 148, and with the result that interest component of the Installment Payments is or becomes includable in a recipient's gross income (as defined in Code Section 61); or (b) if as the result of any act, failure to act or use of the proceeds of the purchase price of the Project pursuant to the Conveyance Agreement or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in the Installment Purchase Contract by the District the interest component of Installment Payments is or becomes includable in a recipient's gross income (as defined in Code Section 61); and (c) with respect to (a) and (b), the District does not undertake any remedial action afforded to it by the Internal Revenue Service.

"Federal Securities" means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

"Finance Officer" means the District's General Manager or Director of Finance and Administration.

"Financial Statements" has the meaning that is set forth in Section 5.14.

"Fiscal Year" means the period commencing on January 1 of each year and terminating on December 31 of such year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

"Generally Accepted Accounting Principles" means: (a) the uniform accounting and reporting procedures prescribed by the California State Controller or his or her successor for cities in the State of California; or (b) failing the prescription of such procedures, generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

"Gross Revenues" means: (a) the proceeds of 1% *ad valorem* property taxes received by the District and any other revenues derived from the ownership and or operation of the Enterprise; and (b) the earnings on and income derived from the investment of the amounts described in clause (a) hereof, and on the general unrestricted reserves of the District; but excluding: (i) any proceeds of taxes or assessments restricted by law to be used by the District to pay obligations of the District other than Parity Obligations; (ii) any Parity Obligation proceeds and any other money credited to the Acquisition Fund or any like account for financing the acquisition or construction of capital improvements to the Enterprise; and (iii) grant proceeds the use of which is restricted to particular purposes by the grantor, including but not limited to grants from the Federal Aviation Administration related to annual projects funded by it.

"Independent Certified Public Accountant" means any certified public accountant or firm of certified public accountants duly licensed and entitled to practice, and practicing as such, under the laws of the State of California, appointed and paid by the District, and each of whom: (a) is in fact independent and not under the domination of the District; (b) does not have a substantial financial interest, direct or indirect, in the operations of the District; and (c) is not connected with the District as

a member of the Board of Directors, officer or employee of the District, but may be regularly retained to audit the accounting records of and make reports thereon to the District.

"Independent Financial Consultant" means any financial consultant or firm of such consultants of national reputation generally recognized to be well qualified in financial matters relating to systems similar to the Enterprise, appointed and paid by the District, and who, or each of whom: (a) is in fact independent and not under the control of the District; (b) does not have a substantial financial interest, direct or indirect, in the District; and (c) is not connected with the District as a member of the Board of Directors, officer or employee of the District, but may be regularly retained to make reports to the District.

"Installment Payments" means the installment payments of principal and interest scheduled to be paid by the District hereunder.

"Insurance Consultant" means any nationally recognized independent actuary, insurance company or broker who has actuarial personnel knowledgeable with respect to insurance carried by, required for and available to municipalities operating facilities similar to the Enterprise, including a pooled self-insurance program in which premiums are established on the basis of the recommendation of an actuary of national reputation.

"Interest Payment Date" means February 8 and August 8 of year through August 8, 2040, commencing February 8, 2026.

"Laws and Regulations" means federal, regional, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other governmental authority having jurisdiction as may be in effect from time to time.

"Last Advance Request Date" means the fifth Business Day immediately preceding the Commitment Termination Date.

"Lender" means Banner Bank, a Washington state-chartered bank, and its successor and assigns.

"Maintenance and Operation Costs" means: (a) all costs spent or incurred for the maintenance and operation of the Enterprise, calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Enterprise in good repair and working order; (b) administrative costs of the District, including but not limited to salaries and wages of employees, payments to the District's pension plan (if any), overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers, and insurance premiums; and (c) all other reasonable and necessary costs of the District or charges (other than Debt Service and capital expenditures) required to be paid by it to comply with the terms of this Installment Purchase Contract or any other Parity Obligations or of any resolution or indenture authorizing the issuance of any Parity Obligations; but excluding: (i) any allowance for depreciation; (ii) reserves for capital replacement, operations, maintenance and repairs; and (iii) liabilities that are not based on the District's contracts.

"Material Adverse Effect" means an event or occurrence which adversely affects in a material manner: (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District; (b) the ability of the District to carry out its business in the manner conducted as of the date of this Installment Purchase Contract or to meet or perform its obligations under this Installment Purchase Contract on a timely basis; (c) the validity or enforceability of the Installment Purchase Contract; or (d) the exclusion of the interest component of the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

"Maturity Date" means August 8, 2040.

"Net Proceeds" means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys' fees) incurred in the collection of such proceeds.

"Net Revenues" means, for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

"Outstanding" when used as of any particular time with reference to this Installment Purchase Contract, means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI.

"Parity Obligations" means this Installment Purchase Contract, the 2017 IPC and all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the District payable from Net Revenues and secured by a pledge of and lien upon Revenues on a parity with the Installment Payments pursuant to Section 4.01.

"Project" means the improvements to the Enterprise described in Exhibit B hereto.

"Qualified Investments" means any investment that is a legal investment under the laws of the State of California for the moneys proposed to be invested therein.

"Revenue Fund" means the fund, funds, account or accounts maintained by the District into which it deposits Gross Revenues.

"Taxable Rate" means 6.01% per annum.

"2017 IPC" means the Installment Purchase and Sale Agreement, dated as August 1, 2017, by and between the District and Municipal Finance Corporation.

ARTICLE II
ACQUISITION OF THE PROJECT

Section 2.01. Acquisition of the Project. The Corporation agrees to use or permit the use of the proceeds received by the District pursuant to the Conveyance Agreement for the payment, as herein provided, of the costs and expenses of the Acquisition of the Project and the expenses incidental thereto (including reimbursement to the District for any such costs or expenses paid by it for the account of the Corporation, including costs and expenses paid by the District prior to the date hereof).

Pursuant to the Conveyance Agreement, the District agrees to sell to the Corporation all of its right, title and interest in and to the Project, but only to the extent that the components of the Project may be legally transferred by the District, and the Corporation agrees to purchase, from the District, from time to time components of the Project on the Draw Down Dates, in the manner and in accordance with the provisions of this Installment Purchase Contract. In consideration for the Installment Payments as set forth in Article III, the Corporation agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Corporation, from time to time components of the Project on the applicable Draw Down Dates in the manner and in accordance with the provisions of this Installment Purchase Contract. On each Draw Down Date, the Corporation shall provide an updated draw down and prepayment schedule updated to show the date and amount of the Advance, to be attached as Exhibit A hereto, which updated schedule shall be deemed to be an amendment to this Installment Purchase Contract.

Subject to the terms and conditions of this Installment Purchase Contract and the Assignment Agreement and in reliance upon the representations, warranties and agreements set forth herein, including without limitation satisfaction of the conditions set forth below, the Lender agrees to make Advances to the District, on each Draw Down Date occurring after the Closing Date and prior to the Commitment Termination Date, not to exceed at any time outstanding the then-outstanding Available Commitment, in accordance with the procedures set forth below. The obligation of the Lender to make an Advance on any date is subject to the following conditions precedent: (a) (i) all representations and warranties of the District set forth in this Installment Purchase Contract are true and correct as though made as of the date of such Advance; (ii) no Default or Event of Default shall have occurred and be continuing as of the date of such Advance; and (iii) and no event or change shall be in effect or shall have occurred as of the date of such Advance that could reasonably be expected to have a Material Adverse Effect; (b) the Commitment and the obligation of the Lender to make Advances hereunder shall not have terminated pursuant to the terms of this Installment Purchase Contract; and (c) the aggregate amount of the Advance does not exceed the Available Commitment. Unless the District shall have otherwise previously advised the Lender in writing, the District shall be deemed to represent and warrant on each Draw Down Date that each such condition is satisfied on such Draw Down Date.

The minimum Advance amount shall be $100,000. An Advance request must be submitted to the Lender at least five (5) Business Days before the requested date of such Advance.

Subject to satisfaction of the conditions precedent set forth above, the Lender shall fund each Advance on the corresponding Draw Down Date into the Acquisition Fund.

Upon funding of each Advance, the District agrees to sell to the Corporation, and the Corporation agrees to purchase from the District, the component of the Project, including any Alternate Project, if applicable, with respect to the related Draw Down Date.

The District hereby covenants to use the proceeds received from the Lender pursuant to the Conveyance Agreement to pay for the costs and expenses of the Project, including any Alternate Project, if applicable. The District may change the specifications of the Project, so long as such change does not substantially alter the nature of the Project; provided, however, that the District and the Lender, as assignee of the Corporation under the Assignment Agreement, in their sole discretion, may jointly designate an Alternate Project and upon such designation, such Alternate Project shall be deemed part of the Project for the purposes of this Installment Purchase Contract and the Conveyance Agreement. In the event that an Alternate Project is designated, the District shall certify in writing to

the Lender that Acquisition Costs shall not materially increase or decrease as a result from such change. In the event that Acquisition Costs shall materially increase as a result of the designation of an Alternate Project, prior to designating such Alternate Project the District shall either deposit in the Acquisition Fund an amount sufficient to pay such increase, or shall certify in writing to the Lender that funds sufficient to pay such increase in Acquisition Costs are otherwise available to the District.

All right, title and interest in each component of the Project purchased and sold in connection with an Advance shall vest in the District immediately upon funding of such Advance. Such vesting shall occur without further action by the Corporation or District and the Corporation shall, if requested by the District, if necessary, to assure such automatic vesting, deliver any and all documents required to assure such vesting at the cost of the District.

The Lender further agrees to pay all Delivery Costs payable by the District, on behalf of the District, on the Closing Date in the amount of $87,397.00, from the proceeds of the first Advance hereunder, including:

(1) an irrevocable origination fee of $5,000.00 (to be retained by the Lender);

(2) Lender's counsel's fee of $15,000.00 (to be retained by the Lender and paid by the Lender to the Lender's counsel);

(3) the District's Special Counsel's fee of $30,000.00;

(4) the fee of $30,000.00 payable to Oppenheimer & Co. Inc., as placement agent;

(5) the Corporation's fee of $3,500.00;

(6) the Corporation Counsel's fee of $2,500.00; and

(7) California Debt Investment and Advisory Commission fees of $1,397.00.

In the event that the Corporation fails to observe or perform any material agreement, condition, covenant or term contained herein which is required to be observed or performed by it, the District, upon thirty (30) days prior written notice to the Corporation, may institute such action or proceeding against the Corporation as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Installment Purchase Contract as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Corporation agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Corporation in any action or proceeding if the District shall so request.

Section 2.02. Indemnification and Expenses of the Corporation and the Lender. In addition to the provisions of Section 5.19 hereof, to the extent permitted by law, the District does hereby assume liability for, and agrees to defend, indemnify, protect, save and keep harmless the Corporation and the Lender and their respective directors, officers and employees and its successors and assigns from and

against any and all liabilities, obligations, losses, damages (including consequential damages incurred by others), taxes and impositions, penalties, fines, claims, actions, suits, costs and expenses and disbursements (including legal fees and expenses (to include outside counsel fees and all allocated costs of the Corporation's and the Lender's in-house counsel to the extent permissible)) of whatsoever kind and nature imposed on, asserted against or incurred or suffered by the Corporation, the Lender or their respective directors, officers or employees or its successors and assigns in any way relating to or arising out of the purchase or Acquisition of the Project or the District's use thereof, the execution and delivery or performance hereof or the assignment hereof (except with respect to any representations and warranties made by the Corporation) or any other agreements related thereto, or the enforcement of any of the terms thereof.

Section 2.03. District to Acquire Project; Corporation and Lender not Liable. The District shall cause the Acquisition of the Project to be completed as soon as is reasonably practicable and in accordance with this Installment Purchase Contract and any applicable requirements of governmental authorities and law. The Corporation, the Lender and their directors, officers and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about or relating to the Project, and in no event shall the Corporation or the Lender be liable for any incidental, indirect, special or consequential damage in connection herewith or arising hereunder.

Section 2.04. Disclaimer of the Corporation. The District acknowledges and agrees that the Corporation makes no representation or warranty, express or implied, as to the Enterprise or the Project, except as expressly set forth in this Installment Purchase Contract. The District acknowledges that all risks relating to the Project or the transactions contemplated hereby or by the Conveyance Agreement, are to be borne by the District, and the benefits of any and all implied warranties and representations of the Corporation are hereby waived by the District.

Section 2.05. Acquisition Fund. The District hereby agrees to establish and maintain, in an account held by the Lender, the Acquisition Fund until the completion of the Acquisition of the Project. The District covenants that the Acquisition Fund shall be maintained and invested in Qualified Investments. The District hereby grants to the Lender a first priority security interest in the Acquisition Fund.

ARTICLE III
INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS

Section 3.01. Payment of the Installment Payments. The total principal amount of the Installment Payments owed and to be paid by the District hereunder to the Lender, as assignee of the Corporation under the Assignment Agreement, for the Acquisition of the Project is $5,588,000 (or such lesser amount advanced by the Lender to the District hereunder), plus interest thereon. The interest rate applicable to the outstanding amount of each Advance, including, without limitation, the initial Advance made on the Closing Date, shall be 4.72% per annum; provided that: (a) upon an Event of Default, such interest rate shall automatically, without any further action by the Lender, be increased to the Default Rate; and (b) upon a Determination of Taxability, such interest rate shall automatically, without any further action by the Lender, be increased to the Taxable Rate.

The Installment Payments shall, subject to any rights of prepayment of the District provided in Article VI, be due in installments in the amounts and on the dates as determined under this Installment

Purchase Contract, and all amounts then outstanding shall be due in full on the Maturity Date. The District shall request Advances on any Business Day prior to the Last Advance Request Date in accordance with procedures established by the Lender, which requests shall be in the form set forth in Exhibit C, and which requests shall be honored by the Lender within five Business Days assuming that all conditions are met; provided that, unless the District provides written notice to the Lender as set forth in the last sentence of the definition of "Available Commitment," the District shall be deemed to have requested an advance of the then-remaining Available Commitment on the Last Advance Request Date and the Lender shall Advance such then-remaining Available Commitment to the District on the corresponding Draw Down Date, with the corresponding sale of the remaining Project to the Corporation. The Lender shall maintain a schedule of Advances paid to or on behalf of the District in satisfaction of District Advance requests, which schedule shall be made available to the District upon reasonable notice.

Each Installment Payment shall be payable to the Lender, as assignee of the Corporation under the Assignment Agreement, in accordance with the terms hereof and at the times required by this Section 3.01 in lawful money of the United States of America. In the event that the District fails to make any of the payments required to be made by it under this Section 3.01, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay interest thereon at the Default Rate. All Installment Payments received by the Lender shall be applied first to interest accruing to the date of such payment and then to principal.

Subject to Section 8.01 hereof, the obligation of the District to make the Installment Payments is absolute and unconditional, whether or not the Project shall be Acquired, and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 3.01 when due, whether or not the Enterprise or any part thereof is operating or operable or has been completed, or whether or not the Enterprise is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

Section 3.02. Interest Component of the Installment Payments. The Installment Payments shall bear interest at the rate described in the first paragraph of Section 3.01 from the date of each Advance until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Installment Payments from the Closing Date and from each Interest Payment Date to, but not including, the next succeeding Interest Payment Date shall be paid on each such succeeding Interest Payment Date and shall be computed on the basis of a year of 360 days and twelve 30-day months. In the event of an Event of Default hereunder, the interest component of the portion of the Installment Payment shall be calculated based on the Default Rate. In the event of a Determination of Taxability hereunder, the interest component of the portion of the Installment Payment shall be calculated based on the Taxable Rate.

Section 3.03. Establishment of Accounts. The funds and accounts and flow of funds set forth in this Article III are hereby established and shall control to the extent inconsistent with any other terms of this Installment Purchase Contract.

Section 3.04. Pledge of Gross Revenues and Other Funds; Debt Service Fund. All Gross Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Installment Payments as provided herein, and the Gross Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of the Gross Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge, together with the pledge created by all other Parity Obligations, shall constitute a first lien on Gross Revenues and, subject to application of Gross Revenues and all amounts on deposit in the Revenue Fund as permitted herein, on the Revenue Fund and other funds and accounts created hereunder for the payment of Maintenance and Operation Costs and Installment Payments and all other Parity Obligations in accordance with the terms hereof.

All Installment Payments and payments due under Parity Obligations shall be transferred by the District from the Revenue Fund to the Debt Service Fund, which fund the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, on or before the applicable Interest Payment Date or Parity Obligation payment date, as applicable. Such payments shall be held in trust by the District under the terms hereof.

Within the Debt Service Fund, the District shall establish a Debt Service Account and a Prepayment Account. Installment Payments made by the District shall be deposited in the Debt Service Account. Such payments shall be net of amounts already on deposit therein that are in excess of the amount required to accumulate therein pursuant to Section 3.01. The District shall transfer the money contained in the Debt Service Account and the Prepayment Account at the following respective times in the following respective accounts in the following order of priority in the manner hereinafter provided, each of which accounts the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(a) Debt Service Account. All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying Installment Payments and principal of and interest on any Parity Obligations on each Interest Payment Date or mandatory redemption dates, as applicable, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference. The District shall be entitled to receive as a credit against Installment Payments an amount equal to the amount of any balance contained in the Debt Service Account prior to the Interest Payment Date for such Installment Payments (excluding money designated or necessary for the payment of Parity Obligations).

(b) Prepayment Account. The District, on any optional prepayment date, shall deposit in the Prepayment Account moneys to accomplish any such optional prepayment. All money in the Prepayment Account shall be used and withdrawn by the District solely for the purpose of paying the Installment Payments to be optionally prepaid on their respective prepayment dates.

Section 3.05. Receipt and Deposit of Gross Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Gross Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby established and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Parity Obligations remain unpaid; provided that the District may withdraw such amounts in the Revenue Fund as may be necessary to make refunds for amounts paid in advance for services provided by the

Enterprise, which such service was not thereafter made available or provided. All Revenues, whether held by the District as trustee or deposited with the Finance Officer, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article III set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

Section 3.06. Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues. The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust for the benefit of the Lender, as assignee of the Corporation under the Assignment Agreement, and payees of Parity Obligations, and will be deposited by the District in the Revenue Fund (which the District hereby covenants and agrees to maintain so long as any Installment Payments are due hereunder) and will be accounted for and held in trust for the benefit of the Lender and for payments with respect to Parity Obligations. All Gross Revenues shall be disbursed, allocated and applied solely to the uses and purposes set forth in this Article III.

All Gross Revenues in the Revenue Fund shall be set aside by the District or deposited by the District with the purchasers, trustee or fiscal agent with respect to Parity Obligations, as the case may be, as follows and in the following order of priority:

(a) Maintenance and Operation Costs of the Enterprise. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Enterprise (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs of the Enterprise, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable.

(b) Debt Service Funds. Installment Payments payable pursuant to Section 3.01 hereof and all other payments relating to principal and interest on or with respect to Parity Obligations shall be paid in accordance with the terms hereof and of such Parity Obligations, as set forth in Section 3.04, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(c) Reserve Funds. On or before each Interest Payment Date, the District shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer for deposit to the applicable recipient for such other reserve funds and/or accounts, if any, as may have been established in connection with Parity Obligations other than this Installment Purchase Contract, the amount required to be deposited therein pursuant to such Parity Obligations, as applicable.

(d) General Expenditures. All Gross Revenues not required to be withdrawn pursuant to the provisions of clauses (a) through (c) above shall be used for expenditure for any lawful purpose of the District, including payment of any rebate requirement or of any obligation subordinate to the payment of all amounts due hereunder or under Parity Obligations.

Although all Parity Obligations are secured equally and ratably by the Revenues, moneys with respect to obligations other than the Installment Payments may be held by trustees under documents and agreements other than this Installment Purchase Contract. The District shall make such transfers

from the Revenue Fund necessary to effectuate such obligations' parity claim on such Revenues contemplated hereby.

Section 3.07. [Reserved].

Section 3.08. Investment of Funds. Amounts on deposit in any fund or account created pursuant to this Installment Purchase Contract shall be invested in Qualified Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. The Lender and any affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any such investment. Interest or profit received on such investments shall be deposited to the Debt Service Fund. In computing the amount in any fund or account, Qualified Investments shall be valued at market value, exclusive of accrued interest.

If at any time after investment therein a Qualified Investment ceases to meet the criteria set forth in the definition of Qualified Investments and such obligation, aggregated with other non-conforming investments, exceeds five percent (5%) of invested funds, such Qualified Investment shall be sold or liquidated.

ARTICLE IV
PARITY OBLIGATIONS

Section 4.01. Parity Obligations.

(a) The District may at any time execute or issue, as the case may be, any Parity Obligations in accordance herewith; provided that the Net Revenues for either: (i) the most recent audited Fiscal Year; or (ii) any twelve consecutive months occurring in the last eighteen months, in each case preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Parity Obligations or the date of execution of such Parity Obligations, as evidenced by a calculation prepared by the Finance Officer and a report verifying the accuracy of such calculation prepared by an Independent Certified Public Accountant or Independent Financial Consultant, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such Fiscal Year or twelve month period, as the case may be, taking into account: (i) all Parity Obligations executed or issued subsequent to the first day of such Fiscal Year or twelve month period; and (ii) the Parity Obligations then proposed to be executed or issued as if such Parity Obligations existed as of the first day of such Fiscal Year or twelve consecutive month period.

(b) Notwithstanding the foregoing, Parity Obligations may be executed or issued to refund outstanding Parity Obligations if, after giving effect to the application of the proceeds thereof, total Debt Service (including Parity Obligations outstanding on the date of issuance or incurrence of such refunding Parity Obligations, but excluding such refunded Parity Obligations) will not be increased in an amount in excess of ten percent (10%) in any Fiscal Year in which an Installment Payment will be payable.

ARTICLE V
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 5.01. Compliance with Installment Purchase Contract. The District will not suffer or permit any material default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 5.02. Observance of Laws and Regulations. The District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 5.03. Prosecution and Defense of Suits. The District will promptly, upon request of the Corporation or the Lender, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Enterprise or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Corporation and the Lender harmless from all cost, damage, expense or loss, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of the Corporation's and the Lender's in-house counsel to the extent permissible), which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.04. Accounting Records and Statements. The District will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the District relating to the receipt, deposit and disbursement of the Gross Revenues and Net Revenues, and such accounting records shall be available for inspection by the Corporation, the Lender or their agents duly authorized in writing on any Business Day upon reasonable notice at reasonable hours and under reasonable conditions prescribed by the District.

Section 5.05. Further Assurances. Whenever and so often as requested to do so by the Corporation or the Lender, the District will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Corporation or the Lender all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Installment Purchase Contract.

Section 5.06. Against Encumbrances. The District hereby represents that there is no pledge of or lien on Revenues senior to the pledge and lien securing the Installment Payments. The District will not make any pledge of or place any lien on the Revenues, provided that the District may at any time, or from time to time, pledge or encumber the Revenues in connection with the issuance or execution of Parity Obligations in accordance with Section 4.01 or other obligations permitted hereby, or subordinate to the pledge of Gross Revenues herein.

Section 5.07. Against Sale or Other Disposition of Property. The District will not sell, lease, encumber or otherwise dispose of the Enterprise or any part thereof in excess of one-half of one percent of the book value of the Enterprise in any Fiscal Year, unless a Finance Officer certifies that such sale, lease, encumbrance or disposition will not materially adversely affect the operation of the Enterprise or the Net Revenues; provided that any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Enterprise, or any material or equipment which has become worn out, may be sold or exchanged at not less than the fair market value thereof and the proceeds (if any) of such sale or exchange shall be deposited in the Revenue Fund.

The District will not enter into any agreement or lease which would impair the rights of the Corporation or the Lender or the operation of the Enterprise.

Section 5.08. Against Competitive Facilities. Except for any airport system existing as of the date hereof, the District will not, to the extent permitted by law, acquire, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, authority, city or political subdivision or any person whomsoever to acquire, maintain or operate within the District any airport system competitive with the Enterprise; provided that the District may, with the prior written consent of the Lender, assign all or a portion of the Enterprise to another entity upon delivery to the Lender of an opinion of nationally recognized bond counsel that such assignment will not adversely affect the tax-exempt status of the Installment Payments, and provided that such entity assumes the obligations of the District hereunder.

Section 5.09. Tax Covenants. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest with respect to the Installment Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of the Installment Payments that may cause the Installment Purchase Contract to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Installment Purchase Contract will not be used so as to cause the proceeds of the Installment Purchase Contract to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Purchase Contract to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) The District covenants not to draw or cause an Advance hereunder if such draw and Advance will cause the Lender to have disbursed more than $5,588,000 in total.

In furtherance of the covenants stated in this Section, the District shall comply with the requirements of the Tax Compliance Certificate executed in connection with this Installment Purchase Contract.

Section 5.10. Maintenance and Operation of the Enterprise; Budgets. The District will maintain and preserve the Enterprise in good repair and working order at all times and will operate the Enterprise in an efficient and economical manner. The District will pay all Maintenance and Operation Costs of the Enterprise as they become due and payable.

Section 5.11. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or any part thereof or on any funds in the control of the District prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Purchase Contract; provided that the District shall not be obligated to make such payment so long as the District contests such payment in good faith.

Section 5.12. Compliance with Contracts. The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, expressed or implied, required to be performed by it contained in all contracts for the use of the Enterprise and all other contracts affecting or involving the Enterprise to the extent that the District is a party thereto.

Section 5.13. Insurance.

(a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises and consistent with the District's current coverage.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or replacement, the excess shall be applied to the prepayment of Installment Payments as provided in Section 6.01.

Alternatively, if the proceeds of such insurance are sufficient to enable the District to retire all outstanding Parity Obligations and the Installment Payments and all other amounts due hereunder, the District may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Enterprise, and thereupon such proceeds shall be applied to the prepayment of Installment Payments as provided in Section 6.01 and to the payment of all other amounts due hereunder, and as otherwise required by the documents pursuant to which such Parity Obligations were issued.

(b) The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of the Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

(c) The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act hereafter enacted as an amendment or supplement or in lieu thereof, such insurance to cover all persons employed in connection with the Enterprise.

(d) In lieu of obtaining insurance coverage as required by this Section, such coverage may be maintained by the District in the form of self-insurance so long as the District certifies that: (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before December 1 of each year in which self-insurance is maintained, in writing that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an independent trustee. The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

Section 5.14. Books and Accounts; Financial Statements. The District shall keep proper books of record and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall be subject to the inspection by the Corporation, the Lender or their representatives authorized in writing, upon not less than five (5) Business Days' prior notice to the District.

The District shall cause the books and accounts of the Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow (collectively, the "**Financial Statements**"), to be audited annually by an Independent Certified Public Accountant or firm of certified public accountants. Not more than two hundred and seventy (270) days after the close of each Fiscal Year, unaudited Financial Statements shall be provided to the Lender. The District shall send a copy of audited Financial Statements and notes to the Lender within thirty (30) days of receipt thereof. Such audit may be part of an audit of the Enterprise. The District shall send to the Lender: (a) a copy of the annual budget of the Enterprise and any amendment or supplement thereto promptly after adoption by the District; (b) the District's internal financial statements promptly after adoption by the District; and (c) any other financial information reasonably requested by the Corporation or the Lender.

Section 5.15. Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon the Enterprise or any part thereof or upon the Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Enterprise or any part thereof, but the District shall not be required to make such payments, or to comply with any regulations or requirements, so long as the payment or validity or application thereof shall be contested in good faith.

Section 5.16. Amount of Rates and Charges.

(a) The District will, at all times while any of the Installment Payments remain outstanding, fix, prescribe and collect, at the commencement of each Fiscal Year, rates, fees and charges in connection with the Enterprise which are reasonably expected, at the commencement of

such Fiscal Year, to yield Gross Revenues at least sufficient, after making reasonable allowances for contingencies and errors in the estimates, to pay the following amounts in the order below set forth:

(1) All Maintenance and Operation Costs of the Enterprise;

(2) The Installment Payments and all payments (including payments of interest and under reimbursement agreements) with respect to related Parity Obligations issued or incurred after the date hereof as they become due and payable;

(3) Amounts necessary to replenish Parity Obligation reserve funds to their required levels (or to reimburse any draws under any reserve surety or policy held for the account of any such Parity Obligation reserve fund, and to pay any costs associated therewith, in accordance with the terms of such reserve surety or policy); and

(4) All payments required to meet any other obligations of the District which are charges, liens, encumbrances upon the Gross Revenues during such Fiscal Year.

(b) Furthermore, the District shall fix, prescribe, revise and collect, at the commencement of each Fiscal Year, rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are reasonably expected, at the commencement of each Fiscal Year, to yield estimated Net Revenues which are at least equal to one hundred and fifteen percent (115%) of the aggregate amount of the Installment Payments, and principal of and interest on any Parity Obligations issued or incurred after the date hereof payable from Net Revenues coming due and payable during such Fiscal Year. The District may make adjustments, from time to time, in its rates, fees and charges as it deems necessary, but shall not reduce its rates, fees and charges below those in effect unless the Net Revenues resulting from such reduced rates, fees and charges shall at all times be sufficient to meet the requirements set forth in this paragraph.

(c) If the District violates the covenants set forth in subsections (a) and (b) above, such violation shall not, in and of itself, be a default under this Installment Purchase Contract and shall not give rise to a declaration of an Event of Default if, within 120 days after the date such violation is discovered, the District hires an Independent Financial Consultant to review the revenues and expenses of the Enterprise and abides by such consultant's recommendations to revise the schedule of rates, fees and charges, to revise any Maintenance and Operation Costs of the Enterprise insofar as practicable and to take such other actions as are necessary so as to produce Net Revenues to cure such violation for future compliance; provided, however, that if the District does not cure such violation within twelve (12) months succeeding the date such violation is discovered, an Event of Default shall be deemed to have occurred under Section 7.01(b).

Section 5.17. Collection of Rates and Charges. The District will have in effect at all times rules and regulations requiring all users of the Enterprise to pay the assessments, rates, fees and charges applicable to the Enterprise provided or made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 5.18. Eminent Domain Proceeds. If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (1) the District certifies: (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings; (ii) a general description of the additions, betterments, extensions or improvements to the Enterprise proposed to be acquired by the District from any Net Proceeds; and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements; and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such certification and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

Section 5.19. Release and Indemnification Covenants. To the extent permitted by law, the District shall and hereby agrees to indemnify and save the Corporation, the Lender and their respective officers, directors, agents, employees, successors or assigns harmless from and against all claims, losses and damages, including legal fees and expenses (to include outside counsel fees and all allocated costs of the Corporation's and the Lender's in-house counsel to the extent permissible), arising out of: (a) the use, maintenance, condition or management of, or from any work or thing done on, the Enterprise or the Project by the District; (b) any breach or default on the part of the District in the performance of any of the District's obligations under the Installment Purchase Contract or the Conveyance Agreement; (c) any act of negligence of the District or of any of its contractors, servants, employees or licensees with respect to the Enterprise or the Project; (d) any act of negligence of any assignee or sublessee of the District, or of any agents, contractors, servants, employees or licensees of the assignee or sublessee of the District with respect to the Enterprise or the Project; (e) any environmental claims or issues; (f) the Acquisition of the Enterprise or the Project or authorization of payment of the costs of the Acquisition of the Enterprise or the Project, to the extent permitted by law; or (f) the preparation, negotiation, execution, delivery and administration of this Installment Purchase Contract and the other related documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated). Indemnification for any tort mentioned in this Section shall exclude those arising from the willful misconduct or gross negligence hereunder or under the Conveyance Agreement by the Corporation, the Lender or their respective officers and employees.

To the extent permitted by law, the District further covenants and agrees to indemnify and save the Corporation and the Lender harmless against any claim, loss, expense, advance and liabilities which it may incur arising out of or in the exercise and performance of their powers and duties hereunder and under the Conveyance Agreement, including the costs and expenses (including attorneys' fees and disbursements (to include outside counsel fees and all allocated costs of the Corporation's and the Lender's in-house counsel to the extent permissible)) of defending against any claim of liability or enforcing any remedies, and which are not due to their gross negligence or willful misconduct. The District further covenants and agrees to advance to the Corporation and the Lender the amounts

requested as the costs and expenses of such defense. Any and all special obligations of the District under this Section shall be and remain valid and binding special obligations of the District notwithstanding the payment in full of the Installment Payments and the termination of this Installment Purchase Contract.

Section 5.20. Further Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Corporation and the Lender as follows:

(a) The District is a duly organized and validly existing airport district of the State of California.

(b) The Constitution and the laws of the State of California authorize the District to enter into the Installment Purchase Contract and the Conveyance Agreement and to enter into the transactions contemplated thereby and to carry out its obligations under each of the aforesaid agreements, and the District has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.

(c) Neither the execution and delivery of the Installment Purchase Contract or the Conveyance Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under either of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District.

(d) The District has duly authorized and executed this Installment Purchase Contract and the Conveyance Agreement in accordance with the laws of the State of California.

(e) Subject to the applicable provisions of the California Constitution, the District is empowered to set rates and charges for services provided by the Enterprise provided to the users of the Enterprise without review or approval by any state or local governmental agency.

(f) This Installment Purchase Contract and the pledge of Gross Revenues is a first lien and pledge on Revenues on a parity with the Parity Obligations.

(g) The District acknowledges that: (i) the Lender is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, placement agent, municipal securities underwriter or municipal advisor; (ii) the Lender has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District or with respect to this Installment Purchase Contract and the financing related thereto; and (iii) the Lender has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters.

(h) The financial information concerning the District heretofore delivered to the Lender is complete and correct and fairly presents the financial condition of the District for the period(s) referred to and has been prepared in accordance with Generally Accepted Accounting Principles applied on a consistent basis throughout the period(s) involved. There are no liabilities (of

the type required to be reflected on balance sheets prepared in accordance with Generally Accepted Accounting Principles, direct or indirect, fixed or contingent, of the District as of the date of such financial information which are not reflected therein. There has been no material adverse change in the financial condition or operations of the District since the date of such information (and to the District's knowledge no such material adverse change is pending or threatened), and the District has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information. The District has good and marketable title to all of its properties and assets related to the Project, and all of such properties and assets are free and clear of encumbrances, except as reflected in such financial information. To the best of the District's knowledge, no document furnished nor any representation, warranty or other written statement made to the Corporation or the Lender in connection with the negotiation, preparation or execution of this Installment Purchase Contract contains any untrue or misleading statement of a material fact.

(i) The District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing contract of the same general nature as this Installment Purchase Contract, or under any of its bonds, notes, or other debt obligations.

(j) The District is in full compliance with all Laws and Regulations, including Environmental Regulations, and the District shall remain in compliance with such Laws and Regulations, including Environmental Regulations.

(k) The District shall further provide to the Lender: (i) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under this Installment Purchase Contract, together with a statement by an Authorized Officer of the District of the steps being taken by the District to cure such Event of Default; (ii) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (iii) within ten (10) days after receipt of request therefor by the Lender, updates, if any, of the information described in Section 5.14 of this Installment Purchase Contract; and (d) within ten (10) days after receipt of request therefor by the Corporation or the Lender, such additional information as the Corporation or the Lender may reasonably request.

(l) The District reasonably believes that sufficient funds can be obtained to make all Installment Payments and all other amounts required to be paid pursuant to this Installment Purchase Contract.

(m) All information, reports and other papers and data furnished by the District to the Lender were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Lender a true and accurate knowledge of the subject matter and were provided in expectation of the Lender's reliance thereon in entering into the transactions contemplated by this Installment Purchase Contract. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Lender or in other such information, reports, papers and data or otherwise disclosed in writing to the Lender prior to the Closing Date. Any financial, budget and other projections furnished to the Lender by the District or its agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any

representation, warranty or other written statement made to the Lender in connection with the negotiation, preparation or execution of this Installment Purchase Contract contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(n) The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the Installment Purchase Contract or otherwise with respect to the Installment Payments. To the extent that the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the Installment Purchase Contract or otherwise with respect to the Installment Payments.

(o) Since the most current date of the information, financial or otherwise, supplied by the District to the Lender: (i) there has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect; (ii) the District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and (iii) the District has not: (1) incurred any material indebtedness, other than the payments and trade accounts payable arising in the ordinary course of the District's business and not past due; or (2) guaranteed the indebtedness of any other person.

Section 5.21. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the District as follows:

(a) The Corporation is a California nonprofit public benefit corporation under the laws of the State of California, has the power to enter into the Installment Purchase Contract and the Conveyance Agreement and to sell the Project and has duly authorized the execution and delivery of the aforesaid agreements.

(b) Except pursuant to the Assignment Agreement and to the Lender, the Corporation will not assign the Installment Purchase Contract or its right to receive Installment Payments from the District, or its duties and obligations under the Installment Purchase Contract to any other person, firm or corporation.

ARTICLE VI
PREPAYMENT OF INSTALLMENT PAYMENTS

Section 6.01. Prepayment.

(a) The District may or shall, as the case may be, prepay on any Interest Payment Date from the Net Proceeds of insurance or condemnation awards, as provided herein, all or any part, in integral multiples of $1,000, of the principal amount of the unpaid Installment Payments at a prepayment price equal to the sum of the principal amount prepaid, plus accrued interest to the date of prepayment, without premium. The Lender will apply the prepayments proportionately across the remaining payments in such a manner as to provide level debt service payments for the remaining term. The Lender shall provide the District such revised debt service payment schedule.

(b) The District may prepay the unpaid principal balance of the Installment Payments in whole or in part, on any date after the Closing Date, by paying a prepayment price equal to the principal amount of the Installment Payments to be prepaid, without premium.

Except in connection with a security deposit as set forth in Section 6.03 hereof, the District shall be required to give the Lender written notice of its intention to prepay any Installment Payment under subsections (a) and (b) above at least fifteen (15) days prior to the proposed prepayment date.

In the event that the Installment Payments shall have been prepaid by the District pursuant to subsections (a) or (b) above, the total amount of all future payments set forth in the schedules attached hereto as Exhibit A shall be reduced by the aggregate amount of such Installment Payment so prepaid, as agreed to by the Lender. The Lender shall provide an updated draw down and prepayment schedule updated to show the date and amount of the prepayment to be attached as Exhibit A hereto, which updated schedule shall be deemed to be an amendment to this Installment Purchase Contract.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article III hereof, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Corporation and the Lender, shall have been fully paid and the Installment Payments are no longer due hereunder (or provision for payment thereof shall have been made pursuant to Section 6.03 hereof).

Section 6.02. Method of Prepayment. Before making any prepayment pursuant to Section 6.01(a), the District shall give written notice to the Lender describing such event and specifying the date on which the prepayment will be made, which date shall be not less than fifteen (15) days from the date such notice is given.

Section 6.03. Security Deposit. Notwithstanding any other provision of this Installment Purchase Contract, the District may secure the payment of all or a portion of Installment Payments by an irrevocable deposit with the Lender or, at the Lender's sole option, a bank or trust company acceptable to the Lender, as escrow holder under an escrow deposit and trust agreement, of either: (a) cash in an amount which is sufficient to pay such unpaid Installment Payments, including the principal and interest components thereof, in accordance with this Installment Purchase Agreement, either on the Maturity Date or a date of prepayment in whole of the outstanding Advances; or (ii) non-callable Federal Securities or pre-refunded non-callable municipal obligations rated "AAA" and "Aaa" by S&P Global Ratings and Moody's Investor's Service, respectively, together with cash if required, in such amount as will, without re-investment, in the opinion of an Independent Certified Public Accountant (which opinion shall be addressed to the Lender), together with interest to accrue thereon, be fully sufficient to pay such unpaid Installment Payments on their payment dates so that such Installment Payments shall be defeased; provided that prior to any such deposit or defeasance, the District must provide an opinion of nationally recognized bond counsel addressed to the Lender to the effect that such deposit and defeasance will not cause the interest component of the Installment Payments to be included in gross income for federal income tax purposes. In the event of any shortfall, the District shall deposit from legally available funds such amounts as is necessary to make up such shortfall.

In the event of a deposit pursuant to this Section 6.03, and provided that all other amounts payable by the District hereunder have been paid in full, all obligations of the District under this Installment Purchase Contract shall cease and terminate, excepting only the obligation of the District

to make, or cause to be made, all Installment Payments from the deposit made by District pursuant to this Section 6.03 and the obligation to pay amounts due to the Corporation and the Lender. Said deposit shall be deemed to be and shall constitute a special fund that may be used solely for the payment of Installment Payments in accordance with the provisions of this Installment Purchase Contract, and pending such application shall be held in trust and pledged to and for the sole benefit of the Corporation and the Lender and any assignee or transferee thereof. The District hereby grants to the Lender a first priority security interest in any amounts so deposited.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities. If one or more of the following Events of Default shall happen:

(a) default shall be made in the due (whether at maturity, by reason of acceleration or otherwise) and punctual payment by the District of any Installment Payment or any other amount payable hereunder or under the Conveyance Agreement when and as the same shall become due (whether at maturity, by reason of acceleration or otherwise) and payable; or

(b) default shall be made by the District in the performance of any of the agreements or covenants contained herein (other than those referenced in Section 7.01(a) hereof) required to be performed by it, and such default shall have continued for a period of thirty (30) days after the earlier of: (i) the District's knowledge of such default; and (ii) receipt by the District of written notice from the Corporation or the Lender of such default; or

(c) any financial statement or certificate furnished to the Corporation or the Lender in connection with this Installment Purchase Contract, or any representation or warranty made by the District shall prove to be incorrect, false or misleading in any material respect when furnished or made; or

(d) the District shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or a court of competent jurisdiction shall approve a petition filed with the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property, or the District shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition, or the District shall be adjudicated a bankrupt, or an order for relief shall be entered against the District by any court of competent jurisdiction under the United States Bankruptcy Code or any other applicable state or federal law relating to bankruptcy, reorganization or other relief for debtors; or

(e) the entry or filing of any final, nonappealable judgment or any similar process in an amount in excess of $1,000,000 against the District or against any of its property and failure by the District to stay the enforcement of such judgment or other process for a period of 60 days or failure to pay or satisfy the same within 60 days; or

(f) the District shall in writing claim, or repudiate its obligations under, or initiate any legal proceedings to seek an adjudication that, any of the provisions that provide for the payment of the Installment Payments is not valid or binding on the District, or any court of competent jurisdiction or other governmental authority with jurisdiction to rule on the validity of this Installment Purchase Contact shall find or rule that any of the provisions that provide for the payment of Installment Payments is not valid or binding on the District, or any provision of this Installment Purchase Contact shall cease to be valid and binding or shall be declared null and void; or the District or any governmental authority shall contest any such provision, or the District or any agent or trustee on behalf of the District shall deny that it has any further liability under any provision of this Installment Purchase Contact, or the District shall: (i) claim that this Installment Purchase Contact is not valid or binding on it; (ii) repudiate its obligations under this Installment Purchase Contact; and/or (iii) initiate any legal proceedings to seek an adjudication that this Installment Purchase Contact or the District's obligation to repay any Parity Obligation is not valid or binding on it; or

(g) the adoption of any resolution of the District to authorize any action or event that would constitute an Event of Default; or

(h) an event of default shall have occurred with respect to any Parity Obligations;

then and in each and every such case during the continuance of such Event of Default, the Lender may invoke the Default Rate and may, by notice in writing to the District declare the principal amount of the unpaid Installment Payments, and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

This provision, however, is subject to the condition that, if at any time after such principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared due and payable and before the acceleration date or the date of any judgment or decree for the payment of the money due shall have been obtained or entered, the District shall deposit with the Lender a sum sufficient to pay such unpaid principal amount of the Installment Payments due prior to such date and the accrued interest thereon, with any interest due on such overdue installments, and the reasonable expenses of the Corporation and the Lender, and any and all other defaults known to the Lender (other than in the payment of such principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Lender or provision deemed by the Lender to be adequate shall have been made therefor, then and in every such case the Lender, by written notice to the District, may (but shall be under no obligation to) rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 7.02. Application of Funds Upon Default. All moneys and investments in the funds and accounts held hereunder upon the date of the declaration of an Event of Default as provided in Section 7.01 and all Gross Revenues thereafter received shall be applied as follows:

(a) Unless the principal of all Installment Payments shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of the interest portion of all Installment Payments, with interest on overdue installments, if lawful, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If all of the Installment Payments shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Installment Payments, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Section 7.03. Other Remedies of the Lender. The Lender may:

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the District and compel the District to perform and carry out its duties under applicable law and the agreements and covenants contained herein required to be performed by it;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Lender;

(c) by suit in equity upon the happening of an Event of Default require the District and its board members, officers and employees to account as the trustee of an express trust; or

(d) by suit in equity, to seek the appointment of a receiver or other third party to operate the Enterprise and collect the Gross Revenues.

Section 7.04. Non-Waiver. Nothing in this Article VII or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Lender, as assignee of the Corporation under the Assignment Agreement, at the respective due dates or upon prepayment from the Gross Revenues, or, except as expressly provided herein, shall affect or impair the right of the Lender, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Lender to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Lender by applicable law or by

this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Lender.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Lender, the District, the Corporation and the Lender shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05. Remedies Not Exclusive; Cost of Enforcement. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law. If any party incurs any expenses in connection with enforcing this Installment Purchase Contract, or if the Lender takes collection action under this Installment Purchase Contract, the losing party shall pay to the prevailing party, on demand, the prevailing party's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Liability of District Limited. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues legally available therefor in the Revenue Fund, and the other funds provided herein for the payment of the Installment Payments or for the performance of any agreements or covenants contained herein required to be performed by it. The District may, however, but shall not be required to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Installment Payments and the other amounts due hereunder is a special obligation of the District payable solely from Net Revenues and does not constitute a debt or pledge of the faith and credit of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02. Benefits of Installment Purchase Contract Limited to Parties. Except as provided in Sections 8.03 and 8.13, nothing contained herein, express or implied, is intended to give to any person other than the District, the Lender or the Corporation any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Corporation shall be for the sole and exclusive benefit of the other party and the Lender.

Section 8.03. Successor Deemed Included in All References to Predecessor. Whenever the District, the Lender or the Corporation is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, the Lender or the Corporation, and all agreements and covenants required hereby to be performed by or on behalf of the District, the Lender or the Corporation shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 8.04. Waiver of Personal Liability. No board member, officer, employee or agent of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any board member, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Installment Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.

Section 8.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof contained herein required to be performed by or on the part of the District or the Corporation shall be contrary to the law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Installment Purchase Contract, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07. Assignment. The District hereby consents to the assignment of this Installment Purchase Contract by the Corporation to the Lender under the Assignment Agreement. The District may not assign any of its rights hereunder, except as otherwise provided in Section 5.08 hereof.

The Lender has the right at any time to assign, transfer, or convey this Installment Purchase Contract or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the District unless and until the Lender has delivered to the District written notice thereof that discloses the name and address of the assignee or the Loan Servicer (as hereafter provided and defined) and such assignment, transfer or conveyance shall be made only to: (a) an affiliate of the Lender; or (b) banks, insurance companies or other financial institutions or their affiliates. Nothing herein limits the right of the Lender or its assignees to sell or assign participation interests in this Installment Purchase Contract to one or more entities listed in clauses (a) or (b), provided that any participation, custodial or similar agreement under which multiple ownership interests in this Installment Purchase Contract are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees to act on their behalf with respect to the rights and interests of the Lender under this Installment Purchase Contract, including with respect to the exercise of rights and remedies of the Lender on behalf of such owners upon the occurrence of an event of default under this Installment Purchase Contract.

Section 8.08. California Law. This Installment Purchase Contract shall be construed and governed in accordance with the laws of the State of California.

Section 8.09. Notices. All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time namely:

If to the District:	Truckee Tahoe Airport District 10356 Truckee Airport Road Truckee, CA 96161 Attention: General Manager
If to the Corporation:	CSDA Finance Corporation 1112 I Street, Suite 200 Sacramento, California 95814 Phone: (877) 924-2732 Attention: Neil C. McCormick
If to the Lender:	Banner Bank 1 Parkcenter Drive, Suite 200 Sacramento, CA 95825 Attention: Dhaval Shah

Section 8.10 Judicial Reference.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INSTALLMENT PURCHASE CONTRACT, THE ASSIGNMENT AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS INSTALLMENT PURCHASE CONTRACT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

Section 8.11. Effective Date. This Installment Purchase Contract shall become effective upon its execution and delivery, and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Lender pursuant to Article VI hereof); provided that the obligation of the District to indemnify the Corporation and the Lender shall survive the termination of this Installment Purchase Contract.

Section 8.12. Execution in Counterparts. This Installment Purchase Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 8.13. Third Party Beneficiary. The Lender shall be a third-party beneficiary of this Installment Purchase Contract.

Section 8.14. Amendments. The District may at any time amend or modify the definition of Project as set forth in this Installment Purchase Contract to provide for the designation of an Alternate Project as provided for in Section 2.01 hereof with the consent of the Lender, which shall not be unreasonably withheld. This Installment Purchase Contract may be amended in writing as may be mutually agreed by the District, the Lender and the Corporation. Any amendment made in violation of this Section 8.14 shall be a nullity and void.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have executed and attested the Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

TRUCKEE TAHOE AIRPORT DISTRICT

By: _____
Robb Etnyre
General Manager

ATTEST:

By: _____
Lauren C. Tapia, District Clerk

CSDA FINANCE CORPORATION

By: _____
Neil C. McCormick
Chief Executive Officer

EXHIBIT A

ADVANCE AND PREPAYMENT SCHEDULE[1]

Draw Down Date: July 9, 2025
Advance Amount: $_____

Prepayment Date: _____
Prepayment Amount: ($_____)

Date	*Principal*	*Interest*	*Total*
2/8/2026	$__	$	$
8/8/2026			
2/8/2027			
8/8/2027			
2/8/2028			
8/8/2028			
2/8/2029			
8/8/2029			
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8/8/2038			
2/8/2039			
8/8/2039			
2/8/2040			
8/8/2040			
TOTALS	$	$	$

[1] Reflects initial Advance. To be updated with subsequent Advances and prepayments. All Advances are due on the Maturity Date, including all interest accruing to such Maturity Date.

EXHIBIT B

DESCRIPTION OF THE PROJECT

Apron A2 Reconstruction Project. Upgrades and reconstruction to paved Apron A2 area where aircraft are parked, serviced, loaded, unloaded and prepared for flight and passengers embark and disembark.

EXHIBIT C

FORM OF ADVANCE AND ACQUISITION FUND REQUISITION

REQUISITION NO. _____ FOR
ADVANCE AND DISBURSEMENT FROM ACQUISITION FUND

The undersigned hereby states and certifies to Banner Bank:

(i) that he/she is the duly appointed, qualified and acting _____ of the Truckee Tahoe Airport District, an airport district that is duly organized and existing under and by virtue of the California Airport District Act (Part 2 of Division 9, commencing with Section 22001, of the California Public Utilities Code) (the "District"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Article II and Section 3.01 of the Installment Purchase Contract, dated as of July 1, 2025 (the "IPC"), by and between the District and CSDA Finance Corporation, the undersigned hereby requests Banner Bank to fund this Advance to the Acquisition Fund and disburse, within five Business Days of the date hereof, from the Acquisition Fund established under the IPC, to the payees designated on the attached Exhibit 1, the amount(s) designated on the attached Exhibit 1;

(iii) that each obligation mentioned herein has been incurred by the District and is a proper charge against the Acquisition Fund and all insurance, environmental and bonding requirements thereunder;

(iv) that there has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit 1, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law;

(v) that all representations and warranties of the District set forth in the IPC are true and correct as though made as of the date of this Advance, no Default or Event of Default shall have occurred and be continuing as of the date of this Advance, and no event or change shall be in effect or shall have occurred as of the date of this Advance that could reasonably be expected to have a Material Adverse Effect; and

(vi) that amounts outstanding under the IPC, excluding funded issuance costs, after this Advance do not exceed the Available Commitment.

All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the IPC.

Dated: _____ TRUCKEE TAHOE AIRPORT DISTRICT

By: _____
Its: _____

EXHIBIT 1

ACQUISITION FUND DISBURSEMENTS

Item Number	*Payee Name and Address*	*Purpose of Obligation*	*Amount*
_____			$ _____
_____			_____
_____			_____
_____			_____
_____			_____