
CREDIT AGREEMENT

Dated as of November 9, 2005

By and Among

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

And

DEXIA CREDIT LOCAL, NEW YORK BRANCH,
and the other
Banks referred to herein
as Banks

And

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Agent

relating to The San Diego County Regional
Transportation Commission
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds), Series B Notes

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CREDIT AGREEMENT

CREDIT AGREEMENT dated as of November 9, 2005 (this "Agreement") by and among (1) SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION, a public entity duly established and existing under the laws of the State of California (the "Commission"), (2) DEXIA CREDIT LOCAL, NEW YORK BRANCH ("Dexia"), and each other bank that becomes a party hereto pursuant to Section 14.7 (the "Banks"), and (3) JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as agent for the Banks (together with any successor appointed thereto in accordance with Article 13, the "Agent").

RECITALS

(A) Pursuant to that certain Amended and Restated Subordinate Indenture dated as of November 1, 2005 (the "Subordinate Indenture") between the Commission and U.S. Bank National Association, as trustee, which Subordinate Indenture amends and restates that certain that certain Subordinate Indenture dated as of August 1, 1991, between the Commission and Security Pacific National Bank, as trustee, as supplemented and amended by that certain First Supplemental Subordinate Indenture, dated as of October 1, 1992, between the Commission and Bank of America National Trust and Savings Association, as successor by merger to Security Pacific National Bank, the Commission has authorized the issuance of (i) the San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the "Series A Notes") up to but not exceeding the aggregate principal amount of One Hundred and Thirty-Five Million Dollars (\$135,000,000), (ii) the San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the "Series B Notes") up to but not exceeding the aggregate principal amount of One Hundred Million Dollars (\$100,000,000) and (iii) the San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series C (the "Series C Notes") up to but not exceeding the aggregate principal amount of One Hundred Million Dollars (\$100,000,000), in each case to support the projects therein described.

(B) In order to provide liquidity in the event the Commission is unable to issue rollover Series B Notes for the payment of the principal of the Series B Notes as the same shall become due and payable pursuant to the provisions of the Subordinate Indenture, the Commission has requested that Dexia extend to the Commission a credit facility including a revolving line of credit of up to the aggregate amount of \$100,000,000.

(C) Subject to the terms and conditions of this Agreement, Dexia is willing to extend to the Commission a credit facility including a revolving line of credit of up to the aggregate amount of \$100,000,000.

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

ARTICLE 1: DEFINITIONS; CONSTRUCTION.

Section 1.1 Definitions. For purposes of this Agreement, capitalized terms used herein that are not defined herein shall have the meanings referred to in the Subordinate Indenture. In addition to the terms defined elsewhere in this Agreement, the following terms have, unless the context otherwise requires, the following meanings:

“Additional Notes” means Notes issued pursuant to any Supplemental Indenture other than the Series A Notes, the Series B Notes and the Series C Notes.

“Additional Support Facility” means any additional support facility granted by an Additional Bank to facilitate payment of Additional Notes.

“Additional Bank” means the provider of an Additional Support Facility.

“Advance” means each advance of funds from the Line of Credit in accordance with the terms of this Agreement.

“Agent” has the meaning set forth in the introductory paragraph of this Agreement.

“Alternate Facility” means a letter of credit or liquidity facility delivered by a financial institution other than any Bank in substitution for the Line of Credit in accordance with Section 2.1(e).

“Applicable Rate” for each Bank means, with respect to any (i) Advance, (A) from the date such Advance is made to but excluding the day that is forty-six (46) days thereafter, a per annum rate of interest equal to the Federal Funds Rate plus half of one percent (0.5%), (B) from and including the forty-sixth (46th) day following the date such Advance was made to but excluding the day that is ninety-one (91) days thereafter, a per annum rate of interest equal to the Base Rate, and (C) from and including the ninety-first (91st) day following the date such Advance was made and for each day thereafter to but excluding the date, if any, upon which such Advance becomes a Bank Loan, a per annum rate of interest equal to the Base Rate plus one percent (1%), and (B) Bank Loan, from the date such Bank Loan is made to but excluding the day such Bank Loan is paid in full, a per annum rate of interest equal to the Base Rate plus one percent (1%); provided, however, so long as a Termination Event, a Suspension Event or a No-Issuance Event has occurred and is continuing, the Applicable Rate shall be the Default Rate.

“Assignment and Acceptance” means each Assignment and Acceptance substantially in the form of Exhibit F executed by any Bank and its assignee and delivered to the Agent pursuant to Section 14.7 of this Agreement.

“Authorized Representative” has the meaning set forth in Section 4.1(b).

“Available Amount” means the amount available to be drawn on the Line of Credit from time to time during the Revolving Period which amount shall never exceed the amount equal to the excess of (i) the Commitment Amounts on such date over (ii) the Unreimbursed Amount on such date.

“Bank Loan” has the meaning set forth in Section 2.4(c).

“Base Rate” means on any day the greater of (i) the U.S. prime commercial lending rate in effect for such day (as such U.S. prime commercial lending rate is announced from time to time by the Agent at its principal New York office); and (ii) the Federal Funds Rate for such day plus 0.5% per annum. Each change in the Base Rate shall take effect at the time of such change in such U.S. prime commercial lending rate or the Federal Funds Rate, as the case may be.

“Bond Indenture” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Bonds” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Business Day” means any day other than (i) a Saturday, Sunday or a day on which banking institutions in the State of California or the State of New York are authorized or obligated by law or executive order to be closed, (ii) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed and (iii) a day on which commercial banks are authorized or obligated by law or executive order to be closed in the city in which demands for payment are to be presented under this Agreement.

“Commitment Amount” means, with respect to each Bank, the amount set forth next to the name of such Bank on the signature page(s) hereof, or, if such Bank becomes a party hereto pursuant to an Assignment and Acceptance, the amount set forth as such Bank’s Commitment Amount therein, as the same may be reduced in accordance with the terms hereof, or changed as a result of the execution of an Assignment and Acceptance.

“Commitment Amounts” means the total of the Commitment Amounts of each Bank, which total shall not exceed \$100,000,000, as the same may be reduced in accordance with the terms hereof.

“Coverage Ratio” shall mean the ratio of (i) Senior Lien Revenues over (ii) Maximum Annual Debt Service for the period of six years after the effective date of the repeal, rescission, change or amendment in question.

“CP Utilization” for any date means the sum of the aggregate principal amount of the Series B Notes Outstanding on such date.

“Credit Facility” means the Line of Credit and the term loan facility, the terms and conditions of which are set forth in this Agreement.

“Dealer” for the Series B Notes has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Dealer Agreement” for the Series B Notes has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Default Rate” means the Base Rate plus 3%.

"Dollars", "\$" and "Cents" mean the lawful currency of the United States of America.

"Effective Date" means November 9, 2005.

"Event of Insolvency or Dissolution" means the occurrence and continuance of one or more of the following events: (a) the Commission shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code (the "Bankruptcy Code") or any other federal or state bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, liquidator, assignee, sequestrator or similar official for itself or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment or enter into an agreement of composition for the benefit of creditors, (vi) admit in writing its inability or fail generally to pay its debts as they become due, (vii) take action for the purpose of effecting any of the foregoing or (viii) take action for the purpose of dissolving itself; (b) if the Bankruptcy Code is amended to permit involuntary proceedings or petitions to be filed against entities like the Commission, an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Commission or of a substantial part of the property of the Commission under the Bankruptcy Code or any other federal or state bankruptcy, insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, liquidator, assignee, sequestrator or similar official for the Commission or for a substantial part of the property of the Commission or (iii) the dissolution of the Commission, and such involuntary proceeding or petition shall continue undismissed and unstayed for sixty (60) days; (c) the Commission shall be dissolved; or (d) a moratorium shall have been declared or announced by a governmental authority having jurisdiction over the Commission with respect to any Senior and Parity Debt of the Commission.

"Existing Bond Indenture" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Federal Funds Rate" means for any day the rate of interest per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be the rate applicable to such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day by three Federal funds brokers selected by the Agent.

"Incipient Event of Insolvency or Dissolution" means, if the Bankruptcy Code is amended to permit involuntary proceedings or petitions to be filed against entities like the Commission, the commencement or filing of an involuntary proceeding or involuntary petition

of the type described in sub clauses (i), (ii) and (iii) of clause (b) of the defined term "Event of Insolvency or Dissolution".

"Incipient Invalidity Event" means (i) the validity or enforceability of any provision of the Law or the Ordinance that impacts the Commission's ability to levy its one-half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or to collect Revenues is contested by the governing body of the Commission or any governmental agency or authority with jurisdiction over the Commission, or (ii) the validity or enforceability of any Payment and Collateral Obligation is contested by the governing body of the Commission or any governmental agency or authority with jurisdiction over the Commission or (iii) any provision of the Law or the Ordinance is supplemented, modified or amended in a manner that materially adversely impairs the Commission's ability to (A) levy its one-half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or (B) collect Revenues.

"Invalidity Event" means (i) the Law or the Ordinance is repealed, (ii) a court or governmental agency with jurisdiction over the Commission determines in a final nonappealable order or judgment, as the case may be, that a provision or provisions of the Law or the Ordinance that have been supplemented, modified and/or amended by the Commission materially adversely impairs the Commission's ability to (A) levy its one-half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or (B) collect Revenues, (iii) the Law or the Ordinance is ruled to be null and void by a court or other governmental agency with jurisdiction over the Commission, (iv) any material provision of this Agreement, any Promissory Note or any Related Document (other than the Dealer Agreement) relating to the Commission's payment obligations to the Banks in respect of Advances and/or Bank Loans under this Agreement and the Promissory Notes or any security for such payment obligations (each such provision, a "Payment and Collateral Obligation") is ruled to be null and void by a court or other governmental agency with jurisdiction over the Commission in a final nonappealable order or judgment by such court or other governmental agency, as applicable, or (v) the governing body of the Commission denies in writing that the Commission has any or further liability or obligation under the Law or the Ordinance or any Payment and Collateral Obligation.

"Issuing and Paying Agent" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Issuing and Paying Agent Agreement" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Law" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Line of Credit" means the line of credit facility available during the Revolving Period, the terms and conditions of which are set forth herein.

"Maturity Date" has the meaning set forth in Section 3.2(a).

"Maximum Annual Debt Service" shall have the meaning set forth in the Subordinate Indenture, except that (i) the outstanding principal amount of Series B Notes shall be excluded from such calculation and (ii) the outstanding principal amount of Bank Loans shall be increased by an amount equal to the amount excluded under clause (i) in such calculation, and the amount of Bank Loans increased pursuant to this clause (ii) shall be assumed to bear an interest rate equal to the daily average Base Rate plus one percent (1%) for the twelve months preceding the date of such calculation and be amortized in full in equal annual installments in six years in such calculation.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Commission and approved by the Required Banks.

"No-Issuance Event" has the meaning set forth in Section 10.2.

"Note Principal Account" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Notes" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Notice of Bank Loan" means a notice substantially in the form set forth in Exhibit B-2, duly completed and signed by or on behalf of the Commission.

"Notice of Borrowing" means a notice substantially in the form set forth in Exhibit B-1, duly completed and signed by the Issuing and Paying Agent on behalf of the Commission.

"Notice of No Issuance" means a notice substantially in the form set forth in Exhibit C, duly signed by the Agent.

"Ordinance" has the meaning set forth in the recital paragraphs of the Subordinate Indenture.

"Outstanding" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Parity Debt" has the meaning set forth in Section 1.02 of the Subordinate Indenture.

"Participant" means each financial institution that purchases a participation from any Bank pursuant to a Participation Agreement.

“Participation Agreement” means any agreement entered into by any Bank with a financial institution that wishes to purchase a participation in the Credit Facility.

“Payment and Collateral Obligation” has the meaning set forth in the defined term “Invalidity Event”.

“Person” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Potential Event” means an event which, with the giving of notice and/or lapse of time, would constitute a Termination Event, a Suspension Event or a No-Issuance Event, as the context may require.

“Pro-rata Share” means, with respect to any Bank on any date of determination, the percentage equivalent of the ratio which such Bank’s Commitment Amount bears to the total of all Bank’s Commitment Amounts.

“Project” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Promissory Note” means each promissory note executed by the Commission in favor of a Bank substantially in the form set forth in Exhibit A-1.

“Related Documents” means the Subordinate Indenture, the Issuing and Paying Agent Agreement and the Dealer Agreement.

“Required Banks” means, at any time, Banks owed at least 66-2/3% of the Advances and Bank Loans at such time, or, if no such Advances or Bank Loans are then outstanding, Banks having at least 66-2/3% of the Commitment Amounts.

“Rescission Notice” has the meaning set forth in Section 10.5.

“retail transactions and use tax” has the meaning set forth in the first recital to the Subordinate Indenture.

“Revenues” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Revolving Period” means the period commencing on the Effective Date and expiring on the Termination Date.

“Sales Tax Extension Bond Indenture” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Sales Tax Revenues” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Senior and Parity Debt” means any and all indebtedness, installment sale obligation, lease obligation or other obligation of the Commission for borrowed money or regularly scheduled payments under any interest rate swap agreement, in each case having an

equal or prior lien and charge upon the Revenues and therefore payable on a parity with or senior to the Series B Notes (whether or not any Series B Notes are Outstanding).

“Senior Lien Debt” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Senior Lien Revenues” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“S&P” means Standard & Poor’s Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor’s" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Commission and approved by the Required Banks.

“Stated Termination Date” has the meaning set forth in Section 2.1(c).

“Supplemental Bond Indenture” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Supplemental Indenture” means any indenture duly executed and delivered, supplementing, modifying or amending the Subordinate Indenture, but only if and to the extent such Supplemental Indenture is specifically authorized under the Subordinate Indenture.

“Support Agreement” has the meaning set forth in Section 1.02 of the Subordinate Indenture.

“Suspension Event” means an Incipient Event of Insolvency or Dissolution or an Incipient Invalidity Event.

“Suspension Event Affirmation” has the meaning set forth in Section 10.5.

“Suspension Event Rejection” has the meaning set forth in Section 10.5.

“Termination Date” has the meaning set forth in Section 2.1(c).

“Termination Event” has the meaning set forth in Section 10.1.

“Unreimbursed Amount” means as of any date the aggregate amount of (i) all Advances which have not been reimbursed by or on behalf of the Commission as of such date and (ii) the outstanding balance of all Bank Loans as of such date.

“Utilization” for any date, means the sum of (i) the aggregate principal amount of the Series B Notes Outstanding and (ii) the Unreimbursed Amount.

Section 1.2 Construction. Unless otherwise specified in this Agreement, all accounting terms used in this Agreement shall be construed, all accounting determinations under

this Agreement shall be made, and all financial statements required to be delivered under this Agreement shall be prepared, in accordance with generally accepted accounting principles, or, in lieu thereof, a method approved by the Agent, and on a basis consistent with the most recent financial statements approved or delivered to the Agent. In this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible, visible form; the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections), recitals, exhibits, annexes, appendices or schedules are to those of this Agreement unless otherwise indicated; references to agreements and other instruments shall be deemed to include all amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement; and references to Persons include their respective permitted successors and assigns and, in the case of governmental Persons, Persons succeeding to their respective functions and capacities.

ARTICLE 2: CREDIT FACILITY.

Section 2.1 Amount and Terms.

(a) Each of the Banks agrees, on the terms and subject to the conditions hereinafter set forth, to make its Pro-rata Share of the Credit Facility available to the Commission commencing on the Effective Date. The maximum amount of the Credit Facility is One Hundred Million Dollars (\$100,000,000). The maximum amount of the Line of Credit will at all times be equal to the Commitment Amounts. On the Effective Date, the Available Amount will be equal to One Hundred Million Dollars (\$100,000,000) representing One Hundred Million Dollars (\$100,000,000) of principal amount of the Series B Notes authorized to be issued under the Subordinate Indenture. The Line of Credit is a revolving credit during the Revolving Period and, subject to the terms of this Agreement, the Available Amount may be reinstated during the Revolving Period by a reimbursement of an Advance (otherwise than by means of a Bank Loan) or, to the extent consented to by the Required Banks under Section 3.2, the repayment or prepayment of a Bank Loan, to the extent of the amount so reimbursed, repaid or prepaid.

(b) The rights and obligations of each of the Banks under this Agreement are several. Failure of a Bank to perform its obligations under this Agreement shall neither: (i) result in any other Bank incurring any liability whatsoever nor (ii) relieve the Commission or any other Bank from their respective obligations under this Agreement.

(c) Subject to the other terms of this Agreement, the Line of Credit shall terminate at the close of business at the Agent's office in New York, New York on the date (the "Termination Date") which is the earliest of: (i) the Stated Termination Date, (ii) the date of receipt by the Agent of notice from the Issuing and Paying Agent to the effect that an Alternate Facility in full and complete substitution for the Line of Credit has been issued, (iii) the date of receipt by the Agent of notice from the Issuing and Paying Agent to the effect that no Series B Notes (other than Series B Notes with respect to which an Alternate Facility has been issued) remain Outstanding nor are any authorized to be issued under the Subordinate Indenture, and (iv)

the time at which a Termination Event occurs. The "Stated Termination Date" shall initially be November 9, 2012; provided that such date shall be subject to extension upon the written request of the Commission to the Agent and with the written consent of the Agent and each of the Banks in each of its sole discretion and the payment to the Agent, for its own account, of an extension fee of \$250; and provided further that in no event shall the Stated Termination Date extend beyond April 1, 2048. Any request made by the Commission shall be made by written notice to and received by the Agent no earlier than one hundred and twenty (120) days and no later than ninety (90) days prior to the Stated Termination Date in effect at any time. The Agent shall promptly forward to each Bank a copy of any notice received by it pursuant to the foregoing sentence. The Agent shall notify the Commission not later than sixty (60) days prior to the scheduled Stated Termination Date in effect at such time of the decision of the Banks regarding the Commission's request for an extension. In the absence of a response from the Agent, the Commission's request for an extension shall be deemed denied by the Banks. If the Termination Date shall be scheduled to occur on a date which is not a Business Day, the Line of Credit shall terminate at the close of business at the Agent's office in New York, New York on the Business Day preceding the scheduled date of termination.

(d) The Line of Credit is available only, and each Advance may be used solely, to pay the principal of the Series B Notes which become due and payable on or after the Effective Date, pursuant to the terms of such Series B Notes and the Subordinate Indenture, on or prior to the Termination Date, but only to the extent that the Issuing and Paying Agent notifies the Agent that amounts in the Note Principal Account are insufficient to pay the same on the date the same shall have become so due and payable.

(e) The Commission may, at any time and at its option, provide an Alternate Facility in full and complete substitution for the Line of Credit; provided, however, in the event the Commission elects to substitute an Alternate Facility for the Line of Credit prior to November 9, 2006, other than as a result of a downgrade in a short-term rating of any Bank by Moody's or S&P from the rating in effect on the date such Bank became a party to this Agreement and then only to the extent the provider of the Alternate Facility has higher short-term ratings than those of the Bank whose short-term ratings have been downgraded by Moody's or S&P, the Commission shall pay to the Agent for the account of the Banks a termination fee equal to the aggregate amount of the facility fee that the Banks would have earned pursuant to Section 2.5 had the Line of Credit remained in effect until November 9, 2006 at the initial Available Amount less the aggregate amount of facility fees actually received by the Banks prior to the substitution date. The Commission hereby agrees to give the Agent thirty (30) days' prior written notice of any such substitution. On or before the effective date of any such substitution, the Commission shall pay, or cause to be paid, in immediately available funds any Unreimbursed Amount and all other amounts payable by the Commission under this Agreement (including all costs and expenses incurred by the Agent and the Banks in connection with such substitution). Upon payment of all such amounts, the Credit Facility shall terminate.

(f) The obligations of the Commission to each Bank with respect to such Bank's Pro-rata Share of the Unreimbursed Amount and all interest accrued thereon or payable in respect thereof shall be evidenced by a Promissory Note executed in favor of such Bank which shall be entitled to the benefits of this Agreement and the benefits accorded to Parity Debt under the Subordinate Indenture.

Section 2.2. Advances.

(a) Subject to Section 4.1, if (i) no Termination Event or Suspension Event has occurred or would occur as a result of the making of the Advance, (ii) the Agent has actually received a Notice of Borrowing by 12:30 p.m., New York City time, on or before the proposed date of such Advance, and (iii) the Advance when made shall not result in the Available Amount being exceeded, then each Bank shall, from time to time on any Business Day during the Revolving Period, make available its Pro-rata Share of the Advance (which shall not exceed the Commitment Amount of such Bank less its Pro-rata Share of the Unreimbursed Amount) to the Issuing and Paying Agent by 2:30 p.m., New York City time (or a Federal wire number shall have been assigned to such payment, and the Issuing and Paying Agent shall have been notified of such number by 2:30 p.m., New York City time), on the proposed date of the Advance. The Agent shall promptly forward to each Bank a copy of any Notice of Borrowing received by it under this Section 2.2(a).

(b) A Notice of Borrowing shall be irrevocable and the Commission shall borrow the Advance requested on the stated date. The acceptance of any Advance by the Issuing and Paying Agent on behalf of the Commission shall constitute a representation and warranty by the Commission that the conditions specified in Section 2.2(a) as to such Advance have been satisfied.

Section 2.3 Reduction and Reinstatement.

(a) The Line of Credit is a revolving credit during the Revolving Period. The Available Amount shall be reduced following each Advance by an amount equal to such Advance. Provided that (i) no Termination Event or Suspension Event has occurred and (ii) no Notice of No Issuance has been delivered to the Issuing and Paying Agent prior to the authentication and delivery of Notes pursuant to Section 4(f) of the Issuing and Paying Agent Agreement, suspending or terminating the obligation of the Banks to reinstate the Available Amount, the Available Amount shall be reinstated immediately during the Revolving Period upon receipt by the Agent of notice from the Issuing and Paying Agent pursuant to Section 4(f) of the Issuing and Paying Agent Agreement confirming that the Issuing and Paying Agent (x) has received the proceeds of the Series B Notes authenticated and delivered pursuant to such Section 4(f), (y) has determined that the aggregate amount of such proceeds is sufficient to reimburse or repay the Banks for their respective Pro-rata Shares of an outstanding Advance or, to the extent permitted by the Required Banks, a Bank Loan (in the amount of the Line of Credit to be reinstated) and (z) is holding such proceeds in trust for, and shall be immediately wiring the same to, the Agent for the account of the Banks in accordance with the Banks' respective Pro-rata Shares; whereupon the Available Amount shall be reinstated to the extent of the aggregate amount of the outstanding Advance or, to the extent permitted by the Required Banks, Bank Loan so to be reimbursed or repaid.

(b) Each Commitment Amount may be permanently reduced in part but not in whole, equally and ratably with the other Commitment Amounts, by the Commission giving to the Agent at least three Business Days' notice in writing of such permanent reduction, stating the amount and date of reduction. Such notice shall be irrevocable and, provided that such reduction shall not result in the Commitment Amounts being less than the aggregate Utilizations, each

Commitment Amount (and correspondingly, the Commitment Amounts) shall be permanently reduced by the amount of such reduction on the stated date and shall not be capable of reinstatement. Any reduction in the Commitment Amounts shall result in a corresponding permanent reduction of the Line of Credit amount.

Section 2.4 Bank Loans.

(a) Subject to the terms and conditions contained in this Agreement, each Bank agrees to make its Pro-rata Share of Bank Loans to the Commission at any time and from time to time during the Revolving Period.

(b) The Commission may obtain a Bank Loan under this Agreement only for the purpose of reimbursing the Banks pursuant to Section 3.2 for the principal amount of an Advance on the Maturity Date thereof; provided, however, that such reimbursement shall not result in the reinstatement of the Available Amount.

(c) If the Commission does not otherwise reimburse the Banks in cash pursuant to Section 3.2 for the principal amount of any Advance on the Maturity Date therefor prior to the time for payment specified in Section 3.3, the Commission may request, and subject to paragraph (d) below, each Bank shall make available to the Commission, on the Maturity Date relating to such Advance, its Pro-rata Share of a loan (the "Bank Loan") in a principal amount equal to the unreimbursed amount of such Advance. The term of each Bank Loan shall commence on the date of the Advance to which it relates and shall end on the date requested by the Commission in writing in a Notice of Bank Loan submitted to the Agent prior to the Maturity Date of the Advance to which it relates; provided that in no event shall such term extend beyond a period three years after the stated Termination Date, and provided further such term shall not extend beyond April 1, 2048. In the absence of such notice, such Bank Loan shall have a term commencing on the date of the Advance to which it relates and ending on the third anniversary thereof.

(d) Unless otherwise waived by the Banks, the obligation of each Bank to make its Pro-rata Share of any Bank Loan is subject to the conditions that (i) no Notice of No Issuance has been delivered to the Issuing and Paying Agent, (ii) neither a Termination Event, a Suspension Event nor a No-Issuance Event or a Potential Event in either case has occurred and is continuing or would occur as a result of the making of the Bank Loan and (iii) the Agent has actually received a Notice of Bank Loan. The Agent shall promptly forward to each Bank a copy of any Notice of Bank Loan received by it pursuant to the foregoing sentence.

(e) A Notice of Bank Loan shall be irrevocable and the Commission shall borrow the Bank Loan requested on the stated date. The acceptance of any Bank Loan by the Commission shall constitute a representation and warranty by the Commission that the conditions specified in Section 2.4(d) as to such Bank Loan have been satisfied.

Section 2.5 Fees. The Commission shall pay to the Agent for the account of each Bank a facility fee equal to an amount calculated at the rate per annum of 0.145% (fourteen and one half basis points) (the "Benchmark Rate") upon the daily amount of its Pro-rata Share of the Available Amount, computed on the basis of actual days elapsed from the Effective Date and

a 360 day year; provided, however, that the Benchmark Rate shall be increased by 0.02% (2 basis points) for each rating decline, which for purposes of this Section 2.5 shall include a decline from one rating modifier to another rating modifier or to no rating modifier, of the ratings of the Bonds to a rating less than "Aa3" by Moody's and "AA-" by S&P (the Benchmark Rate as so increased, the "Adjusted Benchmark Rate"), and provided, further however, that the Benchmark Rate or the Adjusted Benchmark Rate, as the case may be, shall be increased by 1.00% (100 basis points) (a) for each day during which a Termination Event (other than a Termination Event of the type described in Section 10.1(e)), a Suspension Event or a No-Issuance Event (other than a Termination Event of the type described in Section 10.1(e) or a No-Issuance Event of the type described in Section 10.2(g)) exists or (b) if either S&P or Moody's shall have (i) assigned a rating below "BBB-" and "Baa3", respectively, to any unenhanced Bonds or (ii) for credit related reasons suspended or withdrawn its long-term debt rating of any unenhanced Bonds that was, prior to such suspension or withdrawal, rated by such rating agency. Such fee shall be calculated as of the close of business on each day from and including the Effective Date to and including the Termination Date, and shall be payable in arrears on each January 1, April 1, July 1 and October 1 (and the Agent shall use its best efforts to invoice the Commission for such fee at least thirty (30) days before each of such dates, with the first invoice to cover the fee accrued from the Effective Date to December 31, 2005 and every invoice thereafter to cover the fee accrued during the immediately preceding three (3) months) and on the Termination Date.

ARTICLE 3: REIMBURSEMENT.

Section 3.1 Interest.

(a) Interest shall accrue at the Applicable Rate on each Advance and Bank Loan from and including the date such Advance or Bank Loan, as the case may be, is made (or deemed made) to but excluding the date such Advance or Bank Loan, as the case may be, is paid in full. The Commission shall pay to the Agent for the account of each Bank interest in arrears on such Bank's Pro-rata Share of the outstanding and unpaid principal balance of each Advance or Bank Loan, as the case may be, at the Applicable Rate in effect from time to time which shall be payable on the dates falling at three monthly intervals after the date of the Advance or Bank Loan, as the case may be, to which it relates and on the Maturity Date thereof and on any date on which a repayment or prepayment falls due pursuant to Section 3.2.

(b) If the Commission fails to pay any amount due and payable under this Agreement in accordance with Section 3.3, the Commission shall (to the fullest extent permitted by law) pay interest on that amount, from the date when due until paid in full, at a rate per annum equal at all times to the Default Rate, payable on demand.

(c) Interest under this Agreement shall be calculated on the basis of actual days elapsed and a 360-day year.

(d) The Agent shall notify the Commission and each Bank of each rate of interest as soon as it is determined under this Agreement. The certificate of the Agent furnished to the Commission and each Bank, as to a rate of interest shall, in the absence of manifest error, be conclusive.

Section 3.2 Payment.

(a) Repayment. Each Advance shall be due and payable on the earlier of (i) the date falling 180 days from the date of such Advance and (ii) the Termination Date. Each Bank Loan shall be repaid in equal principal installments on the anniversary dates of the date of the Advance to which such Bank Loan relates and on the Maturity Date thereof (being not later than three years from the date of the Bank Loan). The Commission shall repay to the Agent for the account of each Bank its Pro-rata Share of any amount of repayment. The date on which an Advance or Bank Loan is due to be paid in full is herein referred to as the "Maturity Date" therefor. Any amount of an Advance reimbursed in cash and not through a Bank Loan during the Revolving Period shall, subject to the terms of this Agreement, be available for reborrowing. Any amount of a Bank Loan repaid shall not, in the absence of written consent from the Required Banks, be available for reborrowing.

(b) Prepayment. The Commission may prepay each Advance or Bank Loan, in whole or in part, at any time; provided that on the date of prepayment, the Commission pays all interest accrued thereon. Any amount of an Advance prepaid in cash and not through a Bank Loan during the Revolving Period shall, subject to the terms of this Agreement, be available for reborrowing. Any amount of a Bank Loan prepaid shall not, in the absence of written consent from the Required Banks, be available for reborrowing. If a Bank Loan is prepaid in part, any amount prepaid shall be applied towards the Commission's payment obligations under Section 3.2(a) in inverse order of maturity. Any notice of prepayment shall be irrevocable and the amount of any prepayment shall become due and payable, and the Commission shall prepay to the Agent for the account of each Bank its Pro-rata Share of such prepayment, on the stated date.

(c) Credit for Payments by Trustee and Issuing and Paying Agent. Payments made by the Trustee and Issuing and Paying Agent to the Agent for the account of a Bank pursuant to the Subordinate Indenture shall, to the extent of any such payments, be in satisfaction of the Commission's obligation to repay such Bank for its Pro-rata Share of the Unreimbursed Amount pursuant to this Section; provided that in the event that the Trustee or the Issuing and Paying Agent shall fail for any reason to so disburse any such amounts to the Agent, the Commission shall nevertheless be responsible for paying all sums required hereunder.

Section 3.3 Place and Manner of Payment. All payments by or on behalf of the Commission to the Agent shall be made in immediately available funds in Dollars to the account of the Agent set forth under its name on the signature page(s) hereof. Each such payment shall be made by 4:00 p.m., New York City time, on the date such payment is due. Funds received after such time shall be deemed received on the next succeeding Business Day.

Section 3.4 Increased Costs. If, after the date hereof, any change in applicable U.S. federal, state, municipal or foreign law, treaty, regulation, guideline or directive or any new law, treaty, regulation, guideline or directive, or any interpretation of any of the foregoing by any authority charged with the administration or interpretation thereof or any central bank or the fiscal, monetary or other authority having jurisdiction over any Bank or the transactions contemplated by this Agreement or the Related Documents (whether or not having the force of law) shall:

(a) subject such Bank to any tax, charge, fee, deduction or withholding of any kind with respect to this Agreement or the Related Documents or any amount paid or to be paid by such Bank with respect to this Agreement or the Related Documents (other than any tax measured by or based upon the overall net income, gross income, gross receipts or other method of measuring income or receipts of such Bank for tax purposes);

(b) impose, modify or deem applicable any reserve, premium, special deposit, compulsory loan or similar requirements relating to any extensions of credit or other assets of, or any deposits with or for the account of, or loans, letters of credit or commitments by, or other liabilities of, an office of such Bank;

(c) change the basis of taxation of payments due such Bank under this Agreement or the Related Documents (other than a change in taxation of the overall net income, gross income, gross receipts or other method of measuring income or receipts of such Bank for tax purposes); or

(d) impose upon such Bank any other condition with respect to such amount paid or payable to or by such Bank with respect to this Agreement or any Related Document (or any such extensions of credit or liability),

and the result of any of the foregoing is to increase the cost to such Bank of agreeing to make the Advances and the Bank Loans hereunder or otherwise maintain this Agreement, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by such Bank or to require such Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which such Bank in its reasonable judgment deems material, then:

(i) such Bank shall, upon making a determination to impose increased costs as a result of the occurrence of any of the foregoing, notify the Agent of such determination in writing, and the Agent shall so notify the Commission in writing (the "Increased Cost Notice");

(ii) after giving notice of such determination, such Bank shall also as promptly as practicable deliver to the Agent, and the Agent shall forward to the Commission, a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on such Bank (including such increased costs incurred by any Participant of such Bank) or the request, direction or requirement with which it has complied together with the date thereof, the amount of such increased costs, reduction or payment and the way in which such amount has been calculated, including a reasonably detailed calculation thereof, and such Bank's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

(iii) the Commission shall pay to the Agent for the account of such Bank from time to time as specified by such Bank, such an amount or amounts as will compensate such Bank (including such costs incurred by any Participant of such Bank) for such additional cost, reduction or payment, together with interest on such amount from, but including, the day specified by such Bank for payment (which day shall be at

least thirty (30) days from the date of such notice) at the Base Rate; provided, however, that the Commission shall not be required to pay any compensation amount under this Section 3.4 for any period prior to the ninetieth day (90th) preceding the date of the applicable Increased Cost Notice.

The Commission agrees that each Participant shall be entitled to the full benefit of the rights provided to the Banks in this Section 3.4; provided that the amounts payable pursuant to this Section 3.4 shall not be increased due to such participation. Each Bank will promptly notify the Agent, who will notify the Commission of any event of which it has knowledge occurring after the date of this Agreement which will entitle it to compensation pursuant to this Section, and such Bank shall take any reasonable action available to it (including the designation of a different lending office) that will avoid the need for, or reduce (to the extent determined by such Bank in its sole judgment to be material) the amount of such compensation and will not, in the sole judgment of that Bank, be disadvantageous to it.

Section 3.5 Net Payments. All payments under this Agreement to each Bank shall be made without set-off or counterclaim and in such amounts as may be necessary in order that all such payments (after deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges of whatever nature imposed by any governmental Person, other than any tax on or measured by the overall net income of such Bank pursuant to the income tax laws of the United States or the jurisdiction or jurisdictions where such Bank's principal office or lending offices are located (collectively, "Taxes")) shall not be less than the amounts otherwise specified to be paid under this Agreement. As of the Effective Date, neither the Commission nor any Bank is aware of any Taxes which would currently apply to any of the payments contemplated hereunder or under its Promissory Note. Amounts payable by the Commission hereunder shall not include amounts attributable to any failure of any Bank, if such Bank is entitled at such time to a total or partial exemption from withholding which is required to be evidenced by a United States Internal Revenue Service Form 1001 or 4224, to deliver to the Commission, from time to time requested by the Commission, such Form 1001 or 4224 (as applicable) or any successor thereto, completed in a manner reasonably satisfactory to the Commission. A certificate as to any additional amounts payable to any Bank under this Section prepared by such Bank and submitted by the Agent to the Commission shall show in reasonable detail the amount payable, the calculations used to determine in good faith such amount and the basis of such claim and shall be conclusive absent manifest error. Any amounts payable by the Commission under this Section with respect to past payments shall be due within thirty (30) days following receipt by the Commission of such certificate from the Agent; any such amounts payable with respect to future payments shall be due concurrently with such future payments. With respect to each deduction or withholding for or on account of any Taxes, the Commission shall promptly furnish to the Agent with respect to the relevant Bank such certificates, receipts and other documents as may be required (in the reasonable judgment of that Bank) to establish any tax credit to which that Bank may be entitled. Without in any way affecting any of its rights under this Section, each of the Banks agrees that, upon its becoming aware that any of the present or future payments due it under this Agreement would be subject to deduction for Taxes, it will notify the Agent in writing, and the Agent will forward such notice to the Commission, and each of the Banks further agrees that it will use reasonable efforts not disadvantageous to it (in its sole determination) in order to avoid or minimize (as the case may be) the payment by the Commission of any additional amounts for Taxes pursuant to this Section. In the event that

Taxes shall after the date hereof be or become applicable to such payments made to the applicable lending office of any Bank, such Bank shall use its best efforts to fund and maintain its Pro-rata Share of the Advances and Bank Loans to the Commission through another lending office of such Bank if the funding and maintenance of its Pro-rata Share of such Advances and Bank Loans to the Commission through such other lending office would avoid such Taxes and would not be otherwise unlawful or disadvantageous to such Bank.

Section 3.6 Security. The Commission repeats the representations and warranties, the pledge and the covenants contained in Section 5.01 of the Subordinate Indenture for the benefit of each Bank as if the same were set forth in full in this Agreement and Section 5.01 of the Subordinate Indenture is hereby incorporated by reference.

Section 3.7 Capital Adequacy. In addition to Section 3.4, if after the date hereof any Bank determines that (a) compliance with any judicial, administrative, or other governmental interpretation of any law or regulation or (b) compliance by such Bank or by any corporation controlling such Bank with any guideline or request from any governmental Person (whether or not having the force of law) has the effect of requiring an increase in the amount of capital required or expected to be maintained by such Bank or any corporation controlling such Bank, and such Bank reasonably determines that such increase is based upon its obligations hereunder, and other similar obligations, the Commission shall pay to the Agent for the account of such Bank such additional amount as shall be certified by such Bank to be the amount relating to the cost of maintaining such increased capital reasonably allocable to the obligations of such Bank to the Commission hereunder. Each Bank shall notify the Agent, who shall notify the Commission, of any event occurring after the date of this Agreement that will entitle such Bank to compensation pursuant to this Section 3.7 as promptly as practicable after such Bank obtains knowledge thereof and determines to request such compensation (a "Capital Adequacy Notice"). Notwithstanding anything to the contrary contained in this Section 3.7, the Commission shall not be required to pay any additional amount under this Section 3.7 for any period prior to the ninetieth day (90th) preceding the date of the applicable Capital Adequacy Notice. Determinations by a Bank for purposes of this Section 3.7 of the effect of any increase in the amount of capital required shall, in the absence of manifest error, be conclusive as to the amount thereof, provided such determinations are made on a reasonable basis. The Commission agrees that each Participant shall be entitled to the full benefit of the rights provided to the Banks in this Section 3.7; provided that the amounts payable pursuant to this Section 3.7 shall not be increased due to such participation.

Each Bank will promptly notify the Agent, who will notify the Commission of any event of which it has knowledge occurring after the date of this Agreement which will entitle it to compensation pursuant to this Section, and such Bank shall take any reasonable action available to it (including the designation of a different lending office) that will avoid the need for, or reduce (to the extent determined by such Bank in its sole judgment to be material) the amount of such compensation and will not, in the sole judgment of that Bank, be disadvantageous to it.

Section 3.8 Continuation. The protection of Sections 3.4 and 3.7 shall be available to the Banks regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined that any amount so paid by the Commission pursuant to Section 3.4 or 3.7 is in

excess of the amount payable under the provisions hereof, such Bank shall refund such excess amount to the Commission as soon as practicable. Notwithstanding anything in Section 3.4 or 3.7 to the contrary, if such costs are to be incurred on a continuing basis and the Agent shall so notify the Commission on behalf of such Bank in writing as to the amount thereof, such costs shall be paid by the Commission to the Agent for the account of such Bank quarterly in arrears. The Commission agrees that each Participant shall be entitled to the full benefit of the rights provided to the Banks in this Section 3.8; provided that the amounts payable pursuant to this Section 3.8 shall not be increased due to such participation.

ARTICLE 4: CONDITIONS PRECEDENT.

Section 4.1 Conditions Precedent to Credit Facility. The Banks' obligation to make the Credit Facility available as set forth in Section 2.1 hereof is subject to the conditions precedent that (1) each of the Commission's representations and warranties contained herein shall be true and correct, (2) no Potential Event, Termination Event, Suspension Event or No-Issuance Event shall have occurred and be continuing or would occur as a result of the Commission entering into the transactions contemplated by this Agreement and (3) on or prior to the Effective Date the Agent shall have received the following documents (in a sufficient number of originals for each Bank initially executing this Agreement to receive an original) all in form and substance satisfactory to the Agent:

- (a) a Promissory Note for each Bank;
- (b) a copy of the Resolution authorizing the execution, delivery and performance of this Agreement and the Promissory Notes by the Commission, and other matters contemplated hereby and designating the officers and employees of the Commission who are empowered to act as authorized officers under the Resolution (each an "Authorized Representative") and copies of all documents evidencing other necessary action with respect to this Agreement and the Promissory Notes, certified by the Secretary of the Commission as being in full force and effect;
- (c) a certificate of an Authorized Representative certifying that on and as of the Effective Date (i) each of the Commission's representations and warranties contained herein is true and correct and (ii) no Potential Event, Termination Event, Suspension Event or No-Issuance Event has occurred and is continuing or would occur as a result of the Commission entering into the transactions contemplated by this Agreement;
- (d) a certificate of the Secretary of the Commission certifying the names and the signatures of each Authorized Representative;
- (e) an opinion of the General Counsel to the Commission, as to the representations and warranties in Section 7.1 (other than paragraphs (f), (j) and (k));
- (f) an opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel, as to the representation and warranty set forth in Section 7.1(k) and as to such matters set forth in the form of opinion set forth in Exhibit E;
- (g) an executed copy of the Subordinate Indenture;

- (h) an executed copy of the Issuing and Paying Agent Agreement;
- (i) an executed copy of the Dealer Agreement;
- (j) a copy of the Indenture, dated as of October 1, 1992, between the Commission and Bank of America National Trust and Savings Association, as trustee, certified by the Secretary of the Commission as being in full force and effect together with all amendments and supplements thereto;
- (k) a copy of the offering memorandum delivered with respect to the Series B Notes and this Agreement;
- (l) a Certificate of the Secretary of the Commission stating that (i) the execution and delivery of the Related Documents was duly authorized by the Commission at the time of their execution and delivery, (ii) the performance of the Related Documents has been and continues to be duly authorized by the Commission and (iii) no default or event which would, with the giving of notice or lapse of time constitute a default under the Related Documents, has occurred and is continuing; and
- (m) such further documentation, certifications or opinions as the Agent may reasonably request in connection with matters arising under this Agreement.

ARTICLE 5: INDEMNIFICATION.

Section 5.1 Indemnity. The Commission shall indemnify and hold harmless the Agent and each of the Banks from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which it may incur (or which may be claimed against it by any Person) by reason of or in connection with (i) any breach by the Commission of any representation, warranty or covenant contained in this Agreement, the Promissory Notes, any Related Document, or any certificate by the Commission delivered hereunder, (ii) the payment or failure to pay any Unreimbursed Amount or any other amount payable hereunder; provided, however, that the Commission shall not be required to indemnify any Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (y) any willful misconduct or gross negligence in determining whether a Notice of Borrowing with respect to an Advance complied with the terms of this Agreement, (z) any willful failure to make an Advance after the presentation by the Issuing and Paying Agent of a Notice of Borrowing strictly complying with the terms and conditions of this Agreement, or (iii) any failure by the Commission to comply with applicable federal and state laws and regulations pertaining to the offer and sale of the Series B Notes.

ARTICLE 6: OBLIGATIONS ABSOLUTE.

Section 6.1 Obligations Absolute. To the fullest extent permitted by applicable law, the obligations of the Commission to pay the Agent and each of the Banks pursuant to this Agreement shall be unconditional and irrevocable, and shall survive the termination of this Agreement and shall be paid or performed strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

- (i) any lack of validity or enforceability of this Agreement, any Promissory Note, or any of the Related Documents;
- (ii) any amendment or waiver of or any consent to departure from the terms of this Agreement, any Promissory Note, or any of the Related Documents;
- (iii) the existence of any claim, set-off, defense or other right which the Commission or any other Person may have at any time against the Issuing and Paying Agent, or any Persons or entities for whom the Issuing and Paying Agent may be acting, the Agent, any Bank or any Participant or any other Person, whether in connection with this Agreement, any Promissory Note, or any of the Related Documents, or the transactions contemplated hereby or thereby or any unrelated transaction;
- (iv) any requisition, statement or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;
- (v) any non-application or misapplication by the Issuing and Paying Agent or otherwise of the proceeds of any Advance;
- (vi) payment by any Bank of an Advance to the Person entitled thereto against presentation of a Notice of Borrowing which does not comply with the terms of this Agreement, except as a result of such Bank's gross negligence or willful misconduct;
- (vii) the surrender or impairment of security for the performance or observance of any of the terms of this Agreement, any Promissory Note or any Related Document;
- (viii) any breach of contract or other dispute involving the Issuing and Paying Agent, the Commission, the holders of the Series B Notes or any other Person or entity; or
- (ix) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing, except as a result of such Bank's gross negligence or willful misconduct.

ARTICLE 7: REPRESENTATIONS AND WARRANTIES OF THE COMMISSION.

Section 7.1 Representations and Warranties. The Commission hereby represents and warrants to the Agent and each Bank as follows:

- (a) Organization, Powers, Etc. The Commission (i) is a public entity established pursuant to the laws of the State of California validly organized and existing under and by virtue of the laws of the State of California, (ii) has full power and authority to own its properties and carry on its business as now conducted, except for all permits, licenses and approvals for the construction and operation of the Project yet to be obtained, (iii) has full power and authority to execute (or adopt, if applicable), deliver and perform its obligations under this Agreement, the Promissory Notes and the Related Documents, to borrow hereunder and to

execute, deliver and perform its obligations under the Series B Notes and (iv) may only contest the validity or enforceability of any provision of, or deny that the Commission has any liability or obligation under, the Law, the Ordinance, this Agreement, any Promissory Note or any Related Document by an act of its governing body.

(b) Authorization, Absence of Conflicts, Etc. The execution (or adoption, if applicable), delivery and performance of this Agreement, the Promissory Notes and the Related Documents and the execution, delivery and performance of the Series B Notes (i) have been duly authorized by the Commission, (ii) do not and will not, to any material extent, conflict with, or result in violation of any applicable provision of law, including the Law, or any order, rule or regulation of any court or other agency of government and (iii) do not and will not, to any material extent, conflict with, result in a violation of or constitute a default under, the Subordinate Indenture or any other resolution, agreement or instrument to which the Commission is a party or by which the Commission or any of its property is bound.

(c) Governmental Consent or Approval. The execution (or adoption, if applicable), delivery and performance of this Agreement, the Promissory Notes and the Related Documents and the execution, delivery and performance of the Series B Notes do not and will not require registration with, or the consent or approval of, or any other action by, any Federal, state or other governmental authority or regulatory body other than those which have been made or given and are in full force and effect; provided that no representation is made as to any blue sky or securities law of any jurisdiction.

(d) Binding Obligations. This Agreement, the Promissory Notes, the Series B Notes and the Related Documents are legal, valid and binding obligations of the Commission, enforceable against the Commission in accordance with their terms, subject to any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial discretion and principles of equity relating to or affecting creditors' rights or contractual obligations generally or limitations of remedies against public entities in California.

(e) Litigation. There is no action or investigation pending or, to the knowledge of the Commission, threatened against the Commission before any court or administrative agency which questions the validity of any act or the validity of any proceeding taken by the Commission in connection with the execution and delivery of this Agreement, the Promissory Notes, the Related Documents, the Senior Lien Debt or the Series B Notes or wherein an unfavorable decision, ruling or finding would in any way adversely affect the validity or enforceability of this Agreement, the Promissory Notes, the Related Documents, the Senior Lien Debt or the Series B Notes. Except as set forth in Exhibit D, there is no action pending or to the knowledge of the Commission, threatened, which questions the validity of the Law, the Ordinance or the Sales Tax Revenues nor is there any pending initiative or referendum qualified for the ballot which would seek to amend, annul, modify or replace the Law or to diminish or reallocate the Sales Tax Revenues.

(f) Financial Condition. All of the Commission's financial statements to date, copies of which have been furnished to each Bank, have been prepared in conformity with generally accepted accounting principles (except as noted therein) and are comprised of a balance sheet and a statement of revenue and expenditures and changes in fund balances. All of

such financial statements accurately present, in all material respects, the financial condition of the Commission, including the Sales Tax Revenues as of the dates thereof, and other than as has been disclosed to the Banks, there has been no material adverse changes in the business or affairs of the Commission or of the Sales Tax Revenues since the date the last such report was so furnished to each Bank.

(g) Amendments. None of the Related Documents has been amended, modified or supplemented.

(h) Security. The pledge of the Revenues in favor of each Bank contained in Section 5.01(a) of the Subordinate Indenture and incorporated by reference in Section 3.6 is a valid and binding pledge of the Revenues, subject to the provisions of the Subordinate Indenture, on a pari passu basis with the holders of the Series B Notes, the Series B Notes, the Series C Notes, Additional Notes, the Parity Debt evidenced by the Support Agreement supporting the Series B Notes, the Parity Debt evidenced by the Support Agreement supporting the Series B Notes and other Parity Debt under the Subordinate Indenture and on a subordinate basis with the holders of the Senior Lien Debt, subject to any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial decisions and principles of equity relating to or affecting creditors' rights or contractual obligations generally or limitations of remedies against public entities in California.

(i) No Defaults. The Commission is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in the Subordinate Indenture or any other resolution, agreement or instrument to which it is a party which would have a material adverse effect on the ability of the Commission to perform its obligations hereunder or under the Promissory Notes or the Related Documents or which would affect the enforceability hereof or thereof.

(j) Tax Matters. The Commission has complied in all material respects with all material provisions of all tax certificates to which it is a party.

(k) Interest Rate Limitation. The Commission has entered into this Agreement to provide liquidity in connection with the issuance of its Series B Notes and under the authority provided by Section 5922 of the California Government Code and, as such, the interest rates payable under this Agreement and the Promissory Notes are limited only by the terms specified in such agreements.

ARTICLE 8: AFFIRMATIVE COVENANTS OF THE COMMISSION.

Until the termination of this Agreement and the payment in full to the Agent and each Bank of all amounts payable to the Agent and the Banks, respectively, hereunder, the Commission hereby covenants and agrees that it will:

Section 8.1 Reports and other Information.

(a) Notice of Default. As promptly as practical after the Executive Director of the Commission shall have obtained knowledge of the occurrence of either a Termination Event or a Suspension Event or a No-Issuance Event or a Potential Event in either case, provide

to the Agent the written statement of the Commission setting forth the details of each such event and the action which the Commission proposes to take with respect thereto.

(b) Annual Reports. Within one hundred and twenty (120) days after the end of each fiscal year of the Commission, provide to the Agent unaudited financial statements, followed by audited financial statements within one hundred and eighty (180) days after the end of each fiscal year of the Commission, consisting of a balance sheet and a statement of revenues, expenditures and changes in fund balances of the Commission, including the Sales Tax Revenues for such fiscal year, setting forth in comparative form the corresponding figures (if any) for the preceding fiscal year, all in reasonable detail, and (i) in the case of the unaudited financial statements, accompanied by a certification from the Director of Finance addressed to the Banks stating that the unaudited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) in the case of the audited financial statements, accompanied by an unqualified opinion of a nationally recognized independent certified public accounting firm stating that (y) they have been prepared in accordance with generally accepted accounting principles consistently applied and (z) nothing has come to the attention of the auditors which would indicate that a Termination Event, a Suspension Event or a No-Issuance Event has occurred under this Agreement, and (iii) in both cases, accompanied by a certification from the Executive Director of the Commission addressed to the Banks stating that neither a Termination Event, a Suspension Event nor a No-Issuance Event or a Potential Event in either case has occurred which was continuing at the end of such fiscal year or on the date of his certification, or, if such an event has occurred and was continuing at the end of such fiscal year or on the date of his certification, indicating the nature of such event and the action which the Commission proposes to take with respect thereto.

(c) Offering Circulars. Within ten (10) days after the issuance of any securities by the Commission with respect to which a final official statement or other offering circular has been prepared by the Commission, provide the Agent with a copy of such official statement or offering circular.

(d) Notice of Adverse Change. Notify the Agent as soon as possible after an executive officer of the Commission acquires knowledge of the occurrence of (i) the filing of a complaint against the Commission in any court or administrative agency, where the amount claimed is in excess of Ten Million Dollars (\$10,000,000), (ii) the filing of any action which could lead to an initiative or referendum which could annul, amend, modify or replace the Law or which could lead to the diminution or reallocation of the Sales Tax Revenues or (iii) any other event which, in the reasonable judgment of the Commission, is likely to have a material adverse effect on the financial condition or operations of the Commission.

(e) Additional Debt. Prior to the issuance and delivery of any additional Senior and Parity Debt, deliver to the Agent a copy of a certificate from an independent certified public accountant certifying (on the basis of calculations as of the date of sale of such additional Senior and Parity Debt, as the case may be, which calculations shall be set forth in such certificate) that the requirement of Sections 3.03(c), 3.06(c)(3), 3.07 or, in the case of refunding debt, Section 3.05(b), of the Subordinate Indenture with respect to such additional Senior and Parity Debt, as the case may be, is satisfied.

(f) Other Information. Provide to the Agent such other information respecting the business affairs, financial condition and/or operations of the Commission, as the Banks may from time to time reasonably request.

Section 8.2 Inspections; Discussion. Permit any Bank or its representatives, at any reasonable time during normal business hours and from time to time at the request of such Bank and at the Banks' expense (shared pro rata and to the extent that the Commission has the legal ability to permit access thereto): to visit and inspect the properties of the Commission relating to the Project; to examine and make copies of and take abstracts from the records and books of account of the Commission with respect to the Project; and to discuss the affairs, finances and accounts of the Commission with the appropriate officers of the Commission; provided that, if required by the Commission, as a condition to any Bank being permitted by the Commission to make or conduct any such visit, inspection, examination or discussion, such Bank shall certify to the Commission that the same is being made or conducted solely in order to assist such Bank in evaluating its position under the Credit Facility.

Section 8.3 Sources of Payments; Sinking Fund.

(a) Make, or cause to be made, such payments from the sources and in the manner provided in the Subordinate Indenture and the Bond Indenture as are necessary to provide for the payment of the principal of and interest on the Unreimbursed Amount and the principal of and interest on the Series B Notes when due.

(b) Establish a separate fund, which shall be held by the Trustee under the Subordinate Indenture, which fund shall be designated the "Support Agreement Fund – Series B Notes Support Facility." There shall be established within the Support Agreement Fund – Series B Notes Support Facility two (2) separate accounts to be known as the "Support Agreement Interest Account – Series B Notes Support Facility" and the "Support Agreement Principal Account – Series B Notes Support Facility." To the extent that there is an Advance outstanding, the Trustee shall deposit in the Support Agreement Fund – Series B Notes Support Facility, as soon as practicable in each month, an amount equal to one-third (1/3) of the amount expected to become due within the next ninety (90) calendar days with respect to the interest due with respect to such Advance, which amount shall be deposited in the Support Agreement Interest Account – Series B Notes Support Facility. To the extent that there is a Bank Loan outstanding, the Trustee shall deposit in the Support Agreement Fund – Series B Notes Support Facility as soon as practicable in each month an amount equal to one-twelfth (1/12) or, during the first six months of a Bank Loan, one-sixth (1/6) of the amount expected to become due on the next date on which an installment of principal is due with respect to such Bank Loan, which amount shall be deposited in the Support Agreement Principal Account – Series B Notes Support Facility, and an amount equal to one-third (1/3) of the amount expected to become due within the next ninety (90) calendar days with respect to the interest due with respect to such Bank Loan, which amount shall be deposited in the Support Agreement Interest Account – Series B Notes Support Facility. The foregoing deposits by the Trustee, shall be made from Revenues on a parity basis with the deposits made pursuant to Section 5.02 of the Subordinate Indenture. The "Support Agreement Fund – Series B Notes Support Facility" may also be funded by the Commission from any other source of funds of the Commission, including, without limitation, proceeds of the Series B Notes, and shall be used only to reimburse and repay the Bank with respect to Advances or Bank

Loans at the times and in accordance with the terms of this Agreement. For purposes of this Section 8.3(b), with respect to a determination as to the principal amount due in connection with an Advance or a Bank Loan, the Trustee shall utilize the principal amount set forth in a Notice of Borrowing or a Notice of Bank Loan received from the Issuing and Paying Agent or the Commission, as applicable, shall assume, unless otherwise informed by the Commission to the contrary, for purposes of calculating interest, that such Advance or Bank Loan bears interest at the Applicable Rate, and shall utilize the Federal Funds Rate or Base Rate supplied by the Agent in calculating such interest amount. When the actual rate of interest payable on such Advance or Bank Loan is supplied to the Trustee, the amount of the next deposit to be made by the Trustee with respect thereto shall be adjusted to reflect the excess or deficiency on deposit with respect to such interest.

Section 8.4 Preservation of Pledge. Take any and all actions necessary or reasonably requested by the Agent or the Banks to maintain the pledges and security interests described in Section 3.6.

Section 8.5 Taxes and Liabilities. Pay all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, which default could have a material adverse effect on the ability of the Commission to perform its obligations under this Agreement or any Promissory Note; provided that the Commission shall have the right to defer payment or performance of obligations to Persons other than the Agent and the Banks so long as it is contesting in good faith the validity of such obligations by appropriate legal action and no final order or judgment has been entered with respect to such obligations.

Section 8.6 Dealer. The Commission will, at all times, maintain a reputable Dealer of recognized national standing for the Series B Notes, and will notify the Agent as promptly as practicable of any appointment of a successor Dealer for the Series B Notes before the date such appointment is to take effect.

Section 8.7 Sufficient Copies of Reports, Etc. Whenever the terms of this Agreement require that the Commission deliver any report, document, notice or other written information to the Agent and the Agent determines that it is not practicable for the Agent to make copies thereof for each Bank, the Commission will deliver to the Agent sufficient copies of such report, document, notice or other information so that each Bank may receive one copy thereof.

ARTICLE 9: NEGATIVE COVENANTS OF THE COMMISSION.

Until the termination of this Agreement and the payment in full to the Agent and each Bank of all amounts payable to the Agent and the Banks, respectively, hereunder, the Commission hereby covenants and agrees that it will not:

Section 9.1 Compliance With Laws, Etc. Violate any laws, rules, regulations, or governmental orders to which it is subject, which violation involves a reasonable likelihood of materially and adversely affecting its financial condition.

Section 9.2 Amendments. Without the written consent of the Required Banks, (i) consent or agree to or permit any rescission of or amendment to the Law or the Ordinance which would reduce the amount of the Sales Tax Revenues or the obligations of the Commission hereunder or which would in any manner materially impair or materially adversely affect the rights of the Commission to the Revenues or the security of the Banks; or (ii) agree to the amendment of the Subordinate Indenture such that payments to holders of Series B Notes are impaired or reduced or the priority of the obligations of the Commission to the Banks hereunder is adversely affected in any way; or (iii) agree to any amendment of the Subordinate Indenture or the Bond Indenture whatsoever which will materially and adversely affect the rights or obligations of the Banks in respect thereof, and, in the case of clause (i) or (iii) above the Agent shall not have received within ten (10) Business Days thereof a report of an independent nationally-recognized firm of certified public accountants or a certificate of the Director of Finance of the Commission certifying that the Coverage Ratio would not fall below 1.15. Without limiting the foregoing, the Commission shall not, without the prior written consent of the Required Banks, enter into a Sales Tax Extension Bond Indenture: (i) that would reduce the coverage ratios below the 1.3 times and the 1 times coverage ratios specified in Section 3.01(d) of the Existing Bond Indenture; (ii) that would provide for the issuance or incurrence of any indebtedness secured by a lien on Revenues subordinate to the lien securing the Senior Lien Debt but senior to the lien on Revenues which secures the payment of the Notes and Parity Debt, including, without limitation, Support Agreements; (iii) that would provide for payment of termination payments on interest rate swap agreements to be secured by a lien on Revenues superior to the lien which secures payment of the Notes and Parity Debt, including, without limitation, Support Agreements; or (iv) that contains provisions that are more favorable to the Commission than those contained in Sections 3.01(c), 3.03(A), 5.01(A), 6.01, 6.02, and 6.07(F) of the Existing Bond Indenture; provided, however, that a Certificate of the Commission executed by the Director of Finance may be provided in lieu of a certificate of an independent certified public accountant in any instance in which a certificate of an independent public accountant is required to be provided pursuant to the provisions set forth in the Existing Bond Indenture.

For purposes of this Section 9.2 only, the execution and delivery by the Commission of any Supplemental Bond Indenture or Supplemental Indenture in connection with the issuance of additional Senior Lien Debt or Additional Notes or refunding debt shall not be deemed to be an amendment of the Bond Indenture or the Subordinate Indenture.

Section 9.3 Limitations on Debt Secured by Sales Tax Revenues. Except in accordance with the provisions set forth in the Bond Indenture or in the Subordinate Indenture and except for interest rate swap agreements and liquidity support agreements that relate to or support bonds and/or notes issued or to be issued pursuant to the Bond Indenture or the Subordinate Indenture, as the case may be, the Commission shall not, without the written consent of the Required Banks, incur, issue or suffer to exist any Senior and Parity Debt, nor shall the Commission permit termination payments on interest rate swap agreements to be secured by a

lien on Sales Tax Revenues that is superior to the lien that secures payment of the Notes and Parity Debt.

ARTICLE 10: TERMINATION, NO-ISSUANCE AND SUSPENSION EVENTS; REMEDIES.

Section 10.1 Termination Events. Each of the following events shall constitute a "Termination Event" under this Agreement:

(a) default shall be made in the payment of any Advance or Bank Loan or any interest accrued thereon when due (other than any failure to make principal payments on (A) an accelerated due date which arise solely as a result of the exercise of the remedies specified in Section 10.3(a)(ii) after the occurrence of a No-Issuance Event or (B) a Maturity Date for an Advance solely as a result of the failure to obtain a Bank Loan on such Maturity Date, which failure arises solely because of the occurrence of a No-Issuance Event or a Potential Event in respect thereof);

(b) default shall be made in the payment when due of the principal of, premium, if any, or interest on any Senior and Parity Debt (other than amounts owing in respect of Advances or Bank Loans); it being understood that a reduction in lease payments that constitute Senior and Parity Debt as a result of the abatement thereof shall not be considered a default in payment when due;

(c) there shall occur an Event of Insolvency or Dissolution;

(d) there shall occur an Invalidity Event; or

(e) each of S&P and Moody's shall have (i) assigned a rating below BBB- and Baa3, respectively, to any unenhanced Senior and Parity Debt or (ii) for credit related reasons suspended or withdrawn its long-term debt rating of any unenhanced Senior and Parity Debt that was, prior to such suspension or withdrawal, rated by such rating agency.

Section 10.2 No-Issuance Events. Each of the following events shall constitute a "No-Issuance Event" under this Agreement:

(a) any Termination Event;

(b) (i) default shall be made in the payment of any amounts under this Agreement or any Promissory Note (other than a default referred to in Section 10.1(a)) and such default shall continue unremedied for a period of seven (7) Business Days or (ii) any Senior and Parity Debt (other than amounts owing in respect of Advances or Bank Loans) shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;

(c) default shall be made by the Commission in the performance or observance of any of the covenants, agreements or conditions on its part contained in Article 9 hereof;

(d) default shall be made by the Commission in the performance or observance of any of the covenants, agreements or conditions on its part contained herein, in the Promissory Notes or in any Related Document other than the Dealer Agreement (other than a default referred to in Section 10.1(a), 10.1(b) or 10.2(c)) and such default shall continue unremedied for a period of forty five (45) calendar days following the Commission's receipt of notice by the Bank;

(e) any representation or warranty made by the Commission under or in connection with this Agreement shall prove to have been incorrect in any material respect when made;

(f) any "event of default" (other than a default referred to in Section 10.1(b)) shall have occurred under any agreement (other than this Agreement) or instrument (other than the Promissory Notes) evidencing any Senior and Parity Debt and such default shall continue unremedied for any period of grace provided in such agreement or instrument; or

(g) S&P or Moody's shall have assigned any Senior and Parity Debt a rating below BBB or Baa2, respectively.

Section 10.3 Remedies Upon a No-Issuance Event. Upon the occurrence and continuance of a No-Issuance Event, the Agent may, at the request of the Required Banks and in their sole discretion:

(a) deliver a notice to the Commission (with copies to the Trustee, the Issuing and Paying Agent and the Dealer) (i) reducing the Available Amount to an amount equal to the CP Utilization, suspending the commitment to reinstate the Line of Credit and/or suspending the commitment to make Bank Loans and (ii) declaring the Promissory Notes, together with accrued interest thereon, to be, and the Promissory Notes and all fees and other amounts payable to Banks shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Commission; or

(b) for so long as the Line of Credit shall remain outstanding, deliver to the Issuing and Paying Agent a Notice of No-Issuance, suspending the authority of the Commission and the Issuing and Paying Agent to issue any additional Series B Notes; or

(c) exercise any other remedies available to the Banks at law or in equity.

Section 10.4 Remedies Upon a Termination Event. Upon the occurrence of a Termination Event, the Available Amount and the obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans shall immediately terminate without notice or demand, and thereafter the Banks shall be under no obligation to make Advances or Bank Loans. Promptly after the Agent acquires actual knowledge of the occurrence of a Termination Event, the Agent shall give written notice of the same to the Trustee, the Issuing and Paying Agent and the Dealer, a copy of which shall be provided to the Commission; provided, that the none of the Agent or the Banks shall incur any liability or responsibility whatsoever by reason of the failure of the Agent to give such notice and such failure shall in no way affect the termination of the Available Amount and the termination of the obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans pursuant to this Agreement. Notwithstanding clause

(ii) of Section 10.3(a), upon the occurrence of an Event of Insolvency or Dissolution, the Promissory Notes, together with all accrued and unpaid interest thereon, and all fees and other amounts payable to the Banks under this Agreement shall become immediately due and payable owing without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Commission.

Section 10.5 Remedies Upon a Suspension Event. Upon the occurrence of a Suspension Event, the obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans shall be immediately suspended without notice or other action on the part of the Agent or any Bank. Promptly after the Agent acquires actual knowledge of the occurrence of a Suspension Event, the Agent shall give written notice of the same to the Trustee, the Issuing and Paying Agent and the Dealer, a copy of which shall be provided to the Commission; provided, that the none of the Agent or the Banks shall incur any liability or responsibility whatsoever by reason of the failure of the Agent to give such notice and such failure shall in no way affect the suspension of the obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans pursuant to this Agreement. The obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans pursuant to this Agreement shall thereafter be suspended until either the Agent delivers a written notice to the Trustee, the Issuing and Paying Agent and the Dealer rescinding such Suspension Event (such notice, a "Rescission Notice") or, (i) in the case of a Suspension Event resulting from an Incipient Invalidity Event, a final non-appealable order of a court or governmental agency having jurisdiction over the Commission shall be entered declaring that (A) all provisions of the Law and the Ordinance that impact the Commission's ability to levy its one-half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or to collect Revenues are upheld in their entirety or (B) all Payment and Collateral Obligations are upheld in their entirety or (C) a provision or provisions of the Law or the Ordinance that have been supplemented, modified and/or amended by the Commission do not materially adversely impair the Commission's ability to (I) levy its one-half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or (II) collect Revenues, or (ii) in the case of a Suspension Event resulting from an Incipient Event of Insolvency or Dissolution, a court having jurisdiction in the premises shall dismiss or stay such involuntary case, proceeding or appointment within sixty (60) days (in either case, a "Suspension Event Rejection"). In the event a final non-appealable order of a court or governmental agency having jurisdiction over the Commission is entered declaring (A) any provision of the Law or the Ordinance that impacts the Commission's ability to levy its one-half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or to collect Revenues to be null and void or (B) any Payment and Collateral Obligation to be null and void or (C) that a provision or provisions of the Law or the Ordinance that have been supplemented, modified and/or amended by the Commission materially adversely impair the Commission's ability to (I) levy its one-half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or (II) collect Revenues, or in the event the proceeding or petition giving rise to an Incipient Event of Insolvency or Dissolution is not dismissed or stayed within sixty (60) days by a court having jurisdiction in the

premises (in either case, a "Suspension Event Affirmation"), then the obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans pursuant to this Agreement shall immediately terminate without any further action by the Agent or any Bank. In the event of a Suspension Event Rejection, the obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans pursuant to this Agreement shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless this Agreement shall otherwise have terminated by its terms or there shall have occurred a Termination Event or a different Suspension Event) as if there had been no such suspension. Notwithstanding the foregoing, if the Agent has not delivered a Rescission Notice to the Trustee, the Issuing and Paying Agent and the Dealer and if, upon the earlier of (a) the Stated Termination Date or (b) (i) in the case of a Suspension Event resulting from an Incipient Invalidity Event Default, the date which is three (3) years after the effective date of such Suspension Event, litigation is still pending and neither a Suspension Event Affirmation or a Suspension Event Rejection has been obtained or (ii) in the case of a Suspension Event resulting from an Incipient Event of Insolvency or Dissolution, the date which is sixty (60) days after the commencement of the involuntary case, proceeding or appointment, such involuntary case, proceeding or appointment has not been dismissed or stayed, then the Available Amount shall be reduced to zero and the obligation of each Bank to make available its Pro-rata Share of Advances and/or Bank Loans pursuant to this Agreement shall at such time terminate without notice or demand and thereafter the Banks shall be under no further obligation to make Advances and/or Bank Loans pursuant to this Agreement.

ARTICLE 11: CONTINUING OBLIGATION.

Section 11.1 Continuing Obligation. This Agreement is a continuing obligation of the Commission and shall, until the date on which all amounts due and owing to the Agent and the Banks hereunder and under the Promissory Notes shall have been paid in full, (i) be binding upon the Commission, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Agent and the Banks and their respective successors, transferees and assigns; provided that the Commission may not assign all or any part of this Agreement without the prior written consent of the Required Banks.

ARTICLE 12: NATURE OF BANKS' DUTIES.

Section 12.1 Duties. The Commission assumes all risks of the acts or omissions of the Issuing and Paying Agent with respect to its use of the Line of Credit; provided, however, that this assumption with respect to the Banks is not intended to, and shall not, preclude the Commission from pursuing such rights and remedies as it may have against the Issuing and Paying Agent at law or under any other agreement. Neither the Agent nor any Bank or any of their officers or directors shall be liable or responsible for: (i) the use which may be made of the Line of Credit or for any acts or omissions of the Issuing and Paying Agent in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) payment against presentation of documents which do not comply with the terms of this Agreement, except as result of gross negligence or willful misconduct.

The relationship between the Commission and the Agent and the Banks shall be solely that of borrower and lender. Neither the Agent nor any Bank shall have any fiduciary responsibilities to the Commission. Neither the Agent nor any Bank undertakes any responsibility to the Commission to review or inform the Commission of any matter in connection with any phase of the Commission's business or operations.

ARTICLE 13: THE AGENT.

The provisions of this Article 13 are for the sole and exclusive benefit of the Agent and the Banks and neither the Commission nor the Issuing and Paying Agent nor the Trustee shall have any rights or obligations under this Article 13.

Section 13.1 Appointment. The Banks hereby designate JPMorgan Chase Bank, National Association as Agent to act as specified herein and in the Related Documents. Each Bank hereby irrevocably authorizes the Agent to take such action on its behalf under the provisions of this Agreement, the Related Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Agent may perform any of its duties hereunder by or through its officers, directors, agents or employees.

Section 13.2 Nature of Duties. The Agent shall have no duties or responsibilities to the Banks except those expressly set forth in this Agreement and the Related Documents. Neither the Agent nor any of its officers, directors, agents or employees shall be liable to the Banks for any action taken or omitted by it or them hereunder or under any Related Document or in connection herewith or therewith, unless caused by its or their gross negligence or willful misconduct. The duties of the Agent shall be mechanical and administrative in nature; the Agent shall not have by reason of this Agreement or any Related Document a fiduciary relationship in respect of any Bank; and nothing in this Agreement or any Related Document, expressed or implied, is intended to or shall be so construed as to impose upon the Agent any obligations in respect of this Agreement or any Related Document except as expressly set forth herein.

Section 13.3 Lack of Reliance on the Agent. Independently and without reliance upon the Agent, each Bank, to the extent it deems appropriate, has made and shall continue to make (a) its own independent investigation of the financial condition and affairs of the Commission in connection with its Commitment Amount, the Advances, the Bank Loans and the taking or not taking of any action in connection herewith and (b) its own appraisal of the creditworthiness of the Commission and, except as expressly provided in this Agreement, the Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect thereto, whether coming into its possession before the making of Advances and/or Bank Loans or at any time or times thereafter. The Agent shall not be responsible to any Bank for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of this Agreement or any Related Document or the financial condition of the Commission or be required to make any inquiry concerning either

the performance or observance of any of the terms, provisions or conditions of this Agreement or any Related Document, or the financial condition of the Commission or the existence or possible existence of any Potential Event, Termination Event, Suspension Event or No-Issuance Event.

Section 13.4 Certain Rights of the Agent. If the Agent shall request instructions from the Required Banks with respect to any act or action (including failure to act) in connection with this Agreement or any Related Document, the Agent shall be entitled to refrain from such act or taking such action unless and until the Agent shall have received instructions from the Required Banks; and the Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Bank shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting hereunder or under any Related Document in accordance with the instructions of the Required Banks.

Section 13.5 Reliance. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by any Person that the Agent believed to be the proper Person, and, with respect to all legal matters pertaining to this Agreement and any Related Document and its duties hereunder and thereunder, upon advice of counsel selected by it.

Section 13.6 Indemnification. To the extent the Agent is not reimbursed and indemnified by the Commission, the Banks will reimburse and indemnify the Agent, in proportion to their respective Commitment Amounts, for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by the Agent in performing its duties hereunder or under any Related Document, or in any way relating to or arising out of this Agreement or any Related Document; provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct.

Section 13.7 The Agent in its Individual Capacity. With respect to its obligation, if any, to make Advances and Bank Loans under this Agreement, the Agent shall have the rights and powers specified herein for a "Bank" and may exercise the same rights and powers as though it were not performing the duties specified herein; and the term "Banks," "Required Banks" or any similar terms shall, unless the context clearly otherwise indicates, include the Agent in its individual capacity as a Bank. The Agent may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with the Commission or any affiliate thereof as if it were not performing the duties specified herein, and may accept fees and other consideration from the Commission for services in connection with this Agreement and otherwise without having to account for the same to the Banks.

Section 13.8 Resignation by the Agent.

(a) The Agent may resign from the performance of all of its functions and duties hereunder by giving at least thirty (30) calendar days' prior written notice to the Commission and the Banks.

(b) Upon any such notice of resignation, the Required Banks shall appoint and authorize a successor Agent to act as Agent under this Agreement, which shall be an incorporated bank or trust company that is reasonably acceptable to the Commission.

(c) If a successor Agent shall not have been so appointed within said thirty (30) calendar day period, the resigning Agent shall then appoint a successor Agent, which successor shall be a Bank that is reasonably acceptable to the Commission and which successor shall serve as Agent until such time, if any, as the Required Banks appoint a successor Agent as provided above.

ARTICLE 14: MISCELLANEOUS.

Section 14.1 Amendments and Non-Waiver. This Agreement may be amended only upon the written agreement of the Required Banks (whose agreement to any amendment shall be evidenced by the Agent's execution of such amendment) and the Commission, and the Commission may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Commission shall first obtain the written consent of the Required Banks. A Termination Event, a Suspension Event or a No-Issuance Event may be waived in writing by the Required Banks and any such event which has been waived in writing by the Required Banks shall not be deemed to be continuing during the period (including any retroactive period) for which the waiver is effective, but such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure to perform or observe any obligation hereunder. No failure or delay on the part of the Agent or any Bank in exercising any right, remedy, power or privilege under this Agreement, its Promissory Note or under any of the Related Documents and no course of dealing between the Commission or any other Person and the Agent or any Bank shall operate as a waiver hereof or thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any of the Related Documents preclude any other or further exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the Related Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law or in equity or otherwise. No notice to or demand on the Commission in any case shall entitle the Commission to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Banks to any other or further action in any circumstances without notice or demand. The Agent may remedy any default by the Commission hereunder or with respect to any other Person in a reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Commission.

No amendment of any provision of this Agreement relating to the Agent's specific rights and responsibilities hereunder shall be effective without the written consent of the Agent.

Section 14.2 Survival of Representations and Warranties. All agreements, representations and warranties of the Commission contained in this Agreement and in any certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement and the issuance of the Credit Facility hereunder, and the agreements contained in Section 5.1 and Section 14.3 hereof shall survive payment of the Unreimbursed Amount, the repayment to the Banks of any payments or disbursements under the Line of Credit and the termination of this Agreement.

Section 14.3 Expenses. The Commission agrees to pay promptly all reasonable costs and expenses of the Agent and each of the Banks (including reasonable counsel fees and expenses) in connection with (i) the preparation, negotiation and closing of this Agreement, the Promissory Notes and the issuance of the Credit Facility, whether or not the transactions contemplated by this Agreement are closed (unless, with respect to a Bank or the Agent, such failure to close is due to the fault of such Bank or the Agent); provided that such legal fees and expenses of U.S. counsel shall not exceed \$13,500 and such legal fees and expenses of French counsel to Dexia shall not exceed \$3,100; and provided further that the out-of-pocket costs and expenses of the Banks (exclusive of legal costs, expenses and disbursements) shall not exceed \$3,000, (ii) the filing, recording, amendment, maintenance, renewal or cancellation of the Credit Facility (including amendments to the Credit Facility in connection with the reduction or reinstatement of the Commitment Amounts or the extension of the Stated Termination Date), this Agreement, the Promissory Notes or the Related Documents, (iii) the granting or consideration of any waivers of conditions under this Agreement at the request of the Commission or the consideration of any other special requests by the Commission hereunder, (iv) any payment by any Bank under the Line of Credit, (v) the making of any Bank Loan or (vi) any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement, the Promissory Notes and any other documents which may be delivered in connection with this Agreement. In addition, the Commission agrees to pay promptly all costs and expenses of the Agent and each of the Banks (including reasonable counsel fees and expenses) for (i) any and all amounts which the Agent or such Bank has paid relative to the curing of any default under this Agreement or the Subordinate Indenture, (ii) the enforcement of this Agreement or the Promissory Notes or if the Agent or such Bank shall commence, appear in or defend any action or proceeding which reasonably might be expected to directly affect its rights, duties or liabilities under this Agreement, its Promissory Note or a Related Document, or (iii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain any Bank from making any Advance or Bank Loan.

Section 14.4 Right of set-off. Upon the occurrence and during the continuance of any Termination Event, each Bank is hereby authorized at any time and from time to time, without notice to the Commission (any such notice being expressly waived by the Commission) and to the fullest extent permitted by law, to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by that Bank to or for the credit or the account of the Commission against any and all of the obligations of the Commission now or hereafter existing under this Agreement, irrespective of whether or not such Bank shall have made any demand hereunder.

Section 14.5 Pro-Rata Sharing. If any Bank shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Unreimbursed Amount owing to it (other than pursuant to Sections 3.4, 3.5, 3.7, 5.1 and 14.3) in excess of its ratable share of payments on account of the Unreimbursed Amount owing to it, such Bank shall forthwith purchase from each other Bank such participations in the Unreimbursed Amount owing to them as shall be necessary to cause such purchasing Bank to share the excess payment ratably with the other Banks; provided, however, that if all or any amount of such excess payment is thereafter recovered from such purchasing Bank, such purchase from such Banks shall be rescinded and such Banks shall repay to the purchasing Bank

the purchase price to the extent of such recovery together with an amount equal to such Bank's Pro-rata Share (according to the proportion of (i) the amount of such Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Commission agrees that any Bank so purchasing a participation from the other Banks pursuant to this Section shall be entitled to, and may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of the Commission in the amount of such participation; provided that where a Bank has recovered any amount as a consequence of the satisfaction or enforcement of a judgment obtained in any legal action or proceedings to which it is a party, the above provisions shall not apply so as to benefit the other Banks which (being entitled so to do) did not join with such Bank in such action or proceedings, unless such Bank did not give prior notice of its involvement in such action or proceedings to the other Banks.

Section 14.6 Notices. Except as otherwise expressly specified in this Agreement, all notices, requests and other communications hereunder shall be in written form (including bank wire, telegram, telecopier or similar writing) and shall be given to the party to whom addressed, at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify for the purpose by notice to the other parties listed below. Each such notice, request or communication shall be effective (i) if given by telecopy, upon receipt thereof, (ii) if given by mail, 3 days after such communication is deposited in the United States mail with first class postage prepaid, addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified below:

If to the Commission, to:

San Diego County Regional Transportation Commission
San Diego Association of Governments
401 "B" Street, Suite 800
San Diego, California 92101
Attention: Director of Finance
Telephone Number: (619) 699-1940
Telecopier Number: (619) 699-4890

If to the Agent, to:

JPMorgan Chase Bank, National Association
Public Finance Credit & Portfolio
270 Park Avenue, 48th Floor
New York, New York 10270
Attention: William P. Hansen Jr., Vice President
Telephone Number: (212) 270-4946
Telecopier Number: (212) 270-4251

If to the Dexia, to:

For General Matters:

Dexia Crédit Local
New York Branch
445 Park Avenue, 7th Floor
New York, NY 10022
Attention: Senior Vice President and Manager,
Public Finance
Telephone Number: (212) 515-7003
Telecopier Number: (212) 753-5516

For Operational Matters:

Dexia Crédit Local
New York Branch
445 Park Avenue
New York, NY 10022
Attention: Vice President - Operations
Telephone Number: (212) 515-7007
Telecopier Number: (212) 753-7522

If to the Issuing and Paying Agent, to:

U.S. Bank Trust National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Stacey Pagliaro
Telephone Number: (212) 361-2529
Telecopier Number: (212) 809-5459

If to the Dealer, to:

Citigroup Global Markets Inc.
390 Greenwich Street, 5th Floor
New York, New York 10013
Attention: Short-Term Tax Exempt Trading
Telephone Number: (212) 723-7082
Telecopier Number: (212) 723-8809

Section 14.7 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) the Commission may not assign or otherwise transfer any of its rights or obligations under this Agreement, (ii) the Agent may not assign or otherwise transfer any of its obligations under this Agreement except to a successor Agent appointed in accordance with Section 13.8 hereof following its resignation and (iii) no Bank shall assign its rights and obligations hereunder or

grant participations in this Agreement unless such Bank complies with the requirements of subsections 14.7(b) through 14.7(f) hereof.

(b) Each Bank may assign to one or more assignees (which assignees shall be banks or other financial institutions) all or a portion of its Pro-rata Share (including all or a portion of its Commitment Amount and its interest in outstanding Advances and Bank Loans); provided, however, that (i) except in the case of an assignment to another Bank, each of the Agent and the Commission, each acting in its sole discretion, must give its prior written consent to such assignment, (ii) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Bank's rights and obligations under this Agreement, (iii) the Commitment Amount of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Agent) shall not be less than \$5,000,000 and the Commitment Amount of such Bank remaining after such assignment shall not be less than \$5,000,000 or shall be zero and the assigning Bank shall deliver to the Agent an Assignment and Acceptance and a processing and recordation fee of \$2,500; provided further that notwithstanding the foregoing, no Bank may assign any of its rights or obligations to a defaulting Bank hereunder without the prior written consent of the Agent and the Commission. Except in the case of an assignment to another Bank, no assignment hereunder shall be effective unless the Agent and the Commission have received the following: (A) written evidence from Moody's, if the Notes are rated by Moody's, and S&P, if the Notes are rated by S&P, to the effect that such assignment will not, by itself, result in a reduction, suspension or withdrawal of its rating of the Series B Notes to be secured thereby from the rating which then prevails, (B) opinion(s) of counsel to the assignee Bank that this Agreement will be a valid and enforceable obligation of such Bank upon execution of the Assignment and Acceptance (such opinion(s) to be in form and substance satisfactory to the Agent and the Commission) and (C) such disclosures of the assignee Bank as may be reasonably required by the Dealer for use in the offering memorandum relating to the Series B Notes. The Commission agrees to provide copies of the foregoing (A)-(C) to the Issuing and Paying Agent and the Dealer. Each Bank that desires to assign all or a portion of its Pro-rata Share shall give written notice thereof to the Commission, the Agent and the Dealer. If such an assignment is to another Bank or to an assignee approved by the Commission and the Agent and Series B Notes are then outstanding, the Commission and the Dealer shall, as soon as practicable, cause all outstanding Series B Notes to mature on a single day and shall notify the assigning Bank of such date and the effectiveness of the proposed assignment shall occur on such date. Upon acceptance and recording of such assignment pursuant to subsection (e) of this Section 14.7, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five (5) Business Days after the execution thereof unless waived by the Agent (such date, the "Assignment Effective Date"), (A) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a "Bank" under this Agreement and (B) the assigning Bank thereunder shall, to the extent provided in such assignment, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 3.4, 3.5, 3.7, 3.8, 5.1 and 14.3, as well as to any fees and interest accrued for its account hereunder and not yet paid)). On or prior to the Assignment Effective Date with respect to an Assignment and Acceptance, the assigning Bank shall surrender its Promissory Note to the Agent, and the Commission shall execute and deliver to the

Agent, in exchange therefor, (x) a new Promissory Note to the order of the assignee Bank in an amount equal to the Commitment Amount assumed by it pursuant to such Assignment and Acceptance, dated as of the Assignment Effective Date and (y) if the assigning Bank has retained a Commitment Amount hereunder, a new Promissory Note to the order of such assigning Bank in an amount equal to the Commitment Amount retained by it hereunder, dated as of the Effective Date. The Promissory Note surrendered by the assigning Bank shall be returned by the Agent to the Commission marked "canceled."

(c) By executing and delivering an Assignment and Acceptance, the assigning Bank thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and owner of the interests being assigned thereby free and clear of any adverse claim, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, or any Related Document or any other instrument or document furnished hereunder or thereunder or pursuant hereto or thereto; (ii) such assigning Bank makes no representation or warranty and assumes no responsibility with respect to the financial position of the Commission or the Project or the performance or observance by the Commission of any of its obligations under this Agreement, any Related Document or any other instrument or document furnished hereunder or thereunder or pursuant hereto or thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Agent, such assigning Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(d) The Agent shall maintain at one of its offices a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the Banks, the Commitment Amount of each Bank and the Pro-rata Share of Advances and Bank Loans of each Bank (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error and the Commission, the Trustee, the Issuing and Paying Agent, the Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement and such parties shall treat each Bank as the owner of its Pro-rata Share of Advances and Bank Loans. The Register shall be available for inspection by the Commission, the Issuing and Paying Agent, the Trustee and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Bank and an assignee Bank together with the processing and recordation fee, consents, opinion(s), evidence of ratings and disclosure information referred to

in paragraph (b) above, the Agent shall (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Banks. The Agent's expenses in connection with an assignment pursuant to Sections 14.7(b)-(e) shall be for the account of the Commission up to a maximum aggregate of \$2,500 for all assignments.

(f) Each Bank may, without the consent of the Agent, the Commission, the Dealer, S&P or Moody's, sell participations to one or more banks or other financial institutions (each a "Participant") in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment Amount and participation interests in outstanding Advances and Bank Loans); provided, however, that (i) such Bank's obligations under this Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligation, (iii) any such Participant shall be entitled to the benefit of the cost protection provisions contained in Sections 3.4 and 3.7 (subject to the limitations contained therein) and the indemnification provisions contained in Sections 5.1 and 14.3 to the same extent that the Bank from which such Participant acquired its participation would be entitled to the benefit of such cost protection and indemnification provisions and (iv) the Commission, the Trustee, the Issuing and Paying Agent, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement and, unless otherwise agreed by the Agent, such Bank shall retain the sole right to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers with respect to any fees payable hereunder or the amount of principal of or the rate at which interest is payable on Advances and Bank Loans or the dates fixed for payments of fees, interest or principal, or the Termination Date).

Section 14.8 Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Banks or the Agent, the determination of such satisfaction shall be made by the Banks and the Agent in their respective sole and exclusive judgments exercised in good faith.

Section 14.9 Payments to Each Bank.

(a) The Agent shall act as paying agent on behalf of the Banks with respect to any moneys received for the account of the Banks hereunder and shall transfer to each Bank to the account set forth below the name of such Bank on the signature page(s) hereof or, if such Bank has become a party hereto by executing an Assignment and Acceptance, to the account therein specified for such Bank, the following amounts when (and if) the Agent receives them and in the same type of funds in which the Agent receives them: (i) such Bank's Pro-Rata Share of all repayments of principal in respect of Advances and Bank Loans; (ii) such Bank's Pro-rata Share of all payments of interest with respect to Advances and Bank Loans; (iii) so long as such Bank is not in default in any part of its obligations to the Agent pursuant to Section 13.6, such Bank's Pro-rata Share of each payment of the fee paid by the Commission to the Agent pursuant to Section 2.5 (if any Bank is in default of its obligations to the Agent, such Bank's Pro-rata Share of any such fee shall be retained by the Agent for its own account for each day during which such default continues); (iv) payments in respect of increased costs, Taxes and capital adequacy duly payable to such Bank pursuant to Section 3.4, 3.5 and 3.7, respectively, of this

Agreement; and (v) payments, if any, received by the Agent on behalf of such Bank pursuant to Section 5.1 or 14.3. Funds received by the Agent on behalf of any Bank under this Section shall, if received by the Agent on or prior to 12:00 noon, New York City time, on any Business Day, be paid to such Bank no later than the Agent's close of business in New York City on the same Business Day. Funds received by the Agent on behalf of any Bank after 12:00 noon, New York City time, on any Business Day shall be paid to the Banks no later than 12:00 noon, New York City time, on the next Business Day.

(b) Except as otherwise provided in this Agreement or agreed in writing by the Agent, no Bank shall have any right to receive any other amounts received by the Agent under this Agreement or the Related Documents (including any payments made by the Commission in respect of any indemnities or expense reimbursements payable to the Agent pursuant to Sections 13.6 or 14.3 of this Agreement). Any amounts other than amounts referred to in Section 14.9(a) received by the Agent from the Commission or the Issuing and Paying Agent pursuant to this Agreement or any Related Document shall be the Agent's sole property and shall be retained by the Agent for its own account and no Bank shall have any rights with respect to such amounts; provided, however, that if a Bank has paid its Pro-rata Share of any amounts described in Section 13.6 of this Agreement, and the Agent is thereafter reimbursed therefor by the Commission or otherwise, then such Bank which made a payment to the Agent pursuant to Section 13.6 will be entitled to receive its Pro-rata Share of such reimbursement.

(c) If (i) the Agent shall pay any amount to any Bank pursuant hereto in the belief or expectation that a related payment has been or will be received or collected in connection with such Bank's participation in Advances or Bank Loans or its Commitment Amount and (ii) such related payment is not received or collected by the Agent, then such Bank will promptly on demand by the Agent return such amount to the Agent, together with interest thereon at such rate as the Agent shall determine to be customary between banks for correction of errors. If the Agent determines at any time that any amount received or collected by the Agent in respect of any amounts paid pursuant to this Agreement must be returned to the Commission or the Issuing and Paying Agent, or paid to any other person or entity pursuant to any insolvency law, any sharing clause, or otherwise, then, notwithstanding any other provision of this Agreement, the Agent shall not be required to distribute any portion thereof to any Bank, and each Bank will promptly on demand by the Agent repay any portion thereof that the Agent shall have distributed to such Bank, together with interest thereon at such rate, if any, as the Agent shall pay to the Commission or the Issuing and Paying Agent or such other person or entity with respect thereto.

Section 14.10 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of California.

Section 14.11 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE COMMISSION, THE AGENT AND EACH BANK HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR THE PROMISSORY NOTE.

Section 14.12 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

Section 14.13 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 14.14 Headings. Article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 14.15 Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

Section 14.16 Benefit of Agreement. This Agreement shall be binding upon each party hereto, its successors and permitted assigns, except that the Commission may not transfer or assign any or all of its rights or obligations hereunder without the prior written consent of the Agent and the Banks. This Agreement is made and entered into solely for the protection and benefit of the Banks, on their own behalf and on behalf of the Participants and the Commission, and no other Person shall have any right of action under this Agreement. Any and all claims asserted hereunder may be asserted and only asserted by the Commission or the Agent or any Bank, on their own behalf or on behalf of the Participants. The Participation Agreements, if any, are not intended to be for the benefit of the Commission, and the Commission shall not be a third party beneficiary thereof.

Section 14.17 Limitation on Liability. Notwithstanding anything to the contrary set forth in this Agreement or elsewhere, the Commission shall not be obligated to make payment of any kind hereunder or by reason hereof or in connection herewith except from Revenues to the extent permitted by the Subordinate Indenture.

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

THE COMMISSION

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

By: Gary L. Gallegos
Name: Gary L. Gallegos
Title: Executive Director

Approved as to Form

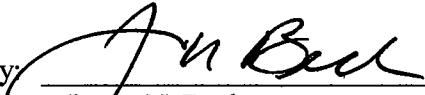
By: Julie D. Wiley
Name: Julie Wiley
Title: General Counsel

[Signature Page to Credit Agreement (Series B Notes)]

Commitment: \$100,000,000

THE BANKS

DEXIA CREDIT LOCAL,
acting through its New York Branch

By: 
Name: James N. Beck
Title: Vice President

ACCOUNT FOR PAYMENTS

Citibank N.A.
New York, New York
ABA No. 021000089
For Credit To Dexia Credit Local, New York
No. 36240356
Reference: F-0781 San Diego Regional
Transportation Commission

[Signature Page to Credit Agreement (Series B Notes)]

THE AGENT

JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION

By: William P. Hansen, Jr.
Name: William P. Hansen, Jr.
Title: Vice President

[Signature Page to Credit Agreement (Series B Notes)]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

PROMISSORY NOTE

November 9, 2005

\$100,000,000.00

The San Diego County Regional Transportation Commission (the "Commission"), acting pursuant to the provisions of the San Diego County Regional Transportation Commission Act, constituting Chapter 2 of Division 12.7 of the California Public Utilities Code and Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code as referenced in said San Diego County Regional Transportation Commission Act, and Articles 10 and 11 of Chapter 3 of Division 2 of Title 5 and the provisions of Section 5922 of the California Government Code (the "Law"), for value received, hereby promises to pay to DEXIA CREDIT LOCAL, or to its order (herein called the "Holder"), the principal amount equal to the lesser of (i) One Hundred Million Dollars (\$100,000,000) and (ii) the Pro-rata Share of the Holder in the Unreimbursed Amount from time to time outstanding, in Dollars and in immediately available funds on the dates, in the amounts and otherwise as set forth in the Credit Agreement, dated as of November 9, 2005, by and among the Commission, the Holder and the other Banks referred to therein, and JPMorgan Chase Bank, National Association, as agent for such Banks (as amended from time to time, the "Credit Agreement") together with interest thereon calculated and payable in the manner set forth in the Credit Agreement. The principal of and interest on this Promissory Note shall be payable solely from the revenues, income and other moneys hereinafter mentioned.

Terms defined and the rules of construction set forth in the Credit Agreement have, unless the context otherwise requires, the same meanings when used in this Promissory Note.

This Promissory Note is one of the Promissory Notes referred to in the Credit Agreement. This Promissory Note is entitled to the benefits of the Credit Agreement and is subject to optional and mandatory prepayment in whole or in part as provided therein. Upon the occurrence of any one or more Termination Events or other No-Issuance Events, all unpaid principal amount of this Promissory Note may be declared due and payable, and if so declared, shall become immediately due and payable, all as provided in the Credit Agreement.

The Promissory Note and the interest thereon (to the extent set forth in the Credit Agreement), together with the Notes, including the Series A Notes, Series B Notes and Series C Notes, and the interest thereon, are payable from, and are secured by a charge and lien on, the proceeds derived by the Commission from the transactions and use tax imposed pursuant to the Law which are subordinate to the charge and lien on such proceeds which secure the Senior Lien Debt. The Promissory Notes and the Notes, including the Series A Notes, Series B Notes and

Series C Notes, are equally secured by a pledge of, and charge and lien upon, all of the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of the Promissory Notes, the Notes, including the Series A Notes, Series B Notes, Series C Notes, and all other Parity Debt.

This Promissory Note is a limited obligation of the Commission and is payable, both as to principal and interest, solely from the Revenues and certain funds held by the Trustee and the Issuing and Paying Agent under the Subordinate Indenture and the Issuing and Paying Agent Agreement, and the Commission is not obligated to pay this Promissory Note except from such Revenues and funds. The general fund of the Commission is not liable, and the credit or taxing power (other than as described above) of the Commission is not pledged, for the payment of this Promissory Note. This Promissory Note is not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Commission or any of its income or receipts, except the Revenues. No Holder of this Promissory Note shall ever have the right to compel any other exercise of the taxing power of the Commission to pay this Promissory Note or the interest hereon.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Promissory Note and in the issuing of this Promissory Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Promissory Note, together with all other indebtedness of the Commission pertaining to the Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of indebtedness permitted to be issued under the Subordinate Indenture or the Law.

IN WITNESS WHEREOF, SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION has caused this Promissory Note to be executed in its
name and on its behalf, and this Promissory Note to be dated the date set forth above.

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

By: _____
Name: _____
Title: Executive Director

Approved as to Form

By: _____
Name:
Title: General Counsel

NOTICE OF BORROWING

To: JPMorgan Chase Bank, National Association

[Date]

Re: Credit Agreement dated as of November 9, 2005

Ladies and Gentlemen:

We refer to the Credit Facility constituted by a Credit Agreement (the "Credit Agreement") dated as of November 9, 2005 and made by and among the San Diego County Regional Transportation Commission, Dexia Credit Local, acting through its New York Branch, and the other Banks referred to therein and JPMorgan Chase Bank, National Association, as agent for such Banks. Terms defined in the Credit Agreement have the same meanings in this Notice of Borrowing.

On behalf of the Commission, we hereby:

(a) notify you that the amount of \$ _____ representing the principal of certain Series B Notes are due and payable on _____ and that amounts in the Note Principal Account are insufficient to pay the same respectively on such date;

(b) request an Advance in the amount of \$ _____ on _____,
_____;

(c) request you to remit, on behalf of the Banks, the Advance to [please specify account number, name and address of bank];

(d) confirm that each of the conditions set forth in Section 2.2(a) of the Credit Agreement relating to the Advance are satisfied as at the date hereof and we know of no reason why they should not be satisfied as at the date referred to in (a) above.

U.S. BANK TRUST NATIONAL
ASSOCIATION, as Issuing and Paying
Agent

By: _____

Name: _____

Title: _____

cc: U.S. Bank National Association, as Trustee

NOTICE OF BANK LOAN

To: JPMorgan Chase Bank, National Association

[Date]

Re: Credit Agreement dated as of November 9, 2005

Ladies and Gentlemen:

We refer to the Credit Facility constituted by a Credit Agreement (the "Credit Agreement") dated as of November 9, 2005 and made by and among the San Diego County Regional Transportation Commission, Dexia Credit Local, acting through its New York Branch, and the other Banks referred to therein and JPMorgan Chase Bank, National Association, as agent for such Banks. Terms defined in the Credit Agreement have the same meanings in this Notice of Bank Loan.

We hereby:

(a) notify you that we do not intend to reimburse the Banks in cash for the Advance made to us on _____, _____, the Maturity Date of which falls on _____;

(b) request a Bank Loan in the principal amount of \$ _____ for _____ years, the Maturity Date of which falls on _____, _____ to reimburse the aforesaid Advance on the Maturity Date thereof;

(c) request that each Bank apply its Pro-rata Share of the Bank Loan in reimbursement to itself of its Pro-rata Share of the aforesaid Advance; and

(d) confirm that each of the conditions set forth in Section 2.4(d) of the Credit Agreement relating to the Bank Loan are satisfied as at the date hereof and we know of no reason why they should not be satisfied as at the date referred to in (a) above.

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

By: _____
Name: _____
Title: _____

cc: U.S. Bank National Association, as Trustee

NOTICE OF NO ISSUANCE

To: [Issuing and Paying Agent]

[Date]

Re: Credit Agreement dated as of November 9, 2005

Ladies and Gentlemen:

We refer to the Credit Facility constituted by a Credit Agreement (the "Credit Agreement") dated as of November 9, 2005 and made by and among the San Diego County Regional Transportation Commission, Dexia Credit Local, acting through its New York Branch, and the other Banks referred to therein and JPMorgan Chase Bank, National Association, as agent for such Banks. Terms defined in the Credit Agreement have the same meanings in this Notice of No Issuance.

The Banks have instructed us:

(a) to deliver to you this Notice of No Issuance because a No-Issuance Event referred to in Section[s] 10.2() [and ()] has occurred and is continuing; and

(b) to instruct you to cease issuing Series B Notes in accordance with Section 4(e)(iv) of the Issuing and Paying Agent Agreement .

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as Agent

By: _____
Name: _____
Title: _____

- cc: (1) San Diego County Regional
Transportation Commission
- (2) U.S. Bank National Association,
as Trustee
- (3) Citigroup Global Markets Inc.
as Dealer

SCHEDULE OF LITIGATION

None.

EXHIBIT E

BOND COUNSEL OPINION

See Closing Document No. 63.

[FORM OF]
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement (the "Credit Agreement") dated as of November 9, 2005 and made by and among the San Diego County Regional Transportation Commission, Dexia Credit Local, acting through its New York Branch, and the other Banks referred to therein and JPMorgan Chase Bank, National Association, as agent for such Banks. Unless otherwise defined herein, capitalized terms used herein shall have the meanings given thereto in the Credit Agreement.

_____ ^{2/}
(the "Assignor") and _____ ^{3/} (the "Assignee") hereby agree as follows:

A. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases as of the Assignment Effective Date set forth below, a _____% interest in and to all the Assignor's rights and obligations under the Credit Agreement (including, without limitation, such percentage interest in the Commitment Amount of the Assignor and the Assignor's Pro-rata Share of Advances and Bank Loans, such percentage interest in all other unpaid fees and interest due to the Assignor and such percentage interest in all unpaid amounts owing to Assignor, all as of the Assignment Effective Date).

B. The Assignor represents and warrants to the Assignee that (a) it is the legal and beneficial owner of the interest being assigned hereby free and clear of any adverse claim, (b) it is not in default under any of its obligations to the Agent set forth in Article 13 of the Credit Agreement, (c) the outstanding principal amount of its Commitment Amount as of the Assignment Effective Date (before taking into consideration the assignment contemplated by this Assignment and Acceptance is \$ _____ with respect to principal of the Series B Notes^{4/}, (d) its Pro-rata Share of the outstanding principal amount of Advances is \$ _____^{4/}, (e) its Pro-rata Share of the outstanding principal amount of Bank Loans is \$ _____^{4/} and (f) the percentage which represents its Pro-rata Share as of the Assignment Effective Date (before taking into consideration the assignment contemplated by this Assignment and Acceptance) is _____%^{5/}. The Assignor does not represent or warrant and assumes no responsibility (x) with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, or any Related Document or any other instrument or document furnished thereunder or pursuant thereto; and (y) with respect to the financial position of the Commission or the Project or the performance or observance by the

^{1/} Insert date on which this Assignment and Acceptance is executed and delivered.

^{2/} Insert legal name of assigning Bank.

^{3/} Insert legal name of financial institution to which the Assignor is assigning its rights and obligations.

^{4/} Assignor should request such amounts from the Register maintained by the Agent.

^{5/} Assignor should request such percentage from the Register maintained by the Agent.

Commission of any of its obligations under the Credit Agreement, any Related Document or any other instrument or document furnished thereunder or pursuant thereto.

C. The Assignee (a) represents and warrants to the Assignor that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.1 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) will independently and without reliance upon the Agent, the Assignor or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (d) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (e) agrees that it will perform in accordance with their terms all the obligations which by the terms of the Agreement are required to be performed by it as a Bank.

D. From and after the Assignment Effective Date (a) the Assignee shall be party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Bank thereunder and (b) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

E. This Assignment and Acceptance will be delivered to the Agent together with a process and recordation fee of \$2,500.

F. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

G. The effective date of this Assignment and Acceptance shall be _____^{6/} (the "Assignment Effective Date").

^{6/} Insert a date at least five Business Days after the date on which this Assignment and Acceptance is executed.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed and delivered by their respective duly authorized officers as of the date first written

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

Agreed to and Accepted:^{2/}

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Agent

By: _____
Name: _____
Title: _____

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: _____
Name: _____
Title: _____

^{2/} The prior written consent of the Agent and the Commission must be obtained pursuant to Section 14.7 of the Credit Agreement unless the Assignee is already a "Bank".