



**OGGETTO:** Contratto ISDA e Schedule dell'Istituto Bancario Citibank.

**LA GIUNTA REGIONALE**

SU PROPOSTA dell'Assessore al Bilancio, Programmazione e Risorse Comunitarie:

VISTO L'art. 10 della legge 16 maggio 1979, n. 281 che autorizza le Regioni ad emettere prestiti obbligazionari per provvedere alle spese di investimento;

VISTO l'art. 35 della legge n. 724/94 che conferma la facoltà della Regione ad emettere prestiti obbligazionari;

VISTE le deliberazioni n. 600 del 26/4/2001 e n. 1946 del 21 dicembre 2001 con le quali si è autorizzato il rinnovo e l'aggiornamento annuale di Programma M.T.N. (Medium Term Note), sottoscritto in data 17 luglio 2002, incrementando al contempo l'importo totale e fissando a USD 2 miliardi la capacità massima del Programma stesso;



VISTO l'art. 41 della legge n. 448 del 2001 che ribadisce la facoltà per le Regioni ad emettere titoli obbligazionari, contrarre mutui con rimborso del capitale in unica soluzione alla scadenza, previa costituzione, al momento dell'emissione o dell'accensione, di un fondo di ammortamento del debito, o previa conclusione di uno "swap" per l'ammortamento del debito;

VISTO l'art. 5 della Legge Regionale n. 3 del 6 febbraio 2003 che autorizza questa Regione sia ad emettere prestiti obbligazionari che a ristrutturare il debito in essere, al fine di una gestione attiva del portafoglio esistente, attraverso l'uso di strumenti derivati;

PRESO ATTO CHE la conclusione di operazioni di "swap" con un istituto bancario, siano esse finalizzate all'ammortamento del debito relativo ad una emissione obbligazionaria che alla ristrutturazione del debito esistente, presuppongono la sottoscrizione con lo stesso istituto di un contratto quadro ISDA e della relativa "Schedule";

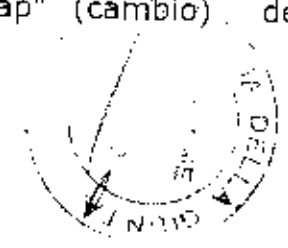
RILEVATO che questa Amministrazione ritiene opportuno sottoscrivere il contratto ISDA e la relativa "Schedule" che l'istituto bancario Citibank ha presentato, affinché possa dotarsi della facoltà di concludere eventuali future operazioni finanziarie con l'Istituto bancario menzionato;

VISTA la legge n. 6 del 18 febbraio 2002;

PRESO ATTO della deliberazione n. 7388 del 21/11/1997 con la quale è stato approvato il contratto-quadro ISDA (International Swap Dealers Association) che regola le operazioni di "swap" (cambio) delle operazioni finanziarie;



ALL'UNANIMITA'



512 20 GIU. 2003

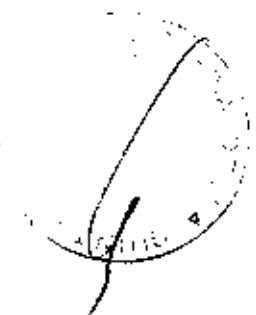
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DELIBERA

Di sottoscrivere il contratto ISDA e la relativa "Schedule" con l'Istituto Bancario  
CITIBANK, il cui schema è allegato alla presente deliberazione.

IL PRESIDENTE: F.to Francesco STORACE  
IL SEGRETARIO: F.to Tommaso Nardini

20 GIU. 2003

A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text and a star symbol.A circular stamp with a star in the center and some illegible text around the perimeter.

Per copia conforme all'originale

PAGINE TOTALI N. 28

Il Direttore  
Dott. Guido Magfani



Final Draft - May 2003

11 6 GIU. 2003

SCHEDULE

to the

ISDA Master Agreement

ALLEG. alla DELIB. N. 512  
DEL 20 GIU. 2003

dated as of [            ],

between

**CITIBANK, N.A.,**

a national banking association organized under the laws of the United States  
("Party A")

and

**REGIONE LAZIO,**

an Italian Region organized and existing  
under the laws of the Republic of Italy  
("Party B")

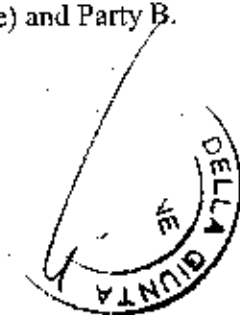
**Part 1**

**Termination Provisions**

In this Agreement:

(a) "**Specified Entity**" means (i) for the purpose of Section 5(a)(v) of this Agreement, in relation to Party A, Citigroup Global Markets Limited, Citigroup Global Markets Deutschland AG, Citigroup Global Markets Inc., Citigroup Forex Inc, Citigroup Global Markets Commercial Corp., Citicorp Securities Services, Inc. and Citigroup Financial Products Inc. (individually a "Section 5(a)(v) Affiliate"), and (ii) in relation to Party B, for all purposes, not applicable

(b) "**Specified Transaction**" will have the meaning specified in Section 14 of this Agreement. For purposes of clause (c) of such definition, Specified Transaction includes any securities lending agreement, securities options, margin loans, short sales, repurchase agreement, reverse repurchase agreement and forward securities contract, and any other similar transaction now existing or hereafter entered into between Party A (or any Section 5(a)(v) Affiliate) and Party B.



(c) The "**Cross Default**" provisions of Section 5(a)(vi) will apply to Party A and will apply to Party B:

"provided, however, that notwithstanding the foregoing, an Event of Default shall not occur under either (1) or (2) above if, as demonstrated to the reasonable satisfaction of the other party, (a) the event or condition referred to in (1) or the failure to pay referred to in (2) is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to such party to enable it to make the relevant payment when due; and (c) such relevant payment is made within three Local Business Days following receipt of written notice from an interested party of such failure to pay."

For purposes of Section 5(a)(vi), the following provisions apply:

**"Specified Indebtedness"** means, instead of the definition thereof in Section 14 of this Agreement, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of (i) borrowed money, or (ii) any transaction with any party of the type referred to in subparagraphs (a), (b) or (c) of the definition of Specified Transaction; provided, however, that Specified Indebtedness shall not include deposits received in the course of a party's ordinary banking business.

**"Threshold Amount"** means with respect to Party A, 2% of Stockholder's Equity and with respect of Party B, Euro 100,000,000 or its equivalent in other currency.

In the case of the above, the Euro equivalent on the date of any event of default of any obligation stated in any other currency.

For purposes of the above, stockholders' equity shall be determined by reference to the relevant Party A's most recent consolidated (quarterly, in the case of a U.S. incorporated party) balance sheet and shall include, in the case of a U.S. incorporated party, legal capital, paid-in capital, retained earnings and cumulative translation adjustments. Such balance sheet shall be prepared in accordance with accounting principles that are generally accepted in such party's country of organization.

(d) The "**Credit Event Upon Merger**" provisions of Section 5(b)(iv) of this Agreement will apply to Party A and will apply to Party B.

Notwithstanding Section 5(b)(iv) of this Agreement, "Credit Event Upon Merger" means that a Designated Event (as defined below) occurs with respect to a party or its Specified Entity and such action does not constitute an event described in Section 5(a)(viii) but that, in the reasonable opinion of the other party, the creditworthiness of the successor, surviving or transferee entity (which will be the Affected Party) is materially weaker than that of its predecessor, immediately prior to the occurrence of the Designated Event. For purposes hereof, a Designated Event means that, after the Trade Date of a Transaction:

(i) Party A consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets (or any substantial part of the assets comprising the business conducted by that party as of the Trade Date of that Transaction) to, or receives all or substantially all the assets and obligations of, another entity;

(ii) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the Board of Directors or other managing body of the party, any Credit Support Provider of the party or any applicable Specified Entity of the party;

(iii) deleting the word "or" appearing after the words "resulting, surviving" on line 5 thereof and inserting a comma in lieu thereof;

(iv) inserting the phrase ", reorganized, burdened or recapitalized" immediately after the word "transferee" on line 5 thereof; and

(v) with respect to Party B an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to it.

(c) The "**Automatic Early Termination**" provisions of Section 6(a) will not apply to Party A and will not apply to Party B.

(f) For the purpose of the "**Payments on Early Termination**" provisions of Section 6(e):

(i) The Second Method will apply; and

(ii) Market Quotation will apply; provided, however, that for the purposes of the definition of Settlement Amount all Currency Option Transactions and FX Transactions (each as defined in Part 6 of this Schedule) shall be conclusively and irrevocably deemed to be Transactions for which a Market Quotation cannot be determined.

(g) "**Termination Currency**" means Euro.

(h) "**Additional Termination Events**" shall apply:

(i) Section 5(b) of the Agreement is modified by adding at the end thereof the following subsection (vi):

(vi) **Impossibility.** Due to the occurrence of a natural or man-made disaster, armed conflict, act of terrorism, riot, labor disruption or any other circumstance beyond its control after the date on which a Transaction is entered into, it becomes impossible (other than as a result of its own misconduct) for such a party:

(1) to perform any absolute or contingent obligation, to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction.

For the purposes of Section 6, in the event of an Impossibility, both parties shall be Affected Parties. The definition of "Affected Transactions" in Section 14 of the Agreement is hereby amended by inserting "Impossibility," immediately after "an Illegality,".

(vii) The occurrence of the following events with respect to Party B shall constitute an Additional Termination Event with Party B as the Affected Party and Party A as the party entitled to designate an Early Termination Date;

(1) if Party B shall at any time repudiate this Agreement or deny that it has any or further liability or obligation hereunder alleging lack of capacity or immunity;

(2) if Party B declares, for whatever reason, any moratorium in respect of the payment of any of its indebtedness;

(3) if Party B purports to revoke, amend unless previously agreed with Party A or cancel the irrevocable payment mandate letter in favor of Party A and provided to Party A pursuant to Part 3 of the Schedule to this Agreement;

(4) if Party B fails to serve on its Treasurer the irrevocable payment mandate letter as provided for under Part 5(a)(ii) of this Schedule, within 30 days from the receipt by Party B of each Confirmation relating to each Transaction under this Agreement;

(5) if Party B fails to provide any subsequent Treasurer with an irrevocable payment mandate letter, as provided under Part 5(a)(iii) of the Schedule;

## Part 2

### Tax Representations

(a) **Payer Representations.** For the purpose of Section 3(e) of this Agreement, Party A will make the following representation and Party B will make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(c), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or documents under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

#### (b) Payee Representations

- (i) For the purpose of Section 3(f), Party A makes the representation(s) specified below:
- (A) The following representation will apply with respect to each Transaction effectuated by an Office of Party A and an Office of Party B not located in the same jurisdiction.

It is fully eligible for the benefits of the "Business Profits" or "Industrial and Commercial Profits" provision, as the case may be, the "Interest" provision or the "Other Income" provision (if any) of the Specified Treaty with respect to any payment described in such provisions and received or to be received by it in connection with this Agreement and no such payment is attributable to a trade or business carried on by it through a permanent establishment in the Specified Jurisdiction.

"Specified Treaty" means the double income tax treaty between the United States and the Republic of Italy, or such other treaty as may be relevant to a Transaction as a result of the location of an office of Party B effectuating such Transaction.

"Specified Jurisdiction" means, with respect to a Transaction, the Republic of Italy.

- (B) The following representation will apply with respect to each Transaction effectuated between an Office of Party A and an Office of Party B not located in the same jurisdiction.

Each payment received or to be received by Party A in connection with this Agreement will be effectively connected with its conduct of a trade or business in the Specified Jurisdiction.

If such representation applies, then "Specified Jurisdiction" means, with respect to a Transaction, the jurisdiction where the Office of Party A effectuating such Transaction is located.

- (C) The following representation will apply to Party A.

It is a national banking association organized under the laws of the United States and its U.S. taxpayer identification number is 13-5266470.

- (D) The following representation will apply to Party A when acting through a United Kingdom office.

It is a party to the Transaction otherwise than as agent or nominee of another person and is entering into the Transaction solely for the purposes of a trade or part of a trade carried on by it in the United Kingdom through a branch or agency.

- (ii) For the purpose of Section 3(D), Party B makes the representation(s) specified below:

- (A) The following representation will apply with respect to each Transaction between an Office of Party A and an Office of Party B not located in the same jurisdiction.

It is fully eligible for the benefits of the "Business Profits" or "Industrial and Commercial Profits" provision, as the case may be, the "Interest" provision or the "Other Income" provision (if any) of the Specified Treaty with respect to any payment described in such provisions and received or to be received by it in connection with this Agreement and no such payment is attributable to a trade or business carried on by it through a permanent establishment in the Specified Jurisdiction.

"Specified Treaty" means the double income tax treaty between the Republic of Italy and the United States, or such other treaty as may be relevant to a Transaction as a result of the location of an office of Party A effectuating such Transaction.

"Specified Jurisdiction" means, the Republic of Italy

- (B) The following representation will apply with respect to each Transaction between an Office of Party A and an Office of Party B located in the same jurisdiction.

Each payment received or to be received by Party B in connection with this Agreement will be effectively connected with its conduct of a trade or business in the Specified Jurisdiction.

If such representation applies, then "Specified Jurisdiction" means, with respect to a Transaction, the Republic of Italy.

- (C) The following representation will apply to Party B:

It is not a bank or acting on behalf of a bank, and it is not domiciled or engaged in business in the United States.

### Part 3

#### Agreement to Deliver Documents

For the purpose of Section 4(a) of this Agreement:

I. Tax forms, documents or certificates to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered
(i) Party A and Party B	As required under Section 4(a)(iii) of the Agreement.	Promptly upon execution of this Agreement; and promptly upon learning that any form previously provided by Party A and/or Party B has become obsolete or incorrect.

II. Other documents to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to Be delivered	Covered by Section 3(d)
(a) Party B	An opinion of counsel to Party B substantially in the form as shown in Exhibit I and as is reasonably satisfactory to Party A.	As soon as practicable after execution of this Agreement and, if requested by Party A, as soon as practicable after execution of any Confirmation of any other Transaction.	No
(b) Party B	Evidence reasonably satisfactory to the other party of the authority of such party to enter into the Agreement and any Transactions.	As soon as practicable after execution of this Agreement and, if requested by the other party, as soon as practicable after execution of any Confirmation of any other Transaction.	Yes

Party required to deliver document	Form/Document/Certificate	Date by which to Be delivered	Covered by Section 3(d)
(c) Party A and Party B	Evidence reasonably satisfactory to the other party of the authority and genuine signature of the individual signing the Agreement on behalf of such party to execute the same.	As soon as practicable after execution of this Agreement and, if requested by the other party, as soon as practicable after execution of any Confirmation or of any other Transaction.	Yes
(d) Party B	Copy of the provisional budget, actual financial report and multi-annual budget prepared in accordance with regional accounting standards.	As soon as practicable after execution of this Agreement and, if requested by the other party, as soon as practicable after execution of any Confirmation of any other Transaction.	No
(e) Party A	Copy of the annual report and most recent audited consolidated annual and unaudited consolidated quarterly financial statements prepared in accordance with the accepted accounting principles in the country in which the party is organized.	Promptly after request should the statements not be available anymore on the Party A's website.	Yes

Party required to deliver document	Form/Document/Certificate	Date by which to Be delivered	Covered by Section 3(d)
(f) Party B	A certified copy of a resolution adopted by the Regional Board ( <i>Giunta Regionale</i> ) and/or the Regional Council ( <i>Consiglio Regionale</i> ) (as applicable) approving the precise terms of the transaction and the modalities to be followed to execute both the Master Agreement and any relevant Transaction.	Upon execution of this Agreement and, if requested by the other party, upon execution of any Transaction.	No
(g) Party B	Copy of the irrevocable payment mandate letter creating an irrevocable payment obligation in favor of Party A in respect of amounts due hereunder to Party A duly served on Party B's Treasurer in the form of Exhibit II.	Within 30 days from the receipt from Party B of each Confirmation relating to each Transaction under this Agreement.	Yes

## Part 4

### Miscellaneous

(a) **Addresses for Notices.** For the purpose of Section 12(a) of this Agreement:

**Address for notices or communications to Party A:**

With respect to a particular Transaction, all notices or communications to Party A shall be sent to the address or facsimile number indicated in the Confirmation of that Transaction.

In addition, in the case of notices or communications relating to Section 5, 6, 11 or 13 of this Agreement, a copy of any such notice or communication shall be addressed to the attention of:

Address: Citibank, N.A.  
Citigroup Centre  
Canada Square  
London E14 5LB

Attention: Head of Sales/Trading Legal Department

Facsimile No: 144 207 508 9115

**Address for notices or communications to Party B:**

Address: Regione Lazio  
Via Rosa Raimondi Garibaldi 7  
00147 Rome

Attention: Direttore Generale del Dipartimento Finanza e Bilancio

Facsimile No: +39 06 5168 6804

(b) **Effectiveness of Notice.** Section 12(a) is hereby amended by deleting the words "facsimile transmission or" in line 3 thereof.

(c) **Process Agent.** For the purpose of Section 13(c) of this Agreement:

Party A and Party B irrevocably consents to service of process by registered letter with return of receipt or delivery in person or by courier to the address specified in Part 4 (c) of the Schedule below, which process will be completed on the date such process is delivered and the return of receipt has been received. Party A and Party B accept the risk of failure of proper service if one party fails to notify the other in writing of a change in its address in a timely manner. Nothing in

this Agreement will affect the right of Party A and Party B to serve process in any other manner permitted by law.

(d) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

(e) **Multibranch Party.** For the purpose of Section 10(c) of this Agreement:

Party A is a Multibranch Party and may act through any of the following Offices:

New York, Tokyo, London and Milan.

Party B is not a Multibranch Party.

(f) **Calculation Agent.** The Calculation Agent will be Party A unless otherwise specified in a Confirmation in reference to the relevant Transaction.

(g) **Credit Support Document.** None.

(h) **Credit Support Provider.** Credit Support Provider means in relation to Party A, not applicable. Credit Support Provider means in relation to Party B, not applicable.

(i) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of England.

(j) **Jurisdiction.** Section 13(b)(i) of the Agreement is hereby amended by (i) inserting in line 1 thereof the word "exclusive" immediately after the phrase "submits to the"; and (ii) deleting the final paragraph thereof. The following shall be added at the end of Section 13(b): "Nothing in this provision shall prohibit a party from bringing an action to enforce a money judgment in any other jurisdiction."

(k) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.

(l) **"Netting of Payments"** Either party may notify the other in writing, not less than 15 (fifteen) Local Business Day in advance of a Scheduled Payment Date, that with regard to payments due on that date, subparagraph (ii) of Section 2(c) of this Agreement will not apply. Except to the extent that such advance written notice shall have been given, subparagraph (ii) of Section 2(c) will apply.

## Part 5

### Other Provisions

(a) **Obligations.** Party B undertakes (i) to comply with all relevant accounting rules and legislation for the appropriate entries to be made according to such rules and legislation for the amounts due under any Transaction entered into under this Agreement, (ii) to provide its Treasurer, within 30 days from the receipt by Party B of any Confirmation relating to each Transaction, with an irrevocable payment mandate letter duly served on its Treasurer creating an irrevocable payment obligation in favor to Party A (such irrevocable payment mandate letter to be substantially in the form of the pro forma irrevocable payment mandate letter attached herewith as Exhibit II), and instructing the Treasurer to earmark on Party B's revenues the necessary amounts for all payments due under any Transaction entered into and in any case for any payment under this Agreement to be communicated in details as soon as known and (iii) to provide, as long as Party B has or may have any obligation under this Agreement, any subsequent Treasurer with the same irrevocable payment mandate letter under (ii) above, and to notify to Party A any such instruction within 30 days from the signature of such irrevocable payment mandate letter.

(b) **Set-off.** Section 6 of the Agreement is amended by adding the following new subsection 6(f):

(f) In addition to any rights of set-off a party may have as a matter of law or otherwise, upon the occurrence of an Event of Default with respect to a party ("X") the other party ("Y") will have the right (but will not be obliged) without prior notice to X or any other person to set-off any obligation of X owing to Y (whether or not arising under this Agreement, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y owing to X (whether or not arising under this Agreement, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office of the obligation).

For the purpose of cross-currency set-off, Y may convert any obligation to another currency at a market rate determined by Y.

If an obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

Nothing in this provision will be deemed to create a charge or other security interest.

(c) **Waiver of Right to Trial by Jury.** Each party hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Agreement.

(d) **Severability.** In the event that any one or more of the provisions contained in this Agreement should be held invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor, in good faith negotiations, to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(e) **Netting.** In the event that any Terminated Transaction cannot be aggregated and netted against all other Terminated Transactions under Section 6(e) of the Agreement, such excluded Terminated Transactions shall be aggregated and netted amongst themselves to the fullest extent permitted by law.

(f) **Additional Representations.** For purposes of Section 3 of this Agreement, the following shall be added, immediately following paragraph (f) thereof:

"(g) **No Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. It has not received from the other party any assurance or guarantee as to the expected results of that Transaction.

(h) **Evaluation and Understanding.** It is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the financial and other risks of that Transaction.

(i) **Status of Parties.** The other party is not acting as a fiduciary or an advisor for it in respect of that Transaction.

(j) **No Agency.** It is entering into this Agreement and each Transaction as principal and not as agent.

(k) **Risk Management.** Party B alone represents that this Agreement has been, and each Transaction hereunder has been or will be, as the case may be, entered into for the purpose of managing its borrowings or investments, hedging its underlying assets or liabilities and not for the purpose of speculation.

(l) Party B represents that in all cases transactions must be:

(i) entered into only with reference to '*liabilités actually due*' and exclusively for, the purpose of hedging liabilities; and

(ii) linked only to monetary indexes or parameters relating to states belonging to the G-7 zone.

**(g) Accuracy of Specified Information.** Section 3(d) is hereby amended by adding in the third line after the word "respect" and before the period the words "or in the case of audited or unaudited financial statements, a fair presentation of the financial condition of the relevant person".

**(h) Confirmation Procedures.** For each Transaction that Party A and Party B enter hereunder, Party A shall promptly send to Party B a Confirmation setting forth the terms of such Transaction. Party B shall execute and return the Confirmation to Party A or request correction of any error within twenty Business Days of receipt. Failure of Party B to respond within such period shall not affect the validity or enforceability of such Transaction and shall be deemed to be an affirmation and acceptance of such terms.

**(i) EMU Protocol.** The parties agree that the definitions and provisions contained in Annexes 1 to 5 and Section 6 of the EMU Protocol published by the International Swaps and Derivatives Association, Inc. on 6<sup>th</sup> May, 1998 are incorporated into and apply to this Agreement.

**(j) 2001 Euro Protocol.** The parties agree that the definitions and provisions contained in Annexes 1 to 4 and Section 6 of the 2001 Euro Protocol published by the International Swaps and Derivatives Association, Inc. on 24<sup>th</sup> September, 2001 are incorporated into and apply to this Agreement.

**(k) Escrow Payments.** If by reason of the time difference between the cities in which payments are to be made, it is not possible for simultaneous payments to be made on any date on which both parties are required to make payments hereunder, either party may at its option and in its sole discretion notify the other party that payments on that date are to be made in escrow. In this case the deposit of the payment due earlier on that date shall be made by 2:00 p.m. (local time at the place for the earlier payment) on that date with an escrow agent selected by the party giving the notice, accompanied by irrevocable payment instructions (i) to release the deposited payment to the intended recipient upon receipt by the escrow agent of the required deposit of the corresponding payment from the other party on the same date accompanied by the irrevocable payment instructions to the same effect or (ii) if the required deposit of the corresponding payment is not made on that same date, to return the payment deposited to the party that paid it into escrow. The party that elects to have payments made in escrow shall pay the costs of the escrow arrangements and shall cause those arrangements to provide that the intended recipient of the payment due to be deposited first shall be entitled to interest on that deposited payment for each day in the period of its deposit at the rate offered by the escrow agent for that day for

overnight deposits in the relevant currency in the office where it holds that deposited payment (at 11:00 a.m. local time on that day) if that payment is not released by 5:00 p.m. on the date it is deposited for any reason other than the intended recipients' failure to make the escrow deposit it is required to make hereunder in a timely fashion.

(l) **Notice of Events of Default.** Each party agrees, upon learning of the occurrence of any event or commencement of any condition that constitutes (or that with the giving of notice or passage of time or both would constitute) an Event of Default or Termination Event with respect to such party, promptly to give the other party notice of such event or condition (or, in lieu of giving notice of such event or condition in the case of an event or condition that with the giving of notice or passage of time or both would constitute an Event of Default or Termination Event with respect to the party, to cause such event or condition to cease to exist before becoming an Event of Default or Termination Event).

(m) **Recording of Conversations.** Each party hereto consents to the recording of its telephone conversations pursuant to this Agreement. To the extent that one party records telephone conversations (the "Recording Party") and the other party does not (the "Non-Recording Party"), the Recording Party shall, in the event of any dispute, make a complete and unedited copy of such party's tape of the entire day's conversations with the Non-Recording Party's personnel available to the Non-Recording Party. The Recording Party's tapes may be used by either party in any forum in which a dispute is sought to be resolved and the Recording Party will retain tapes for a consistent period of time in accordance with the Recording Party's policy unless one party notifies the other that a particular transaction is under review and warrants further retention.

(n) **Limitation of Liability.** No party shall be required to pay or be liable to the other party for any consequential, indirect or punitive damages, opportunity costs or lost profits (unless arising from its negligence).

(o) **Waiver of Immunity** Party B is subject to civil and commercial law with respect to its obligations under this Agreement. The execution, delivery and performance of this Agreement by Party B constitute private and commercial acts carried on *jure gestionis*, rather than government or public acts carried on *jure imperii* and subject to any restrictions under Italian State legislation, Party B hereby irrevocably and unconditionally waives any right of immunity from legal action or proceedings (which shall be deemed to include, without limitation, suit, attachment prior to judgement, other attachments, the obtaining of judgement, execution or other enforcement) which it or its assets (irrespective of the use or intended use of such assets) now has or may hereafter acquire.

(p) **Section 14 Definitions.** Section 14 of this Agreement is hereby amended to add the following definitions in their appropriate alphabetical order:-

- '**Government Entity**' means Party B.

- '**Incipient Illegality**' means (a) the enactment by any legislative body with competent jurisdiction over a Government Entity of legislation which, once adopted will render unlawful (i)

the performance by such Government Entity of any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of a Transaction or the compliance by such Government Entity with any other material provision of this Agreement relating to such Transaction or (ii) the performance by a Government Entity of any contingent or other obligation which the Government Entity has under such Transaction, (b) any assertion in any proceeding, forum or action by a Government Entity, in respect of such Government Entity or in respect of any other similar entity having the same nature and located or organized under the laws of the state in which such Government Entity is located to the effect that performance under this Agreement or similar agreements is unlawful or (c) the occurrence with respect to a Government Entity of any event that constitutes an Illegality.”

(q) **Merger Without Assumption.** Section 5(a)(viii) of this Agreement is hereby amended to read in its entirety as follows:-

“(viii) **Merger Without Assumption.** The party consolidates or amalgamates with or into, or transfers all or substantially all its assets to, another entity (or, without limiting the foregoing, if such party is a Government Entity, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or power and duties granted to, such party) and, at the time of such consolidation, amalgamation, merger, transfer or succession, the resulting, surviving, transferee or successor entity fails to assume all the obligations of such party under this Agreement or pursuant to an agreement reasonably satisfactory to the other party to this Agreement”.

(r) **ISDA Definitions.** Reference is made to the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (“ISDA”) (the “2000 Definitions”) which are hereby incorporated by reference. Any terms used and not otherwise defined herein which are contained in the 2000 Definitions shall have the meaning set forth therein (without regard to any amendments thereto subsequent to the date hereof). Any reference in the 2000 Definitions to a Swap Transaction shall be deemed to include a Transaction hereunder.

In the event of any inconsistency between the provisions of this Agreement and the 2000 Definitions, the provisions of this Agreement shall prevail.

## PART 6

### FX Transactions and Currency Option Transactions

- (a) The 1998 FX and Currency Option Definitions.
- (1) The provisions of the 1998 FX and Currency Option Definitions as published by ISDA, Emerging Markets Traders Association and The Foreign Exchange Committee (the "FX Definitions"), are hereby incorporated herein in its entirety and shall apply to FX Transactions, Currency Obligations (as defined below) and Currency Option Transactions entered into by the Offices of the parties specified in Part 4(e) of this Schedule. FX Transactions, Currency Obligations and Currency Option Transactions are each deemed to be "Transactions" pursuant to the ISDA Master Agreement.
  - (2) Unless otherwise agreed to by the parties, all FX and Currency Option Transactions entered into between the parties prior to the date of this Agreement shall be deemed to be Transactions for purposes of this Agreement. The confirmation of all FX and Currency Option Transactions via any electronic media, telex, facsimile or writing shall constitute a "Confirmation" as referred to in this Agreement even where not so specified in the Confirmation. Such Confirmations will supplement, form a part of, and be subject to this Agreement.
- (b) Article 1 Certain General Definitions.
- Article 1 of the FX Definitions is hereby amended by adding the following new Sections 1.27, 1.28 and 1.29, at the end thereof:
- Section 1.27 Currency. "Currency" means money denominated in the lawful currency of any country.
- Section 1.28 Currency Obligation. "Currency Obligation" means the undertaking of a party hereunder to receive or deliver an amount of Currency pursuant to a Deliverable FX Transaction, including a netted Currency Obligation under Section 2.3 hereof, unless otherwise agreed.
- Section 1.29 Designated Netting Office.
- (a) "Designated Netting Office" means, as to either party, the office(s) specified below and any other office specified from time to time by one party and agreed to in writing by the other.
  - (b) The Designated Netting Offices of Party A are: New York, London and Tokyo.  
The Designated Netting Office of Party B is: Rome
  - (c) Notwithstanding the foregoing, start-up dates for netting between each pair of Designated Netting Offices shall be the dates mutually agreed upon by the parties.

(c) Article 2 General Terms Relating to FX Transactions.

- (1) Deliverable FX Transaction. Section 2.2(a) of the FX Definitions is hereby amended by addition of the words ", the netting and novation provisions of Section 2.3 below" after the word "precedent" in the third line thereof.
- (2) Novation Netting. The FX Definitions are hereby amended by adding the following new Section 2.3.

Section 2.3. Netting and Novation.

(a) Unless otherwise agreed to by the parties hereto, whenever a Deliverable FX Transaction is entered into between a pair of its Designated Netting Offices which creates a Currency Obligation in the same Currency and for the same Settlement Date as an existing Currency Obligation between such Designated Netting Offices, such Currency Obligations shall automatically and without further action be netted, individually cancelled and simultaneously replaced through novation by a new Currency Obligation for such Settlement Date determined as follows: (i) if the cancelled Currency Obligations evidenced an undertaking by the same party to deliver the underlying Currency, the new Currency Obligation shall equal the aggregate of the cancelled Currency Obligations, and (ii) if the cancelled Currency Obligations evidenced undertakings by each party to deliver the underlying Currency, the amount of the underlying Currency to be delivered by each party under the cancelled Currency Obligations shall be compared, and the new Currency Obligation shall equal the amount by which the Currency Obligation of the party having the greater obligation with respect to such Currency exceeded the Currency Obligation of the party having the lesser obligation with respect to such Currency. Such new Currency Obligation shall also be considered a "Currency Obligation" as set forth in this Agreement.

(b) Unless otherwise agreed and specified in a Confirmation, the provisions of Section 2.3(a) above shall apply notwithstanding that either party (i) may fail to send out a Confirmation, (ii) may not on its books treat the Currency Obligations as cancelled and simultaneously replaced by a new Currency Obligation as provided herein, or (iii) may send out a Confirmation that incorrectly states any term of a Currency Obligation.

(d) Article 3 General Terms Relating to Currency Option Transactions.

The FX Definitions are hereby amended by adding the following new Section 3.9:

Section 3.9 Discharge and Termination of Options. Unless otherwise agreed, any Call or Put written by a party will automatically be terminated and discharged, in whole or in part, as applicable, against a Call or Put, respectively, written by the other party, such termination and discharge to occur automatically upon the payment in full of the last Premium payable in respect of such Currency Option Transaction; provided that such termination and discharge may only occur in respect of Currency Option Transactions with the same material terms, including but not limited to:

- (a) each being with respect to the same Put and the same Call (i.e., a Put may only be discharged against another Put and not against a Call);
- (b) each having the same Expiration Date and Expiration Time;
- (c) each being of the same style (i.e., either both being of American or European Style);
- (d) each having the same Strike Price;
- (e) neither of which shall have been exercised;
- (f) each of which has been entered into by the same pair of Designated Netting Offices of the parties; and
- (g) each having the same procedures for exercise;

and, upon the occurrence of such termination and discharge, neither party shall have any further obligation to the other party in respect of the relevant Currency Option Transactions terminated and discharged. In the case of a partial termination and discharge (i.e., where the relevant Currency Option Transactions are for different amounts of the Currency Pair), the remaining portion of the Currency Option Transaction shall continue to be a Currency Option Transaction for all purposes hereunder.

(c) Additional Provisions to the FX Definitions.

(1) Confirmations.

FX Transactions and Currency Option Transactions shall be promptly evidenced by the parties by means of Confirmations, which shall be in a form agreed to by the parties and exchanged by mail, telex, facsimile or other electronic means. Unless either party objects to the terms contained in a Confirmation within three (3) Local Business Days of receipt thereof, or such shorter time as may be appropriate given the Settlement Date of the FX Transaction, the terms of such Confirmation shall be deemed correct and accepted absent manifest error.

(2) Inconsistencies. In the event of any conflict between:

- (i) the terms of a Deliverable FX Transaction Confirmation and this Agreement, the terms of this Agreement shall supersede,
- (ii) the terms of a Deliverable FX Transaction Confirmation, where the Confirmation explicitly states that it shall so prevail and has been signed by both parties, its terms supersede any term of this Agreement,
- (iii) the terms of a Currency Option Transaction or a Non-Deliverable FX Transaction Confirmation and this Agreement, the terms of the Confirmation shall supersede.

(3) Automatic Exercise of Options. For the avoidance of doubt, the parties agree that the term "Automatic Exercise" shall apply to all Currency Option Transactions.

**IN WITNESS WHEREOF** the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

**CITIBANK, N.A.**

**REGIONE LAZIO**

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

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

**Print Name:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## EXHIBIT I

### FORM OF OPINION OF COUNSEL FOR PARTY B

[Date]

Citibank, N.A.  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

Ladies and Gentlemen:

This opinion is furnished to you pursuant to the Schedule to the ISDA Master Agreement dated as of [ ] (the "Agreement") between Regione Lazio ("Party B") and you. Terms defined in the Agreement and used but not defined herein have the meanings given to them in the Agreement.

We have acted as counsel to Party B in connection with the preparation, execution and delivery of the Agreement. In that connection we have examined such documents as we have deemed necessary or appropriate for the opinions expressed herein. We are qualified to practice law in The Republic of Italy and do not purport to be an expert on, or to express any opinion herein concerning, any other law other than the laws of the Republic of Italy.

Based on the foregoing and upon such investigations as we have deemed necessary, we are of the opinion that, so far as the laws of the Republic of Italy are concerned:

- (a) Party B is a territorial entity duly organized, validly existing and in good standing under the laws of the Republic of Italy.
- (b) The execution and delivery of the Agreement by Party B and the performance of its obligations thereunder have been and remain duly authorized by all necessary action and do not contravene any provision of its by-laws or any applicable law, regulation or contractual restriction binding on or affecting it or its property or assets.
- (c) Party B has approved with its resolution No. [ ] of [ ] the entering into of the Agreement with Citibank N.A. [ ] is duly authorized to sign the Master Agreement.
- (d) No consent, authorization and approval is required for the execution and delivery by Party B of the Agreement signed by [ ] and the performance of its obligations thereunder. The terms of any future transaction under the Agreement and any future

Confirmation will need express approval by the Regional Board and appropriate delegation of signing authority.

- (e) No authorizations, approvals or consents are required under the laws of the Republic of Italy to permit the purchase by Party B of the currency used to make payments pursuant to the Agreement or any Confirmation to carry out any of its other obligations arising therefrom.
- (f) The Agreement when duly executed and delivered by Party B constitute a legal, valid and binding obligation of Party B, enforceable against Party B in accordance with its terms, except as the enforceability thereof may be limited by reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally or by general principles of equity.
- (g) Party B is not required under any applicable law, as modified by the practice of any relevant governmental revenue authority, of the Republic of Italy to make any deduction or withholding for or on account of any Tax from any payment under the Agreement or any Confirmation.
- (h) The choice of the English law to govern the interpretation and enforcement of the Agreement or any Confirmation is valid under the laws of the Republic of Italy and, in a suit in a court of or in the Republic of Italy to enforce the rights of Citibank N.A. under the Agreement or any Confirmation, such choice of law should be honored by such court unless conflicting with public policy principles.
- (i) The submission to the jurisdiction of the English courts for all purposes in connection with, and the consent to service of process in, the Agreement are valid and binding upon the Party B and not subject to revocation. There are no provisions in the Agreement, as supplemented by the Schedule, which are repugnant to the public policy of the Republic of Italy. Any judgment obtained against Party B in the courts of England in respect of the Agreement would be recognized and enforced in Italy in accordance with and subject to the requirements of the Brussels Convention of 27th September, 1968 on reciprocal recognition and enforcement of judgments in civil and commercial matters as superseded by the Regulation of the EU Council No. 44/2001 of 22nd December, 2000, on the jurisdictional competence and reciprocal recognition and enforcement of judgement in civil and commercial matters.
- (j) Party B can be subject to suit with respect to its obligations under the Agreement or any Confirmation, and the execution, delivery and performance of the Agreement or any Confirmation by Party B constitute private and commercial acts rather than public and governmental acts. The waiver of immunity by Party B is binding and not subject to revocation.
- (k) Party B is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or

intended use) from (i) suit, (ii) jurisdiction or any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to in any Proceedings (as defined in Article 13(b)) in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to such party or its revenues or assets, subject to the non-attachability of (i) certain assets of Party B destined for a public purpose as referred to in Article 11 of Law No. 281/1970 as amended.

Article 11, 1st paragraph of Law No. 68/1993 expressly contemplates that funds of regions may not be subject to enforcement if destined for the payment of wages and related social security charges due in the following quarter and to the payment of installments of loans maturing in the current semester as well as for the payment of indispensable local services expressly identified by decree of the Ministry of the Interior in agreement with the Ministry of the Economy and Finance provided that the Regional Board has adopted for each quarter a resolution expressly quantifying the amounts expressly destined for such payments.

- (1) The irrevocable payment mandate to be given to Party B's Treasurer to pay to Citibank N.A. any amount due under the Agreement (and any Confirmation thereunder), and authorizing the Party B's Treasurer to allocate from the income of the Region the funds necessary for the payments under the Agreement and the Confirmation, with a specific irrevocable payment obligation in favor of Citibank N.A. is a valid and binding contractual undertaking of Party B.

Yours faithfully,

## EXHIBIT II

### FORM OF IRREVOCABLE PAYMENT MANDATE LETTER

To: Treasurer of the Regione Lazio  
[     ]

#### REGIONE LAZIO

The General Department of Financial Resources and Budget

HAVING SEEN            Regional Law No. [     ];

HAVING SEEN            the Resolution of the Regional Board No. [     ] of [     ] through which the Region authorized the entering into a ISDA Master Agreement in order to execute swap transactions;

HAVING  
CONSIDERED            that the transaction is regulated by the ISDA Master Agreement executed on [     ] together with the Confirmation dated [     ] with Citibank N.A. relating to the swap agreement through which it was agreed:  
- [     ];

HAVING SEEN            the Resolution of the [     ] through which the accounting conditions precedent of the entire transaction were set up;

#### IRREVOCABLY MANDATES

the Treasury Bank of the Regione Lazio, [     ], to pay to Citibank N.A., on the due dates of [     ] of each year, starting on [     ] up to [     ], an amount equal to the net of the amounts indicated above, as well as any amount due in case of termination, as it will be communicated to the Treasurer, providing for the appropriate gradual allocations as better indicated in the Confirmation attached. The Treasury Bank will be discharged of the payments with the related payment receipts.

This mandate will remain valid also towards any successor which may be appointed to act as Treasury Bank of the Regione Lazio, to which this mandate will have to be communicated by the resigning Treasury Bank.

Rome, [Date]

**The authorized signatory**

---

Please kindly return to the Region copy of this irrevocable payment mandate letter duly signed for acknowledgement and acceptance.

**The Treasury Bank**

---



Roma, [Data]

**Autorizzato alla firma**

\_\_\_\_\_

Vogliate cortesemente restituire alla Regione copia del presente mandato irrevocabile di pagamento debitamente sottoscritto per presa d'atto ed accettazione.

**La Banca Tesoriere**

\_\_\_\_\_  
(autorizzato alla firma)



A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "BANCA TESORIERE" in a circular arrangement. The signature is a stylized, cursive script.