

CREDIT AGREEMENT

Dated as of September 1, 2011

between

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

and

BANK OF AMERICA, N.A.

Relating to

\$100,000,000
SUBORDINATE SALES TAX REVENUE COMMERCIAL PAPER NOTES
(LIMITED TAX BONDS), SERIES B

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT dated as of September 1, 2011 (this “*Agreement*”), is between the SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION, a public entity duly established and existing under the laws of the State of California (the “*Commission*”) and BANK OF AMERICA, N.A., and its successors and assigns (the “*Bank*”).

RECITALS

A. Pursuant to that certain Amended and Restated Subordinate Indenture dated as of November 1, 2005 (the “*A&R Indenture*”), as supplemented and amended by that certain First Supplement to the Amended and Restated Subordinate Indenture dated as of March 27, 2008 (the “*First Supplement to Indenture*”), and as further supplemented and amended by that certain Second Supplement to the Amended and Restated Subordinate Indenture dated as of October 1, 2010 (the “*Second Supplement to Indenture*”), each between the Commission and U.S. Bank National Association, as Trustee (the “*Trustee*”), the Commission has authorized the issuance of its Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the “*Commercial Paper Notes*”).

B. In order that the Commercial Paper Notes may receive short-term ratings that will permit the Commercial Paper Notes to be marketed at an interest rate lower than that available if the Commercial Paper Notes were marketed solely on the credit of the Commission and to provide a source of funds to pay the principal of the Commercial Paper Notes on their respective maturity dates, the Commission has requested that the Bank provide liquidity to support such Commercial Paper Notes by making available a revolving line of credit, initially in an aggregate principal amount not to exceed \$100,000,000 at any time outstanding. The Bank is willing to make available such a revolving line of credit to the Commission, subject to the terms and conditions of this Agreement.

C. The Commercial Paper Notes, the Bank Note and all other amounts payable hereunder by the Commission to the Bank are secured as more specifically provided in Section 5.01 of the Indenture (as hereafter defined).

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. (a) Capitalized terms used herein but not otherwise defined herein shall have the meanings given to them in the Indenture or, if not defined therein, in the Issuing and Paying Agency Agreement.

(b) The following terms, as used herein, have the following meanings:

“*A&R Indenture*” has the meaning set forth in the recitals hereof.

“*Advance*” means each revolving loan made by the Bank to the Commission pursuant to Section 3.01(b) hereof.

“*Advance Maturity Date*” means, with respect to each Advance, the date ninety-one (91) days immediately succeeding the date the related Advance was made.

“*Advance Rate*” means the rate of interest per annum with respect to an Advance for the period from and including the date such Advance is made to and including the earlier of (x) date which is ninety (90) calendar days immediately following the date such Advance is made and (y) the related Advance Maturity Date, the Base Rate from time to time in effect; *provided* that immediately from and after the occurrence of an Event of Default, “*Advance Rate*” shall be equal to the Default Rate; and *provided further* that, at no time shall the Advance Rate be less than the applicable rate of interest on the Commercial Paper Notes.

“*Affiliate*” of any Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“*Agreement*” means this Credit Agreement, as the same may from time to time be amended or supplemented.

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

“*Applicable Rate*” means, until the Bank Loan Maturity Date, the rate of interest per annum with respect to a Bank Loan equal to the sum of the Base Rate from time to time in effect *plus* 1.00%; *provided* that immediately from and after the occurrence of an Event of Default, “*Applicable Rate*” shall be equal to the Default Rate; and *provided further* that, at no time shall the Applicable Rate be less than the applicable rate of interest on the Commercial Paper Notes.

“*Alternate Facility*” has the meaning set forth in the Indenture.

“*Assignee*” has the meaning set forth in Section 10.06(c) hereof.

“*Authorized Officer*” means the Commission’s executive director or chief financial officer.

“*Available Amount*” has the meaning set forth in Section 3.09(b) hereof.

“*Available Commitment*” shall mean, and in no event shall it exceed, the Commitment, which as of the Effective Date shall be \$100,000,000, such initial amount adjusted from time to time as follows: (a) downward in an amount equal to the amount of any Advance; (b) downward by the amount of any reduction pursuant to Section 3.07 or 3.08 hereof; and (c) upward in an amount equal to the principal amount of any Advance that is repaid pursuant to the terms of Section 3.03(a)(i), 3.03(a)(ii) or 3.09 hereof and for which the Bank has received immediately available funds equal to the principal amount thereof and accrued interest thereon; *provided* that, after giving effect to any such adjustment, the Available Commitment shall never exceed the Commitment. Any adjustments pursuant to clause (a), (b) or (c) above shall occur simultaneously with the event requiring such adjustment.

“*Bank*” shall have the meaning provided in the introductory paragraph of this Agreement, and for the purposes of Section 9.01 shall include any Person owning or controlling the Bank, and each Assignee which becomes a Bank pursuant to Section 10.06(c) hereof, and their respective successors and assigns.

“*Bank Agreement*” has the meaning set forth in Section 6.01(j) hereof.

“*Bank Loan*” shall mean each term loan made by the Bank to the Commission pursuant to Section 3.03(b) hereof on an Advance Maturity Date.

“*Bank Loan Maturity Date*” means the earlier to occur of (i) the third (3rd) anniversary of the date the related Bank Loan was made or (ii) the date any Bank Loan is otherwise due and payable in full pursuant to Section 3.03(a)(i) or 3.03(a)(ii) hereof.

“*Bank Loan Payment Date*” means, with respect to each Bank Loan, (a) the first (1st) Business Day of the third (3rd) calendar month occurring after the Advance Maturity Date and the first Business Day of each sixth (6th) calendar month occurring thereafter prior to the related Bank Loan Maturity Date and (b) the related Bank Loan Maturity Date.

“*Bank Note*” means the promissory note of the Commission, designated as “San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B – Bank Note” and substantially in the form of *Exhibit A* attached hereto, evidencing the obligations of the Commission hereunder, including, without limitation, its obligation to repay the Loans and all Obligations, and constituting Parity Debt under the Indenture.

“*Base Rate*” means, for any day, a rate of interest per annum equal to the highest of (a) the sum of the Prime Rate as in effect on such day *plus* one and one-half percent (1.50%), (b) the sum of the Federal Funds Rate as in effect on such day *plus* three percent (3.00%) or (c) seven and one-half percent (7.50%). Each determination of the Base Rate by the Bank shall be conclusive absent manifest error.

“*Board of Equalization Agreement*” means that certain Agreement for State Administration of Commission Transactions and Use Taxes dated April 1, 2008 between the Commission and the State Board of Equalization, together with that certain Letter of Instructions

from the Director of Finance of the Commission to the State Board of Equalization dated March 27, 2008, as supplemented and amended from time to time in accordance with the terms hereof.

“*Bond Indenture*” has the meaning set forth in the Indenture.

“*Bond Indentures*” means the Indenture, the Bond Indenture, any Supplemental Bond Indenture or Supplemental Indenture authorizing Debt of the Commission which is secured by Sales Tax Revenues (including Revenues).

“*Bonds*” has the meaning set forth in the Indenture.

“*Business Day*” has the meaning set forth in the Indenture.

“*Change of Law*” means the adoption or implementation, after the Effective Date, of, or any change, after the Effective Date, in, any law, rule, treaty, regulation, statute, policy, guideline, directive or Risk-Based Capital Guidelines, or any change, after the Effective Date, in the enforcement, interpretation, implementation or administration thereof, as the case may be, by any court, central bank or other administrative or Governmental Authority or comparable agency charged with the interpretation or administration thereof (in each case whether or not having the force of law), or compliance by the Bank, its Parent or any Participant or Assignee with any request or directive of any such court, central bank or other administrative or Governmental Authority or comparable agency charged with the interpretation or administration thereof (in each case whether or not having the force of law) or the occurrence of the effective date of any of the foregoing if adopted prior to the Effective Date or any change after the Effective Date in the application, interpretation or enforcement of any of the foregoing.

“*Code*” means the United States Internal Revenue Code of 1986, as amended, or any successor provision or provisions in that Code or any successor Federal tax code.

“*Commercial Paper Notes*” has the meaning set forth in the recitals hereof.

“*Commission*” has the meaning set forth in the introductory paragraph to this Agreement.

“*Commitment*” means, an amount equal to the commitment of the Bank to make Advances to the Commission, as such amount may be reduced from time to time pursuant to Section 3.07, 3.08, 7.02(b) or 7.02(c) hereof. The Commission and the Bank agree that the Commitment of the Bank as of the Effective Date is \$100,000,000.

“*Commitment Fees*” has the meaning set forth in the Fee Letter.

“*Commitment Fee Rate*” has the meaning set forth in the Fee Letter.

“*Commitment Termination Date*” shall mean the earliest to occur of:

- (a) Revolving Credit Expiration Date;

(b) the date the Commitment is reduced to zero pursuant to Section 3.07 or 3.08 hereof or the date the Commitment is terminated pursuant to Section 7.02 hereof; and

(c) the Substitution Date, *provided that* the Bank has made any Advance required to be made on such date under the terms and condition set forth herein.

“*County*” means the County of San Diego, California.

“*Dealer*” has the meaning set forth in the Indenture.

“*Dealer Agreement*” has the meaning set forth in the Indenture.

“*Debt*” of any Person means, without duplication, (i) all obligations of such Person evidenced by bonds, debentures, notes, securities or other similar instruments, (ii) all obligations of such Person for borrowed money, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) obligations of such Person as lessee under any lease of property, real or personal, that, in accordance with GAAP, would be required to be capitalized on a balance sheet of the lessee thereof, (v) obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advanced under a letter of credit, credit agreement, liquidity facility or other instrument, (vi) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property or obligations for the deferred purchase price of property or services (other than trade accounts payable occurring in the ordinary course of business), (vii) all Debt of others secured by a Lien on any asset of such Person whether or not such Debt is assumed by such Person, (viii) any obligation of such Person guaranteeing or in effect guaranteeing any other Debt, whether directly or indirectly and (ix) all obligations arising under or pursuant to any Swap Contract.

“*Default*” means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means the per annum rate of interest equal to the sum of the Base Rate *plus* three percent (3.00%).

“*Dollars*” and “*\$*” mean lawful money of the United States.

“*Effective Date*” means the date this Agreement becomes effective in accordance with Section 4.01 hereof.

“*EMMA*” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof.

“*Excess Amount*” has the meaning set forth in Section 3.09(a) hereof.

“*Excess Interest*” has the meaning set forth in Section 3.05(c) hereof.

“*Existing Swap Contracts*” means, collectively: (i) that certain ISDA Master Agreement, dated as of November 22, 2005, between Bank of America, N.A. (“BANA”) and the Commission, as supplemented by the Schedule, dated as of November 22, 2005 and the confirmation of a transaction entered into on November 22, 2005 between BANA and the Commission; (ii) that certain ISDA Master Agreement, dated as of November 22, 2005, between Goldman Sachs Mitsui Marine Derivative Products, L.P. (“Goldman”) and the Commission, as supplemented by the Schedule, dated as of November 22, 2005 and the confirmation of a transaction entered into on November 29, 2005 between Goldman and the Commission; (iii) that certain ISDA Master Agreement, dated as of November 22, 2005, between Merrill Lynch Capital Services, Inc. (“MLCS”) and the Commission, as supplemented by the Schedule, dated as of November 22, 2005 and the confirmation of a transaction entered into on November 22, 2005 between MLCS and the Commission; (iv) that certain ISDA Master Agreement, dated as of March 19, 2009, between Barclays Bank PLC (“Barclays”) and the Commission; (v) that certain Schedule to ISDA Master Agreement, dated as of March 19, 2009, between Barclays and the Commission; (vi) that certain ISDA Credit Support Annex to Schedule, dated as of March 19, 2009, between Barclays and the Commission; and (vii) the Confirmations, dated as of March 19, 2009, between the Commission and Barclays.

“*Federal Funds Rate*” means, for any day, a fluctuating interest rate per annum as determined by the Bank at which overnight Federal funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the Commission on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be conclusive and binding on the Commission absent manifest error, *provided* that if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the preceding Business Day as so published on the next succeeding Business Day.

“*Fee Letter*” means that certain Fee Letter dated September 28, 2011, between the Bank and the Commission, as the same may be amended, supplemented or otherwise modified from time to time.

“*First Supplement to Indenture*” has the meaning set forth in the recitals hereof.

“*Generally Accepted Accounting Principles*” or “GAAP” means generally accepted accounting principles consistently applied and maintained throughout the period indicated and consistent with the prior financial practice of the Commission, except for changes permitted by

the Governmental Accounting Standards Board or any similar accounting authority of comparable standing.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government.

“Guarantee” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part). The term *“Guarantee”* used as a verb has a corresponding meaning.

“Immediate Termination Event” shall mean any of the Events of Default described in Section 7.01(a)(i), (e), (f)(i), (h), (i), (j)(ii) or (l) hereof.

“Incipient Invalidity Event” means (i) the validity or enforceability of any provision of the Law or the Ordinance that impacts the Commission’s ability or obligation to levy the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or to collect Revenues or to pay the Revenues directly to the Trustee or the State Board of Equalization’s ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee is contested by duly authorized action of the Commission or the State or any instrumentality of the State with appropriate jurisdiction or is determined by a court or the State or any instrumentality of the State with appropriate jurisdiction in a proceeding subject to further appeals to be invalid or unenforceable, or (ii) the validity or enforceability of any Payment and Collateral Obligation, or of any Commercial Paper Note, the Bank Note or any Loan or any provision of any Related Document related to the payment of principal and interest on any Commercial Paper Note, the Bank Note or any Loan, or the pledge of and lien on the Revenues to secure the payment of principal and interest on the Commercial Paper Notes, the Bank Note and the Loans, is contested or repudiated by duly authorized action of the Commission or is declared invalid or unenforceable in a proceeding subject to further appeals by the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction.

“Indemnified Party” has the meaning set forth in Section 10.03(b) hereof.

“Indenture” means the A&R Indenture, as supplemented and amended in accordance with its terms and the terms hereof, including without limitation, as supplemented and amended by the First Supplement to Indenture and the Second Supplement to Indenture.

“Interest Fund” has the meaning set forth in the Indenture.

“Invalidity Event” means (i) the Law or the Ordinance is repealed, (ii) a Federal court or any other court with appropriate jurisdiction or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction determines in a final non-appealable order or judgment, as the case may be, that any provision or provisions of the Law or the Ordinance regarding (A) the Commission’s ability or obligation to levy or impose the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or collect Revenues or to pay the Revenues directly to the Trustee or (B) the State Board of Equalization’s obligation to collect the Sales Tax or the State Board of Equalization’s ability or obligation to make payment of the Sales Tax directly to the Trustee, or the pledge of and lien on Revenues securing the payment of the principal of or interest on the Commercial Paper Notes or the payment of the Bank Note and the Loans, is null and void, (iii) the Law or the Ordinance is ruled to be null and void by a Federal court or any court with appropriate jurisdiction or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction, (iv) any provision of this Agreement, the Bank Note, any Loan, any Commercial Paper Note, the Indenture, the Bond Indentures or the Ordinance relating to the Commission’s ability or obligation to make payments of the principal or interest on the Commercial Paper Notes or the payment of the Bank Note or any Loan or the pledge of and lien on the Revenues to secure the payment of principal and interest on the Commercial Paper Notes, the Bank Note and the Loans (each such provision, a *“Payment and Collateral Obligation”*) or the pledge of and lien on the Revenues to secure the payment of the principal of and interest on the Commercial Paper Notes, the Bank Note and the Loans is ruled to be null and void by a Federal court or any other court with appropriate jurisdiction or the court or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction in a final nonappealable order or judgment by such court or the State or any instrumentality of the State, as applicable, or (v) the Commission, by duly authorized action, publicly denies, contests or repudiates that the Commission has any or further liability or obligation with respect to (A) the payment of the principal of or interest on the Commercial Paper Notes, the Bank Note or any Loan or (B) any provision under the Law or the Ordinance with respect to the payment of, or the pledge of or lien on the Revenues to secure the payment of, the Commercial Payment Notes, the Bank Note, any Loan or any Payment and Collateral Obligation.

“Investment Grade” means a rating of *“Baa3”* (or its equivalent) or better by Moody’s and *“BBB-”* (or its equivalent) or better by S&P.

“IRS” means the United States Internal Revenue Service, or any Governmental Authority succeeding to any of its principal functions.

“Issuing and Paying Agency Agreement” means that certain Amended and Restated Issuing and Paying Agent Agreement dated as of November 1, 2005, as amended and supplemented to date, between the Commission and the Issuing and Paying Agent, as the same may from time to time be amended or supplemented in accordance with the terms hereof and thereof.

“Issuing and Paying Agent” means U.S. Bank National Association (formerly U.S. Bank Trust National Association), as Issuing and Paying Agent under the Issuing and Paying Agency Agreement, or any successor in such capacity.

“Law” has the meaning set forth in the Indenture.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” shall mean an Advance or a Bank Loan made by the Bank to the Commission pursuant to Article III hereof.

“Material Adverse Change” or *“Material Adverse Effect”* means any event or occurrence (including, without limitation, a change in Applicable Law) that causes a material adverse change in or a material adverse effect on (A) the validity or enforceability of this Agreement, any of the other the Related Documents or any Payment and Collateral Obligation, (B) the validity, enforceability or perfection of the pledge of and lien on the Revenues under the Indenture or hereunder, or (C) the Commission’s ability or obligation to make payments of principal or interest on any Senior Lien Debt, the Commercial Paper Notes or the payment of the Obligations or on the pledge of and lien on Revenues securing the payments of principal or interest on the Commercial Paper Notes or the payment of the Obligations.

“Maximum Interest Rate” has the meaning set forth in Section 3.05(c) hereof.

“Maximum Rate” means the maximum rate payable on the Commercial Paper Notes, which is twelve (12%) percent per annum.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns.

“MSRB” means the Municipal Securities Rulemaking Board.

“Note Fund” has the meaning set forth in the Indenture.

“Note Principal Account” has the meaning set forth in the Indenture.

“Notice of Borrowing” has the meaning set forth in Section 3.02(a) hereof.

“Notice of No Issuance” has the meaning set forth in Section 2.01(b) hereof.

“Notice of Termination” has the meaning set forth in Section 3.08(b) hereof.

“*Obligations*” means all obligations of the Commission to pay principal of and interest on all Loans, all fees and charges payable hereunder, under the Fee Letter and under the Bank Note, and all other payment obligations of the Commission owed to the Bank under the terms of this Agreement, the Fee Letter or the Bank Note.

“*Offering Statement*” means (i) the Offering Memorandum of the Commission with respect to the Commercial Paper Notes currently in effect and in use for marketing the Commercial Paper Notes, and (ii) each other document used by the Commission in offering the Commercial Paper Notes.

“*Opinion of Bond Counsel*” has the meaning set forth in the Indenture.

“*Ordinance*” has the meaning set forth in the Indenture.

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

“*Parent*” means, with respect to the Bank, any Person controlling the Bank.

“*Parity Debt*” has the meaning set forth in the Indenture.

“*Participant*” has the meaning set forth in Section 10.06(b) hereof.

“*Payment Account*” has the meaning set forth in the Fee Letter.

“*Payment and Collateral Obligation*” has the meaning assigned to that term in the definition of Invalidity Event.

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

“*Prime Rate*” means, for any day, the rate per annum announced by the Bank from time to time as its “*prime rate*” for U.S. dollar loans, or its equivalent, as is in effect on such day, any change in such rate to be effective on the date such change is effective for such Bank’s purposes, it being understood that such rate shall not necessarily be the best or lowest rate of interest available to such Bank’s best or most preferred prime, large commercial customers. Each determination of the Prime Rate by the Bank shall be conclusive and binding on the Commission absent manifest error.

“*Principal Fund*” has the meaning set forth in the Indenture.

“*Property*” means, as to any Person, all types of real, personal, tangible, intangible or mixed property owned by such Person whether or not included in the most recent balance sheet of such Person and its subsidiaries under GAAP.

“*Provider*” has the meaning set forth in Section 6.01(j) hereof.

“*Rating*” has the meaning set forth in the Fee Letter.

“*Rating Agency*” means either or both of S&P or Moody’s.

“*Related Documents*” means this Agreement, the Fee Letter, the Bank Note, the Indenture, the Bond Indentures, the Law, the Ordinance, the Board of Equalization Agreement, the Commercial Paper Notes, the Issuing and Paying Agency Agreement and all amendments, supplements and modifications thereto permitted hereby and thereby.

“*Revenues*” has the meaning set forth in the Indenture.

“*Revenues Secured Debt*” means (a) Senior Lien Debt and (b) other Debt of the Commission payable from or secured by Sales Tax Revenues (including Revenues) and described in clauses (i), (iv), (v) and (ix) of the definition of “Debt” herein (and in the case of clause (iv) of the definition of “Debt” herein, excluding any lease, the obligation of which is subject to appropriation at the discretion of the Commission, and in the case of obligations arising under or pursuant to any Swap Contract as described in clause (ix) of the definition of “Debt” herein, only with respect to (1) Swap Contracts that provide interest rate support and (2) obligations that constitute regularly scheduled payments that relate to Senior Lien Debt and other obligations described in clause (i) of the definition of “Debt” herein) the payment of which is secured by a pledge of or Lien on Sales Tax Revenues senior to or on a parity with the payment of the Commercial Paper Notes.

“*Revolving Credit Expiration Date*” means September 27, 2012, or such later date to which the Revolving Credit Expiration Date shall have been extended pursuant to Section 3.01(b) hereof.

“*Revolving Credit Period*” means the period from and including the Effective Date to and including the Commitment Termination Date.

“*Revolving Note*” shall have the meaning set forth in Section 3.04(a).

“*Risk-Based Capital Guidelines*” means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and its successors and assigns.

“*Sales Tax*” means the sales and use tax imposed on retail transactions in the County pursuant to the Law the collection of which constitutes Sales Tax Revenues.

“*Sales Tax Revenues*” has the meaning set forth in the Indenture.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“*Second Supplement to Indenture*” has the meaning set forth in the recitals hereof.

“*Senior Lien Debt*” has the meaning set forth in the Indenture.

“*State*” means the State of California.

“*Subordinate Sales Tax Revenue Fund*” has the meaning set forth in the Indenture.

“*Substitution Date*” means the date this Agreement is replaced with an alternate credit or liquidity facility entered into to support the Commercial Paper Notes in accordance with the terms and provisions of the Indenture.

“*Supplemental Bond Indenture*” has the meaning set forth in the Indenture.

“*Supplemental Indenture*” has the meaning set forth in the Indenture.

“*Support Agreement Fund*” has the meaning set forth in the Indenture.

“*Suspension Event*” shall mean the occurrence of an Event of Default pursuant to Section 7.01(j)(i) hereof or a Default pursuant to Section 7.01(e)(ii) or 7.01(e)(iii) hereof which causes the suspension of the obligations of the Bank hereunder.

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

“*Tax-Exempt Commercial Paper Notes*” means Commercial Paper Notes for which an Opinion of Bond Counsel relating to the exclusion of the interest thereof from gross income for purposes of federal income taxation has been delivered.

“*Term Note*” shall have the meaning set forth in Section 3.04(b).

Section 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP, as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Commission's independent public accountants) with the most recent accounting report of the Commission delivered or required to be delivered, as the case may be, by Section 5.04 or 6.01 hereof.

ARTICLE II

COMMERCIAL PAPER OPERATIONS

Section 2.01. Issuance of Commercial Paper Notes. (a) The Commission has (i) pursuant to the Indenture and the Issuing and Paying Agency Agreement, authorized and directed the Issuing and Paying Agent to act as its agent in the issuance, authentication, delivery and payment of Commercial Paper Notes and in effecting Advances hereunder and (ii) pursuant to the Indenture, provided security for the payment of the principal of, and interest on, the Commercial Paper Notes and the Bank Note and any other amounts payable under this Agreement.

(b) No Commercial Paper Note shall be issued unless on the date of such issuance, each of the following conditions precedent shall have been fulfilled:

(i) *No Event of Default.* No Event of Default or Default shall have occurred and be continuing on such date or would result from such issuance.

(ii) *Commercial Paper Notes.* All conditions precedent for the issuance of the Commercial Paper Notes under the Issuing and Paying Agent Agreement and the Indenture shall have been satisfied.

(iii) *Notice of No Issuance or Notice of Termination.* The Bank shall not have given a Notice of No Issuance or a Notice of Termination.

(iv) *Available Commitment.* After the issuance of the Commercial Paper Notes, the aggregate principal amount of all Commercial Paper Notes that will be outstanding immediately after such issuance will not exceed the amount of the Available Commitment.

Unless the Commission shall have previously advised the Bank in writing that one or more conditions set forth in subsections (i), (ii), (iii) and (iv) of this Section 2.01(b) have not been satisfied, the Commission shall be deemed to have represented and warranted that on the date of such issuance or authentication of any Commercial Paper Note the above conditions have been satisfied. The Bank may deliver a notice to the Issuing and Paying Agent and to the Commission, directing the Commission not to issue and the Issuing and Paying Agent not to authenticate any Commercial Paper Note (a "*Notice of No Issuance*"), substantially in the form of *Exhibit D* attached hereto, at any time that the Bank shall have determined that (1) any of the

conditions set forth in subsections (i), (ii), (iii) or (iv) of this Section 2.01(b) has not been satisfied and/or (2) an event described in Section 3.08(c) hereof has occurred. The Notice of No Issuance may be delivered by telecopy, by mail or by messenger, and may also be given by telephone if promptly confirmed in writing, *provided* that the failure to confirm such Notice of No Issuance promptly in writing shall not render any telephonic notice ineffective or invalid in any respect. Upon receipt of such Notice of No Issuance, the Commission shall not issue and the Issuing and Paying Agent shall not authenticate or deliver any Commercial Paper Note, in each case unless and until such Notice of No Issuance is rescinded by the Bank. The Commission shall use its best efforts to cause the Issuing and Paying Agent to comply immediately with any such Notice of No Issuance. The Bank shall not incur any liability as a result of the Bank's giving any Notice of No Issuance that, in its good faith judgment, the Bank determines to be in accordance with this Section 2.01. The Bank agrees that if, after the delivery of a Notice of No Issuance (other than pursuant to Section 3.08(c) hereof) and prior to the delivery of a Notice of Termination, the Bank determines that the conditions to the issuance of any Commercial Paper Note have been satisfied and the Bank has received a notice from the Commission to such effect, then the Bank shall promptly deliver written notice (a copy of which shall be delivered by the Bank to the Commission and the applicable Dealer) to the Issuing and Paying Agent, rescinding such Notice of No Issuance.

(c) The Commission agrees that each Commercial Paper Note shall (i) be substantially in the form set forth in Article II of the Indenture and completed in accordance with the Issuing and Paying Agency Agreement and the Indenture and otherwise as provided herein (including, without limitation, in clauses (ii) through (vi), inclusive below), (ii) be dated the date of issuance thereof, (iii) be issued through the book-entry system of The Depository Trust Company, (iv) have a stated maturity date (which shall be a Business Day), which shall not be later than the earlier to occur of (a) the 270th day after the date of its issuance or (b) the second Business Day prior to the Revolving Credit Expiration Date, (v) be sold at par and be interest bearing and (vi) be in a principal amount of \$100,000 or any multiple of \$1,000 in excess thereof, which principal amount, when added to the aggregate principal amount of all other Commercial Paper Notes outstanding (after taking into account any Commercial Paper Notes paid or to be paid on such date) or to be issued on such date, will not exceed the aggregate unused amount of the Available Commitment in effect on such date. Upon the request of the Issuing and Paying Agent, the Bank agrees to confirm to the Issuing and Paying Agent the aggregate unused amount of the Available Commitment in effect on the date of such request (which amount shall be determined without regard to any payment of Loans expected to be made on such date with respect to which the Bank has received notice but not the proceeds of such payment). As contemplated by Section 4 of the Issuing and Paying Agency Agreement, all Commercial Paper Notes shall be issued, authenticated and delivered against payment therefor and otherwise in accordance with the terms of this Agreement, the Issuing and Paying Agency Agreement and the Indenture.

ARTICLE III

THE LOANS

Section 3.01. Commitment to Lend.

(a) *Generally.* The Commission hereby requests the Bank, and the Bank hereby agrees, on the terms and conditions hereinafter set forth, to establish a revolving line of credit for the benefit of the Commission in an amount not to exceed the Commitment for the purpose of making Loans to fund the payment by the Commission of the principal of any Commercial Paper Notes at the stated maturity thereof in accordance with the terms and provisions of this Agreement and the Certificate.

(b) *Advances.* The Bank agrees, subject to the terms and conditions hereinafter set forth, including Section 4.02 hereof, to make each borrowing of Advances to the Issuing and Paying Agent during the Revolving Credit Period in an aggregate principal amount at any one time outstanding, together with the principal amount of any Advances and Bank Loans then outstanding, not to exceed the Commitment. Each Advance under this Section 3.01(b) shall be made in such amount as may be requested by the Issuing and Paying Agent to enable the Issuing and Paying Agent to pay the principal amount of Commercial Paper Notes maturing on the date of such Advance which have not been and will not be paid, after first applying the aggregate amount of cash and investments held in the respective Note Principal Account in the Note Fund and any other funds made available by the Commission to pay the principal amount of such Commercial Paper Notes. Notwithstanding anything herein to the contrary, the Bank shall have no obligation to make an Advance if the sum of such Advance plus the aggregate principal amount of the outstanding Advances and Bank Loans would exceed the Commitment then in effect. Each Advance shall be made solely for the purpose of providing funds to pay the principal of Commercial Paper Notes on the maturity date thereof to the extent that proceeds of other Commercial Paper Notes or amounts in the respective Note Principal Account in the Note Fund are not available therefor. The aggregate principal amount of all Advances made on the date of any Advance shall not exceed the Available Commitment (calculated without giving effect to any Advances made on such date) at 9:00 a.m. (New York City time) on such date. The proceeds of Advances shall not be available to pay interest on Commercial Paper Notes. The Commission may borrow under this Section 3.01(b), prepay under Section 3.09 hereof, and reborrow under this Section 3.01(b) at any time and from time to time during the Revolving Credit Period (subject to the terms and provisions of this Agreement). All payments made by the Bank hereunder shall be made from funds of the Bank and not from the funds of any other Person.

(c) *Bank Loans.* The Bank agrees, subject to the terms and conditions hereinafter set forth, to make a Bank Loan to the Commission on the Advance Maturity Date in an amount equal to the outstanding principal amount of the Advance that matures on such Advance Maturity Date; *provided, however,* that the aggregate outstanding principal amount of all Loans by the Bank shall at no time exceed the amount of the Commitment.

(d) *Extension of Revolving Credit Expiration Date.* (i) After the Effective Date and on a Business Day which is not greater than one hundred eighty (180) days and not less than sixty (60) days prior to the Revolving Credit Expiration Date, the Commission may by notice to the Bank request that the Revolving Credit Expiration Date be extended to a date agreed to by the parties hereto, upon terms and conditions to be agreed upon by the Commission and the Bank in its sole and absolute discretion. Simultaneously with the delivery of its request, the Commission shall deliver to the Bank a certificate of an Authorized Officer stating whether the representations and warranties of the Commission contained in the Related Documents are true and correct and whether any Default or Event of Default has occurred and is continuing, in each case, as of such date and, if any such representation or warranty is not true and correct or any Default or Event of Default has occurred and is continuing on such date, setting forth the details thereof and the action which the Commission is taking or proposes to take with respect thereto. The Commission agrees to furnish to the Bank such additional information with respect to the contents of such certificate or otherwise as the Bank may reasonably request. The Bank shall notify the Commission and the Issuing and Paying Agent of its decision within thirty (30) calendar days of receipt by the Bank of such request and certificate from the Commission and upon receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision, it being understood and agreed that the failure of the Bank to notify the Commission and/or the Issuing and Paying Agent of its decision (or any delay in so doing) within such thirty (30) calendar day period shall be deemed to be a rejection of such request and that the Bank shall not incur any liability or responsibility whatsoever by reason of the Bank's failure to notify the Commission and/or the Issuing and Paying Agent of its decision within such thirty (30) calendar day period. If the Revolving Credit Expiration Date is so extended, the Commission may request further extensions on the terms and conditions provided above.

(ii) If the Revolving Credit Expiration Date is extended, whether pursuant to subsection (d)(i) above or otherwise, the Commission shall be deemed to have made the representations and warranties contained herein and in the Related Documents on and as of the date on which the Revolving Credit Expiration Date is so extended (other than those representations and warranties that expressly relate to an earlier date).

Section 3.02. Method of Borrowing. (a) The Commission has pursuant to the Indenture and the Issuing and Paying Agent Agreement, authorized and directed the Issuing and Paying Agent to act as its agent in the issuance, authentication, delivery and payment of Commercial Paper Notes and in effecting borrowings under this Agreement to pay the principal of Commercial Paper Notes on their respective maturity dates. Each Advance shall be made upon the Issuing and Payment Agent's irrevocable notice, on behalf of the Commission, to the Bank by delivery to the Bank not later than 12:30 p.m. (New York City time) of written notice (a "Notice of Borrowing"), substantially in the form of *Exhibit B* attached hereto appropriately completed and signed by the Issuing and Paying Agent, specifying:

(A) the requested date of the Advance (which shall be a Business Day during the Revolving Credit Period);

(B) the aggregate amount of the Advance to be borrowed, which shall not exceed the sum of the aggregate principal amount of the Commercial Paper Notes maturing on the date of such Advance which have not been and will not be paid, after first applying the aggregate amount of cash and investments held in the respective Note Principal Account in the Note Fund and any other funds made available by the Commission to pay the principal amount of such Commercial Paper Notes; and

(C) that no Immediate Termination Event shall have occurred and no Suspension Event shall have occurred and be continuing.

(b) Any such Notice of Borrowing shall be irrevocable.

(c) Upon receipt by the Bank of a Notice of Borrowing pursuant to clause (a) above, unless the Bank determines that any applicable condition specified above or in Article III or Article IV hereof has not been satisfied, the Bank will make immediately available funds available to the Issuing and Paying Agent not later than 2:30 p.m. (New York City time) on the date of receipt of such Notice of Borrowing.

(d) If the Bank is requested to make Advances hereunder on a day on which the Commission is to repay all or any part of any outstanding Advances (“*Existing Advances*”), the Bank shall apply the proceeds of the requested Advances to repay such Existing Advances and only an amount equal to the excess (if any) of such Advances being borrowed over the outstanding principal of and accrued interest on such Existing Advances shall be made available by the Bank to the Commission.

(e) *Bank Loans.* Subject to the satisfaction of the terms and conditions of Section 3.03(b) and Section 4.03 hereof, on an Advance Maturity Date, the unpaid principal amount of the related Advance shall convert into a Bank Loan and the proceeds of such Bank Loan shall be used to pay in full the related Advance.

Section 3.03. Maturity of Loans. (a) Each Advance shall be due and payable (in whole or in part, as applicable) on the earliest to occur of (i) the date Commercial Paper Notes are sold in an aggregate principal amount in excess of the Commercial Paper Notes coming due on the date thereof (in the amount of such excess), (ii) the Business Day when Commercial Paper Notes are sold to fund such repayment and (iii) subject to the provisions of Section 3.03(b) hereof, the related Advance Maturity Date.

(b) Unless otherwise paid in full on the date provided above and so long as on the related Advance Maturity Date (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Article V hereof and the other Related Documents are true and correct in all material respects as though such representations and warranties had been made at and as of such time (other than those that expressly relate to an earlier date), then the applicable Advance shall convert into a Bank Loan which shall be payable by the Commission in semiannual installments (“*Principal Payments*”) on each Bank Loan Payment Date applicable to such Bank Loan, with the final installment in an amount equal to the entire then outstanding principal amount of such Bank Loan due and payable on the Bank Loan

Maturity Date (the period commencing on the related Advance Maturity Date and ending on the related Bank Loan Maturity Date is herein referred to as the “*Amortization Period*”). Each Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Principal Payments over the applicable Amortization Period. If a Default or an Event of Default shall have occurred and be continuing or the representations and warranties set forth in Article V hereof (other than those that expressly relate to an earlier date) are not true and correct in all material respects, in each case, on the related Advance Maturity Date, the related Advance shall be due and payable on such Advance Maturity Date.

Section 3.04. Bank Note. (a) All Loans shall be evidenced by one promissory note of the Commission, designated “San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B – Bank Note” in substantially the form of *Exhibit A* attached hereto to be issued on the Effective Date, payable to the Bank in an amount equal to the Commitment on the Effective Date and otherwise duly completed. All Loans made by the Bank and all payments and prepayments made on account of principal thereof shall be recorded by the Bank on the schedule (or a continuation thereof) attached to the Bank Note, it being understood, however, that failure by the Bank to make any such endorsement shall not affect the obligations of the Commission hereunder or under the Fee Letter or under the Bank Note in respect of unpaid principal of and interest on the Loans.

(b) The Bank shall record the date, amount and maturity of each Loan made by it and the date and amount of each payment of principal made by the Commission with respect thereto, and prior to any transfer of its Bank Note shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; *provided* that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Commission hereunder or under the Fee Letter or under the Bank Note. The Bank is hereby irrevocably authorized by the Commission to so endorse its Bank Note and to attach to and make a part of its Bank Note a continuation of any such schedule as and when required.

Section 3.05. Interest. (a) Each Advance shall bear interest on the outstanding principal amount thereof, for each day from the date such Advance is made until it becomes due, at a rate per annum equal to the Advance Rate from time to time in effect. Each Bank Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Bank Loan is made until it becomes due, at a rate per annum equal to the Applicable Rate from time to time in effect. Such interest shall be payable monthly in arrears on the first Business Day of each month for the immediately preceding calendar month (commencing on the first such date to occur after the date such Loan is made), on the applicable Advance Maturity Date, on the applicable Bank Loan Maturity Date and on the date any Loan shall be paid or prepaid. Any overdue principal of or, to the extent permitted by applicable law, interest on any Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the Default Rate from time to time in effect.

(b) (i) From and after the occurrence of an Event of Default and during the continuance of any such Event of Default, all Obligations hereunder shall thereafter bear interest at the Default Rate.

(ii) If any amounts payable by the Commission hereunder (without regard to any applicable grace periods) or under any other Related Document are not paid when due, whether at stated maturity, by acceleration or otherwise, such amounts shall thereafter bear interest at the Default Rate.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest, to the extent permitted by law) shall be due and payable upon demand.

(c) To the extent permitted by law, if the rate of interest payable hereunder or under the Fee Letter shall exceed the maximum rate permitted by law (the “*Maximum Interest Rate*”) for any period for which interest is payable, then (i) interest at the Maximum Interest Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof (or the Fee Letter, as applicable) without regard to the limitation of the Maximum Interest Rate and (B) the Maximum Interest Rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof (or the Fee Letter, as applicable) ceases to exceed the Maximum Interest Rate, at which time the Commission shall pay to the Bank with respect to amounts then payable to the Bank that are required to accrue interest hereunder (or under the Fee Letter, as applicable), such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Interest Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder (and under the Fee Letter, as applicable) until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Commitment and this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Commission shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest, to the extent permitted by law.

(d) All computations of interest shall be made by the Bank on the basis of a year of 365 days and all other computations of fees and other amounts due and owing hereunder shall be made by the Bank on the basis of a year of 360 days, in each case, for the actual number of days (including the first day but excluding the last day in the case of interest) occurring in the period for which such interest or fee is payable. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid in accordance with the provisions of Section 3.10 hereof; *provided* that any Loan that is repaid on the same day on which it is made shall bear interest for one day. Each determination by the Bank of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent demonstrable error. In addition, any calculation made pursuant to this Section 3.05(d) that would cause the interest paid, payable or accruing on the indebtedness of the Commission under this Agreement and the Bank Note to exceed the Maximum Interest Rate shall be adjusted so as to reduce the interest paid, payable and accruing hereunder to such Maximum Interest Rate, as more fully set forth in Section 3.05(c) hereof.

Section 3.06. Fees. The Commission hereby agrees to perform the obligations provided for in the Fee Letter, including, without limitation, the payment any and all fees and expenses provided for therein, at the times and in the amounts set forth therein. The terms and provisions of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. All

references to amounts or obligations due hereunder or in this Agreement shall be deemed to include all amounts and obligations (including without limitation fees and expenses) under the Fee Letter.

Section 3.07. Optional Termination or Reduction of Commitment. (a) Notwithstanding any provision of this Agreement to the contrary, the Commission agrees not to terminate or permanently reduce the Commitment prior to the Revolving Credit Expiration Date, except upon (i) the payment by the Commission to the Bank of the Termination Fee or Reduction Fee, if any, in the amount set forth in the Fee Letter, (ii) the payment to the Bank of all Obligations payable hereunder and under the Fee Letter and (iii) the Commission providing the Bank with fifteen (15) Business Days' prior written notice of its intent to terminate or permanently reduce the Commitment; *provided* that all payments to the Bank referred to in clauses (i) and (ii) above shall be made in immediately available funds prior to the date of termination or reduction, as applicable. Notwithstanding any provision of this Agreement or any other Related Document to the contrary, the Commission shall not permit the Available Commitment to be reduced to an amount less than the aggregate principal amount of Commercial Paper Notes Outstanding except upon the replacement of this Agreement with an Alternate Facility in accordance with the terms of the Indenture and this Agreement.

Section 3.08. Mandatory Termination or Reduction of Commitment. (a) Except as otherwise provided herein, the Commitment shall terminate on the Commitment Termination Date. Notwithstanding the foregoing, upon the occurrence of an Immediate Termination Event, the Commitment shall automatically terminate as provided in Section 7.02(b) hereof.

(b) If at any time an Event of Default shall have occurred and be continuing, the Bank may deliver to the Commission and the Issuing and Paying Agent a notice (a "*Notice of Termination*") substantially in the form of *Exhibit E* attached hereto, that an Event of Default has occurred and is continuing, and upon such delivery the Commitment shall terminate effective at the close of business on the latest maturity date of the Commercial Paper Notes issued prior to the date on which the Bank has delivered such Notice of Termination.

(c) In the event the Commission elects not to issue Commercial Paper Notes up to the Maximum Rate when it is otherwise lawfully able to do so, or otherwise limits the interest rate on a rollover of Commercial Paper Notes to a rate of interest less than the Maximum Rate and, as a result of these actions, the Bank is not reimbursed for an advance to pay maturing Commercial Paper Notes, then, upon the delivery by the Bank to the Commission and the Issuing and Paying Agent of a Notice of No Issuance, the total amount of the Commercial Paper Notes permitted to be issued and the Commitment of the Bank hereunder shall be reduced permanently by the amount of Loans outstanding hereunder and the Commission shall repay the outstanding Loans within 90 days.

Section 3.09. Mandatory and Optional Prepayments. (a) If on any date (x) the sum of the aggregate principal amount of outstanding Loans exceeds the amount of the Commitment, the Commission shall immediately prepay the Loans in an amount equal to such excess, (y) the aggregate principal amount of outstanding Commercial Paper Notes exceeds the amount of the Available Commitment, the Commission shall immediately cease issuing any further

Commercial Paper Notes until the Available Commitment is not less than the aggregate principal amount of outstanding Commercial Paper Notes plus the principal amount of any Commercial Paper Notes the Commission intends to issue, or (z) any Commercial Paper Notes are sold to finance the repayment of a Loan, the Commission shall immediately prepay any outstanding Loans (if any) in an amount equal to the sum of the proceeds from such sale. If the Commission issues Commercial Paper Notes pursuant to the Indenture and the Issuing and Paying Agency Agreement on any date on which any Loan is outstanding and the sum of (1) the proceeds of such issuance and (2) the aggregate amount of cash and investments then held in the respective Note Principal Account in the Note Fund and (3) any funds made available by the Commission to pay the principal amount of the Commercial Paper Notes, exceeds (any such excess being referred to as the “*Excess Amount*”) the amount (if any) required to pay the principal amount of Commercial Paper Notes maturing on such date, the Commission shall (or shall cause the Issuing and Paying Agent to) repay or prepay Loans in an aggregate principal amount such that the aggregate principal amount so paid or prepaid, as the case may be (together with interest accrued thereon to but excluding the date of prepayment), shall equal the Excess Amount, by paying such aggregate principal amount together with such accrued interest to the Bank. If on any such date no Loan is outstanding hereunder and no other amount is payable by the Commission hereunder, then funds on deposit in the respective Note Principal Account in the Note Fund may be used for any other lawful purpose of the Commission as provided in the Indenture.

(b) If, on any date on which the provisions of subsection (a) do not apply, the aggregate amount of cash and investments held in the respective Note Principal Account in the Note Fund exceeds (the amount of such excess being referred to as the “*Available Amount*”) the amount (if any) required to pay the principal amount of Commercial Paper Notes maturing on such date, after first taking into account any funds made available by the Commission to pay the principal amount of such Commercial Paper Notes, and any Loan is then outstanding, the Commission shall (or shall cause the Issuing and Paying Agent to) repay or prepay Loans on that date in an aggregate principal amount such that the aggregate principal amount so paid or prepaid, as the case may be (together with interest accrued thereon to but excluding the date of such payment or prepayment, as the case may be) shall equal the Available Amount, by paying such aggregate principal amount together with such accrued interest to the Bank.

(c) The Commission (or the Issuing and Paying Agent, on behalf of the Commission) shall notify the Bank of any prepayment pursuant to subsection (a) or (b) above by 3:00 p.m. (New York City time) on the date of such prepayment. Upon receipt of a notice of prepayment pursuant to this Section, such notice shall not thereafter be revocable by the Commission or the Issuing and Paying Agent.

Section 3.10. General Provisions as to Payments. (a) The Commission shall make each payment of principal of, and interest on, each Loan and of fees hereunder or under the Fee Letter, not later than 3:00 p.m. (New York City time) on the date when due, in Federal or other immediately available funds to the Bank by wire transfer to the Bank’s Payment Account; *provided* that, payment of the principal of, and interest on, each Loan and any fees payable hereunder shall be made from, *inter alia*, amounts on deposit in the applicable Support Agreement Fund as provided in Section 5.04 of the A&R Indenture (but not from amounts derived from any Loan hereunder that are pledged to pay the principal amount of the

Commercial Paper Notes) and the respective Note Principal Account in the Note Fund created under the Indenture, and any such payments to be made from amounts on deposit in the applicable Support Agreement Fund or the respective Note Principal Account in the Note Fund shall be made by the Issuing and Paying Agent and the Trustee under the Indenture, respectively, (on behalf of the Commission) not later than 3:00 p.m. (New York City time) on the date when due, in immediately available funds to the Bank by wire transfer to the Bank's Payment Account. Whenever any payment of principal of, or interest on, a Loan or fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

(b) *Funding Source.* Nothing herein shall be deemed to obligate the Bank to obtain the funds for any Loan in any particular place or manner or to constitute a representation by the Bank that it has obtained or will obtain the funds for any Loan in any particular place or manner.

ARTICLE IV

CONDITIONS

Section 4.01. Effectiveness. The Bank's obligation to make Loans in accordance with Article III hereof shall become effective on the Effective Date subject to the satisfaction of conditions in this Section 4.01.

(a) The Bank shall have received on or before the Effective Date the following, each in form and substance satisfactory to it and its counsel and, unless otherwise indicated, dated the Effective Date:

(i) (A) this Agreement and the Fee Letter signed by the parties hereto and (B) certified copies of each of the other Related Documents (which certificate, dated the Effective Date, shall state that such Related Documents are in full force and effect on the Effective Date and have not been amended, repealed, rescinded, or supplemented in any manner, except for such amendments made in accordance with the express terms of such Related Documents);

(ii) a duly executed Bank Note dated on or before the Effective Date complying with the provisions of Section 3.04 hereof;

(iii) an opinion of each of (A) Orrick, Herrington & Sutcliffe LLP, Bond Counsel for the Commission, dated the Effective Date, together with a reliance letter addressed to the Bank with respect thereto, and (B) General Counsel of the Commission, dated the Effective Date, each addressed to the Bank and in form and substance satisfactory to the Bank and its counsel;

(iv) (A) a letter, dated the Effective Date, from the Commission to the Issuing and Paying Agent, substantially in the form of *Exhibit F* hereto, and (B) a letter, dated the

Effective Date, from the Issuing and Paying Agent to the Bank, substantially in the form of *Exhibit G* hereto;

(v) a certificate of an Authorized Officer of the Commission, dated the Effective Date, certifying that attached thereto are true and complete copies of all amendments or supplements to any of the (A) the Indenture, (B) the Ordinance, (C) any resolutions of the Board of Directors of the Commission authorizing the Commission's commercial paper program and the other Related Documents, which certificate shall state that the Indenture and the Ordinance and such resolutions have not been amended, repealed or rescinded, and each is in full force and effect on the Effective Date;

(vi) a certificate of an Authorized Officer of the Commission that all approvals or authorizations by, or consents of, or notices to or registrations with, any Governmental Authority required for the Commission to execute, deliver or perform this Agreement, the Fee Letter and the Bank Note or any of the Related Documents have been obtained and are in full force and effect;

(vii) a certificate of the Secretary or an Assistant Secretary of the Commission, dated the Effective Date, certifying as to the names and true signatures of the officers of the Commission authorized to execute this Agreement, the Fee Letter and the Bank Note and any other document to be delivered prospectively by the Commission hereunder;

(viii) a certificate of an Authorized Officer of the Commission, dated the Effective Date, certifying that (A) each of the Commission's representations and warranties contained herein and the other Related Documents is true and correct on and as of the Effective Date as though made on and as of such date, (B) no Default or Event of Default has occurred and is continuing, (C) since June 30, 2010, except as disclosed to the Bank in writing, there has been no Material Adverse Change, (D) all conditions precedent set forth in this Article IV have been satisfied and (E) all conditions precedent set forth in the Indenture with respect to issuance of the Commercial Paper Notes shall have been satisfied;

(ix) the audited financial statements of the Commission as of June 30, 2010, including the balance sheet as of such date of said period, all examined and reported on by Mayer Hoffman McCann P.C., as heretofore delivered to the Bank correctly and fairly present the financial condition of the Commission as of said dates and the results of the operations of the Commission for such period, have been prepared in accordance with Generally Accepted Accounting Principles consistently applied except as stated in the notes thereto; and there has been no material adverse change in the condition, financial or otherwise, of the Commission since June 30, 2010, from that set forth in the financial statements of the Commission as of, and for the period ended on, that date except as otherwise disclosed to the Bank in the Offering Statement or in some other writing;

(x) written confirmation that the Commercial Paper Notes have been rated "P-1" by Moody's and "A-1" by S&P; and

(xi) copies of the Commission's investment policy, guidelines and permitted investments.

(b) On or prior to the Effective Date (and upon receipt of an invoice therefor), the Commission shall pay to the Bank any fees to be paid on or prior the Effective Date referred to in Section 10.03 hereof and pursuant to the Fee Letter and this Agreement.

(c) Prior to the Effective Date, the Bank shall have received a written description of all actions, suits or proceedings pending or, to the Commission's knowledge, threatened against the Commission in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Bank may reasonably request. The Bank in its sole discretion shall have determined that no Material Adverse Change shall have occurred (including without limitation any material adverse change in the laws, rules or regulations (or their interpretation or administration) that in any case, may adversely affect the consummation of the transactions contemplated hereby or by any Related Document.

(d) The effectiveness of this Agreement, the making of a Loan and the consummation of the other transactions contemplated by this Agreement and the Indenture shall not contravene any law, rule or regulation applicable to the Commission or the Bank or any request, guideline or directive (or the interpretation or administration of any of the foregoing) of any Governmental Authority with jurisdiction over either the Commission or the Bank.

(e) There shall have been delivered to the Bank such information and copies of documents, approvals (if any) and records (certified, where appropriate) of corporate and legal proceedings as the Bank may have requested relating to the entering into and performance by each of the parties (other than the Bank) thereto, of each of the Related Documents or the transactions contemplated thereby or the tax-exempt status of the Tax-Exempt Commercial Paper Notes. The Bank shall have received such financial information, budgets, projections, and other documents, instruments, approvals, opinions, investment policies and guidelines for permitted investments of the Commission (and, if requested by the Bank, certified duplicates or executed copies thereof) as the Bank may reasonably request.

Section 4.02. Conditions to Advances. The obligation of the Bank to make any Advance is subject to receipt by the Bank of a Notice of Borrowing in accordance with Section 3.03(a) hereof and the satisfaction of the further condition that no Immediate Termination Event shall have occurred and no Suspension Event shall have occurred and be continuing. In addition, the Bank shall have no obligation to make an Advance to the Commission to pay the principal amount of any Commercial Paper Note that was issued by the Commission after receipt by the Issuing and Paying Agent and the Commission of a Notice of No Issuance. The making of each Loan hereunder shall be deemed to be a representation and warranty by the Commission on the date of such borrowing that no Immediate Termination Event shall have occurred and no Suspension Event shall have occurred and be continuing.

Section 4.03. Conditions to Bank Loan. The obligation of the Bank to make any Bank Loan is subject to (i) the representations and warranties contained in Sections 5.01, 5.02, 5.03, 5.04, 5.06, 5.08, 5.09, 5.10, 5.11, 5.12, 5.15, 5.16, 5.17 and 5.19 hereof and in each other Related Document being true and correct in all material respects on and as of the applicable Advance Maturity Date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date); (ii) no Default or Event of Default shall have occurred and be continuing on the applicable Advance Maturity Date; and (iii) the Bank shall have received a certificate, signed by the Commission (a “*Notice of Bank Loan*”) in substantially the form of *Exhibit C* attached hereto and dated the applicable Advance Maturity Date, confirming that all of the foregoing conditions have been satisfied.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Commission represents and warrants, as of the date hereof, and as of the date of each Loan that:

Section 5.01. 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, (iii) has full power and authority to execute (or adopt, if applicable), deliver and perform its obligations under this Agreement, the Fee Letter, the Bank Note and the other Related Documents, to borrow hereunder and to execute, deliver and perform its obligations under the Commercial Paper 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 Indenture, the Ordinance, this Agreement, the Fee Letter, the Bank Note, any Commercial Paper Note or any other Related Document by an act of its governing body.

Section 5.02. Authorization, Absence of Conflicts, Etc. The execution (or adoption, if applicable), delivery and performance of this Agreement, the Fee Letter, the Bank Note, the Commercial Paper Notes and other the Related Documents (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 without limitation the Law and the Ordinance, 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 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.

Section 5.03. Governmental Consent or Approval. The execution (or adoption, if applicable), delivery and performance of this Agreement, the Fee Letter, the Bank Note, the Commercial Paper Notes and the other Related Documents 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.

Section 5.04. Binding Obligations. This Agreement, the Fee Letter, the Bank Note, the Commercial Paper Notes and the other Related Documents are legal, valid and binding obligations of the Commission, enforceable against the Commission in accordance with their respective 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 on remedies against public entities in California.

Section 5.05. Litigation. (a) There is no action or investigation pending 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 Fee Letter, the Commercial Paper Notes or the other Related Documents, or wherein an unfavorable decision, ruling or finding would in any way adversely affect the validity or enforceability of this Agreement, the Fee Letter, the Commercial Paper Notes, any Payment or Collateral Obligation or the other Related Documents or could result in a Material Adverse Change. There is no action pending which questions the validity of the Law, the Ordinance, the Sales Tax 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, the Ordinance or to diminish or reallocate the Sales Tax or the Sales Tax Revenues.

(b) To the knowledge of the Commission, there is no action or investigation 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 Fee Letter, the Commercial Paper Notes or the other Related Documents, or wherein an unfavorable decision, ruling or finding would in any way adversely affect the validity or enforceability of this Agreement, the Fee Letter, the Commercial Paper Notes, any Payment or Collateral Obligation or the other Related Documents or could result in a Material Adverse Change. To the knowledge of the Commission, there is no action threatened, which questions the validity of the Law, the Ordinance, the Sales Tax or the Sales Tax Revenues nor is there any threatened initiative or referendum qualified for the ballot which would seek to amend, annul, modify or replace the Law, the Ordinance or to diminish or reallocate the Sales Tax or the Sales Tax Revenues.

Section 5.06. Financial Condition. All of the Commission's financial statements which have been furnished to the Bank have been prepared in conformity with GAAP (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 Bank, there has been no Material Adverse Change 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 the Bank.

Section 5.07. Offering Statement. The information contained in the Offering Statement (other than information under the caption “THE BANK” or relating to DTC in Appendix C thereto) was as of the date thereof correct in all material respects and did not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made in the Offering Statement, as of its date and in light of the circumstances under which they were made, not misleading. The Commission makes no representation or warranty as to information in the Offering Statement under the captions “THE BANK” and “THE LINE OF CREDIT.”

Section 5.08. Related Documents. Each of the Related Documents is in full force and effect. Except as previously disclosed in writing to the Bank, no event of default and no event which, with the giving of notice, the passage of time or both, would constitute an event of default, presently exists under any of the Related Documents. Except as previously disclosed in writing to the Bank, neither the Commission nor any other party thereto has waived or deferred performance of any material obligation under any Related Document. The representations and warranties made by the Commission in the Indenture and the Issuing and Paying Agency Agreement are hereby incorporated herein by this reference and are hereby reaffirmed and restated by the Commission for the benefit of the Bank as if such representations and warranties were fully set forth herein. Except as otherwise provided herein, no amendment, modification, termination or replacement of any such representations, warranties and definitions contained in the Indenture or the Issuing and Paying Agency Agreement shall be effective to amend, modify, terminate or replace the representations, warranties and definitions incorporated herein by this reference, without the prior written consent of the Bank.

Section 5.09. Margin Regulations. The Commission is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds furnished by the Bank pursuant to a Notice of Borrowing under this Agreement will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 5.10. No Default. No Event of Default, Default, Immediate Termination Event or Suspension Event has occurred and is continuing.

Section 5.11. Commercial Paper Notes. Each Commercial Paper Note will be duly issued under the Indenture and will be entitled to the benefits thereof.

Section 5.12. Security. The Indenture creates, for the benefit of the Commercial Paper Notes, the Bank Note and the Obligations, the legally valid, binding and irrevocable lien on and pledge of the Revenues. There is no lien on or pledge of the Sales Tax Revenues (including Revenues) other than the liens and/or pledges created or permitted by or with respect to the Indenture, the Bond Indenture, the Existing Swap Contracts, Parity Debt and the pledge set forth in Section 6.01(k) of this Agreement. The payment of the Obligations ranks on a parity with the payment of the principal of and interest on the Commercial Paper Notes and all other Parity Debt and subordinate in priority of payment and lien only to the Senior Lien Debt. No filing, registration, recording or publication of the Indenture or any other instrument is required to

establish the pledge provided for thereunder or to perfect, protect or maintain the lien created thereby on the Revenues (including Sales Tax Revenues), the Subordinate Sales Tax Revenue Fund and the Support Agreement Fund to secure the Commercial Paper Notes, the Bank Note and the Obligations. This Agreement constitutes a “Support Agreement” and a “Support Facility” under the Indenture. All Obligations constitute “Parity Debt” under the Indenture.

Section 5.13. Compliance with Rules and Regulations. Except as disclosed in the Offering Statement, or to the Bank in writing the Commission is in compliance with all laws, ordinances, orders, writs, injunctions, decrees rules and regulations applicable to it (including, without limitation, ERISA and all applicable federal, state or local environmental, health and safety statutes and regulations, and the Commission’s investment policy guidelines), except to the extent noncompliance could not reasonably be expected to have a Material Adverse Effect upon such Commission’s business, assets, liabilities, financial condition, results of operations, business prospects or the ability of the Commission to perform its obligations under any Related Document to which it is a party, and all cash and other assets of the Commission are invested in accordance with established investment policy guidelines, a true and correct copy of which guidelines in effect as of the Effective Date having been provided to the Bank in writing.

Section 5.14. Sovereign Immunity. The Commission is subject to suit in respect of its obligations under this Agreement and any other Related Document to which it is a party, and the defense of sovereign immunity is not available to the Commission in any suit or other proceeding by the Bank to enforce any of the obligations of the Commission under this Agreement or any other Related Document.

Section 5.15. Accurate Information. All information, reports and other papers and data with respect to the Commission furnished to the Bank, at the time the same were so furnished, were accurate in all material respects. Any financial, budget and other projections furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections.

Section 5.16. Usury. Except as provided in the Law and the Related Documents, there is no limitation under California law on the rate of interest payable by the Commission with respect to the Obligations, the Bank Note or any other obligations payable to the Bank hereunder, under the Fee Letter or under any Related Document.

Section 5.17. Solvency. The Commission is solvent, able to pay its debts as they become due, and has sufficient capital to carry on its business and all businesses in which it is engaged.

Section 5.18. Environmental. Except as disclosed in writing to the Bank, the Commission has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action, when taken as a whole, would have a Material Adverse Effect.

Section 5.19. Swap Termination Payments. The Commission is not a party to any Swap Contract that provides that any termination payment thereunder is payable from or secured by Revenues on a basis that is senior to or on a parity with the lien securing the Commercial Paper Notes, the Bank Note and the Loans.

ARTICLE VI

COVENANTS

Section 6.01. Covenants of the Commission. Until the termination of this Agreement and the payment in full to the Bank of all amounts payable to the Bank hereunder, under the Fee Letter and under the Bank Note, the Commission hereby covenants and agrees that it will:

(a) *Reports, Certificates and Other Information.* The Commission will furnish or cause to be furnished to the Bank:

(i) *Notice of Default.* As promptly as practical after the Executive Director of the Commission shall have obtained knowledge of the occurrence of either an Immediate Termination Event or a Suspension Event or breach of this Agreement or the Fee Letter, and in any case, 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.

(ii) *Annual Report.* Within one hundred and eighty (180) days after the end of each fiscal year of the Commission, audited financial statements 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 (A) accompanied by an unqualified opinion of a nationally recognized independent certified public accounting firm stating that (x) they have been prepared in accordance with GAAP consistently applied and (z) nothing has come to the attention of the auditors which would indicate that an Immediate Termination Event or a Suspension Event has occurred under this Agreement, and (B) accompanied by a certification from the Executive Director of the Commission addressed to the Bank stating that neither an Event of Immediate Termination Event, nor a Suspension Event 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.

(iii) *Budget.* Promptly after adoption thereof, a copy of the final budget of the Commission for each fiscal year during the term of the Agreement;

(iv) Copies of any amendments or modifications to the Law or any other legislation of which the Commission has actual knowledge which may materially adversely impact upon the Sales Tax Revenues (including Revenues) or the

Commission's ability to perform its obligations under the Commercial Paper Notes or the other Related Documents;

(v) *Notice of Adverse Change.* Notify the Bank 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 Twenty-Five Million Dollars (\$25,000,000), (ii) the filing of any action which could lead to an initiative or referendum which could annul, amend, modify or replace the Law or the Ordinance or which could lead to the diminution or reallocation of the Sales Tax Revenues or (iii) any Material Adverse Change or 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.

(vi) Notice of any resignation of any dealer immediately upon receiving such resignation;

(vii) Such other information regarding the business, affairs and financial condition of the Commission as the Bank may from time to time reasonably request, including without limitation other information respecting the business affairs, financial condition and/or operations of the Commission, as the Bank may from time to time reasonably request. As promptly as possible, copies of notices of specified events material to the Commission's affairs including, without limitation, any IRS or SEC inquiry;

(viii) Prior to the issuance and delivery of any additional debt which would constitute Parity Debt or Senior Lien Debt, a copy of the Certificate of the Commission which the Commission is required to provide to the Trustee pursuant to Sections 3.04 and 3.06 of the Indenture, as applicable. Notwithstanding anything in the Indenture to the contrary, so long as (i) the Commitment has not been reduced to zero or terminated pursuant to the terms of this Agreement or (ii) any Obligations remain outstanding, the Commission shall deliver a copy of the Certificate of the Commission described in Section 3.07 of the Indenture prior to the issuance of any Senior Lien Debt.

(ix) *Offering Statement and Material Event Notices.* (A) 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, (1) provide the Bank with a copy of such official statement or offering circular or (2) provide the Bank with notice that such information has been filed with EMMA and is publicly available; and (B) during any period of time the Commission is subject to continuing disclosure requirements under Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement, immediately following any dissemination, distribution or provision thereof to any Person, (1) provide the Bank with a copy of any reportable event notice disseminated, distributed or provided in satisfaction of or as may be required

pursuant to such requirements or (2) provide the Bank with notice that such information has been filed with EMMA and is publicly available.

(b) *Inspections; Discussion.* Permit the Bank or its representatives, at any reasonable time during normal business hours and from time to time at the request of the Bank to the extent that the Commission is not legally precluded from permitting access thereto to visit and inspect the properties of the Commission; to examine and make copies of and take abstracts from the records and books of account of the Commission; 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 the Bank being permitted by the Commission to make or conduct any such visit, inspection, examination or discussion, the Bank shall certify to the Commission that the same is being made or conducted solely in order to assist the Bank in evaluating its position under this Agreement.

(c) *Further Assurances.* Take any and all actions necessary or reasonably requested by the Bank to (i) perfect and protect, any lien, pledge or security interest or other right or interest given, or purported to be given to the Bank or any other Person under or in connection with this Agreement, the Fee Letter, the Obligations, the Bank Note or the other Related Documents or (ii) enable the Bank to exercise or enforce its rights under or in connection with this Agreement, the Bank Note or the Fee Letter. At any time, and from time to time, upon request by the Bank, the Commission will, at the Commission's expense, correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents or protect the Bank's rights with respect to the Revenues or its security under the Indenture or hereunder. At all times, the Commission will defend, preserve and protect the pledge of certain funds pursuant to Section 6.01(k) hereof and the Indenture and all the rights of the Bank hereunder and under the Indenture against all claims and demands of all Persons whatsoever.

(d) *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, the Fee Letter, the Bank Note or any Commercial Paper Note; *provided* that the Commission shall have the right to defer payment or performance of obligations to Persons other than the Bank 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.

(e) *Commercial Paper Dealer.* The Commission will use its best efforts to at all times maintain a Dealer under the Indenture and the Dealer Agreement that is acceptable to the Bank. The Commission agrees to cause the Dealer to use its best efforts to sell Commercial Paper Notes up to the maximum rate applicable to Commercial Paper Notes in order to repay maturing Commercial Paper Notes. If any Loan remains

outstanding for a period of thirty (30) consecutive Business Days or any Dealer fails to perform its duties under the Dealer Agreement, at the written direction of the Bank, the Commission shall cause the related Dealer (that has been unable to sell rollover Commercial Paper Notes or fails to perform its duties) to be replaced with a Dealer satisfactory to the Bank within five (5) Business Days of the receipt of such written direction. Any Dealer Agreement with a successor Dealer shall provide that such dealer may resign upon at least sixty (60) days' prior written notice to the Commission, the Issuing and Paying Agent and the Bank.

(f) *Alternate Facility or Refunding.* The Commission agrees to use its best efforts to obtain an Alternate Facility to replace this Agreement or otherwise refinance, redeem or defease the Commercial Paper Notes in the event (i) the Bank shall determine not to extend the Revolving Credit Expiration Date or if the Commission fails to request such an extension (such replacement to occur on or before the mandatory purchase date established pursuant to the Indenture), or (ii) the long-term unenhanced ratings assigned to any Senior Lien Debt by S&P shall fall below "A" (or its equivalent) or by Moody's shall fall below "A2" (or its equivalent). The Commission agrees that any Alternate Facility will require, as a condition to the effectiveness of the Alternate Facility, that the provider of the Alternate Facility or the Commission will provide funds, on the date the Alternate Facility becomes effective, for the payment of all principal and accrued interest (at the applicable rate pursuant to the terms hereof) on all Loans then outstanding. On such date, any and all amounts due hereunder, under the Fee Letter and under the Bank Note due to the Bank (including the Excess Interest to the extent permitted by law and unpaid interest thereon) shall be payable in full to the Bank. The Commission shall not permit an Alternate Facility to become effective with respect to less than all of the Commercial Paper Notes without the prior written consent of the Bank.

(g) *Incorporation of Covenants.* The covenants of the Commission set forth in the Indenture and the Issuing and Paying Agency Agreement to which the Commission is a party are hereby incorporated by reference in this Agreement for the benefit of the Bank. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such compliance shall be waived, or such provision shall be consented to, only if it is waived or consented to, as the case may be, by the Bank and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Bank. No amendment to such covenants (or the defined terms relating thereto) made pursuant to the Indenture or the Issuing and Paying Agency Agreement, which could reasonably be expected to materially adversely affect the rights, interest, security or remedies of the Bank, shall be effective to amend such incorporated covenants without the written consent of the Bank. So long as (i) the Commitment has not been reduced to zero or terminated pursuant to the terms of this Agreement or (ii) any Obligations remain outstanding, the Commission shall continue to comply with the covenants and undertakings set forth in the Indenture, including Section 3.06 and 6.07 thereof, notwithstanding anything in the Indenture limiting such compliance to when Notes or Parity Debt remain outstanding thereunder.

(h) *Use of Proceeds.* The Commission shall (i) cause the proceeds from any Advance made hereunder to be used solely to pay the principal of maturing Commercial Paper Notes as more fully described in Article III hereof and (ii) use the proceeds of the Commercial Paper Notes solely for the purposes set forth in the Indenture.

(i) *Disclosure to Participants.* The Corporation will permit the Bank to disclose the information described in Section 6.01 hereof to any Participants of the Bank in this Agreement.

(j) *Most Favored Nations.* In the event that the Commission has or shall, directly or indirectly, entered or enter into or otherwise consented or consent to any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct securities purchase agreement or other agreement or instrument (or any amendment, supplement or other modification thereof) (each a “*Bank Agreement*”) under which, directly or indirectly, any Person or Persons (each a “*Provider*”) undertake(s) to make or provide funds to make payment of, or to purchase or provide liquidity support or credit enhancement for any Parity Debt, any Commercial Paper Notes or any bonds or notes of the Commission secured by or payable on a parity with the Commercial Paper Notes, which Bank Agreement provides for (i) a term-out or repayment of obligations under such Bank Agreement over a period of less than three (3) years and/or (ii) any greater termination and/or acceleration rights and/or more expansive remedies than are provided to the Bank in this Agreement (each of (i) and (ii) is referred to herein as a “*Bank Agreement Provision*”), the Commission shall provide the Bank with a copy of each such Bank Agreement and such Bank Agreement Provision(s) shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Bank Agreement Provision(s) as if specifically set forth herein. The Commission shall promptly enter into an amendment to this Agreement to include such Bank Agreement Provision(s) for so long as any Provider has the benefit of such Bank Agreement Provision(s) (provided that the Bank shall maintain the benefit of such Bank Agreement Provision(s) even if the Commission fails to provide such amendment). Notwithstanding the foregoing, no event of default under any Bank Agreement the remedy for which is an immediate termination or suspension of the obligations of the related liquidity provider and no additional conditions to making Advances hereunder shall be added to this Agreement, by automatic incorporation or amendment to this Agreement or otherwise.

(k) *Pledge of Sales Tax Revenues.* The Commercial Paper Notes, the Bank Note and the Obligations shall be limited obligations of the Commission, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in the Sales Tax Revenues (including Revenues), including earnings on such amounts, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate only to the pledge of Sales Tax Revenues (including Revenues) in favor of the Senior Lien Debt pursuant to the express terms of the Indenture. Subject to the provisions of the Indenture, the Sales Tax Revenues (including Revenues), Subordinate Sales Tax Revenue Fund and the Support

Facility Fund are hereby pledged to the payment of the Bank Note and all Obligations of the Commission hereunder. The Obligations hereunder shall be deemed Parity Debt for all purposes of the Indenture. Such proceeds from the sale of the Commercial Paper Notes, Revenues and the other moneys hereby pledged to the payment of the Commission's Obligations hereunder shall immediately be subject to the Lien of this pledge without any physical delivery thereof or further act, and the Lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Commission, irrespective of whether such parties have notice thereof. The Commission will take all actions and do all things necessary to maintain the pledge of and the lien on the Sales Tax Revenues (including Revenues) as provided in the Indenture and herein.

(l) *Maintenance of Ratings.* The Commission covenants and agrees that it shall at all times use its best efforts to maintain (i) at least two short-term ratings on the Commercial Paper Notes by any Rating Agency, and (ii) at least two unenhanced long-term ratings on any one or more series of the Senior Lien Debt by any Rating Agency.

(m) *Maintenance of Existence.* The Commission covenants that to the extent permitted by law, it will preserve and maintain its existence as a local transportation commission organized under the laws of the State and maintain in all material respects the powers, functions, duties and obligations necessary or desirable in the normal conduct of its business and operations.

(n) *Compliance with Laws.* The Commission shall comply with all laws, ordinances, orders, rules and regulations (including, without limitation, the Law, the Ordinance, ERISA and all applicable federal, Commission or local environmental, health and safety statutes and regulations, and the Commission's investment policy guidelines) that may be applicable to it if the failure to comply could have a Material Adverse Effect including on the security for any of the Commercial Paper Notes, or the Commission's ability to repay when due its obligations under this Agreement, the Fee Letter, the Bank Note, any of the Commercial Paper Notes, and the Related Documents.

(o) *Budget and Appropriation.* To the extent required by California law or any Related Document, the Commission shall cause the appropriate Commission official to take any and all actions that may be necessary to facilitate the payment of all obligations under this Agreement and to include such obligations in the Commission's budget and included in an appropriations request.

(p) *Performance of This and Other Agreements.* The Commission shall punctually pay or cause to be paid all amounts payable under this Agreement, the Bank Note and the other Related Documents and observe and perform all of the conditions, covenants and requirements set forth in this Agreement, the Bank Note and the other Related Documents.

(q) *Maintenance of Tax-Exempt Status of Tax-Exempt Commercial Paper Notes.* The Commission will not, directly or indirectly, take, or permit to be taken, any

action or omit to take, or permit the omission of any action which, if taken or omitted, would adversely affect the exclusion of interest on any Tax-Exempt Commercial Paper Notes under the Indenture from gross income for purposes of federal income taxation. Notwithstanding any other provision of the Indenture, the Commission shall not permit at any time or times any of the proceeds of the Tax-Exempt Commercial Paper Notes or any other funds of the Commission to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Tax-Exempt Commercial Paper Notes to be an “arbitrage bond” as defined in Section 148 of the Code.

(r) *Bank Note CUSIP and Rating.* Upon the request of the Bank, the Commission will (i) promptly obtain a CUSIP number from Standard and Poor’s CUSIP Services for the Bank Note and (ii) at its own expense, use its best efforts to obtain within thirty (30) days of such request, a long term rating of at least Investment Grade for the Bank Note (and its related CUSIP number) from any Rating Agency.

Section 6.02. Negative Covenants of the Commission. Until the termination of this Agreement and the payment in full to the Bank of all amounts payable to the Bank hereunder and under the Fee Letter, the Commission hereby covenants and agrees that it will not:

(a) *Amendments.* Without the prior written consent of the Bank, (i) consent or agree to or permit any rescission of or amendment to the Indenture, the Law, the Ordinance or any Related Document which would reduce the amount of the Sales Tax Revenues (including Revenues) or the obligations of the Commission hereunder or under the Fee Letter 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 Indenture; or (ii) agree to the amendment of the Indenture, the Law, the Ordinance or any Related Documents such that payments to holders of Commercial Paper Notes are impaired or reduced or the priority of the obligations of the Commission under the Indenture or to the Bank hereunder or under the Fee Letter is adversely affected in any way; or (iii) agree to any amendment of the Indenture, the Law, the Ordinance or any other Related Document whatsoever which could reasonably be expected to materially and adversely affect the rights, interests, security or remedies of the Bank or result in a Material Adverse Effect; *provided* no consent shall be required or impairment deemed or adverse affect assumed from the issuance of additional Commercial Paper Notes or Parity Debt in accordance with the Indenture or the issuance of additional Bonds or Senior Lien Debt or Parity Debt in accordance with the Bond Indenture.

(b) *Swap Termination Payments.* Subsequent to the Effective Date, the Commission shall not enter into any Swap Contract unless any and all termination payments that may become owing by the Commission thereunder shall be subordinate to all amounts payable to the Bank hereunder. The Commission shall not permit any Lien on any portion of the Revenues securing any swap termination payments to be pari passu with or senior to the Lien on the Revenues created pursuant to the Indenture or the Issuing and Paying Agency Agreement to secure the payment of the principal of and interest on the Commercial Paper Notes, the Bank Note, Loans and Obligations.

(c) *Liens.* The Commission shall not create or suffer to be created any pledge of or lien on the Sales Tax Revenues (including Revenues), other than the pledge provided for in the Indenture and in Section 6.01(k) of this Agreement, and with respect to the Senior Lien Debt (and related Swap Contracts and liquidity facilities) and as expressly provided for in or permitted by the Bond Indentures.

(d) *Sovereign Immunity.* With respect to its obligations arising under this Agreement and the other Related Documents, the Commission irrevocably agrees, to the extent permitted by law, that it will not claim any immunity on the grounds of sovereignty or other similar grounds from any action, suit or proceeding by the Bank to enforce the obligations of the Commission under this Agreement or any other Related Document.

(e) *Issuing and Paying Agent; Fiduciaries; Dealers.* The Commission will not, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, (i) remove, or seek to remove, the Issuing and Paying Agent, the Trustee or any Dealer; or (ii) appoint or consent to the appointment of any successor thereto. The Commission shall at all times maintain an Issuing and Paying Agent pursuant to the terms of the Indenture.

(f) *Offering Statement Disclosure.* The Commission shall not include in an offering document for the Commercial Paper Notes any information concerning the Bank (other than identifying the Bank as a party to its contracts) that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein. Except as may be required by law, the Commission shall not use the Bank's name in the context of credit extension to the Commission or securities offerings (other than identifying the Bank as a party to this Agreement) in any published materials (other than the Commission's staff reports, annual statements, audited financial statements and rating agency presentations) without the prior written consent of the Bank (which consent shall not be unreasonably withheld).

(g) *Accounting Standards.* All financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the Commission shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements as of June 30, 2010 as examined and reported on by Mayer Hoffman McCann P.C.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. If one or more of the following events (“*Events of Default*”) shall have occurred and be continuing:

(a) *Payment Default.* The Commission (i) shall fail to pay when due (A) any principal of or interest on the Bank Note or any Loan (other than a failure to pay the principal or interest on the Bank Note or Loan accelerated pursuant to the terms of Section 7.02(a) hereof) or (B) any interest on any Commercial Paper Note, (ii) shall fail to pay within 5 days after the due date thereof any Commitment Fees, or (iii) shall fail to pay within 10 days after the due date thereof any other fees or any other Obligation or amount payable hereunder or under the Fee Letter;

(b) *Representations and Warranties.* Any representation or warranty made by the Commission in this Agreement or in the Bank Note or any Related Document or in any certificate or financial statement delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made (or deemed made);

(c) *Major Covenants.* The Commission shall fail to observe or perform any covenant contained in Section 6.01(g) (subject to any related cure period in the Indenture and/or the Issuing and Paying Agency Agreement, as applicable) or Sections 6.01(h), (j), (k), (m) or (n) or 6.02 (other than 6.02(f)) hereof or in the Bank Note;

(d) *Minor Covenants.* The Commission shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a), (b) or (c) above) or in any Related Document for 30 days after written notice thereof has been given to the Commission by the Bank;

(e) *Bankruptcy and Insolvency.* (i) The Commission shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Commission shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Commission any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Commission, any case, proceeding or other action seeking issuance of a writ of attachment, execution or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been

vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Commission shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Commission shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code;

(f) *Cross Defaults to Senior or Parity Debt.* (i) The Commission shall fail to pay when due (whether by scheduled maturity, required prepayment, acceleration or otherwise) any Senior Lien Debt or Revenues Secured Debt (other than a failure to pay any amount described in clause (v) of the definition of “Debt” which has been accelerated pursuant to the terms of the applicable agreement), or any interest or premium thereon, and such failure shall continue beyond any applicable grace period specified in any resolution, indenture, agreement, contract or instrument pursuant to which such Senior Lien Debt or Revenues Secured Debt has been issued, or pursuant to the provisions of such resolution, indenture, agreement, contract or instrument the maturity of such Senior Lien Debt or Revenues Secured Debt, as a result of a payment default, shall have been accelerated or required to be prepaid prior to the stated maturity thereof or (ii) the occurrence of any event under any ordinance, resolution, or instrument giving rise to any such Senior Lien Debt or Revenues Secured Debt or any Parity Debt, which results in or would entitle the obligee thereof or a trustee on behalf of such obligee to declare the acceleration of any maturity thereof, or upon the lapse of time or the giving of notice or both would entitle the obligee thereof or a trustee on behalf of such obligee to accelerate any maturity thereof, or which results in the forfeiture by the Commission of any of its rights under any such ordinance, resolution, or instrument;

(g) *Other Defaults Above \$10 Million.* The Commission shall fail to pay when due (whether by scheduled maturity, required prepayment, acceleration or otherwise) any Debt of the Commission not referred to in clause (a) or (f) above and in an aggregate amount greater than \$10,000,000, and such failure shall continue beyond any applicable period of grace specified in the resolution, indenture, agreement, contract or instrument providing for the same;

(h) *Unsatisfied Judgments Above \$10 Million.* One or more final unappealable judgments or orders, issued or rendered by a Governmental Authority of competent jurisdiction, for the payment of money, and not covered by insurance, the operation or result of which, individually or in the aggregate, equal or exceed \$10,000,000 shall be issued or rendered against the Commission, and such judgment or order shall continue unsatisfied, unbonded, undismissed or unstayed for a period of sixty (60) days;

(i) *Rating Below Investment Grade.* The long-term unenhanced ratings assigned by Moody’s and S&P to any Senior Lien Debt shall be withdrawn or suspended (but excluding withdrawals or suspensions if the Rating Agency stipulates in writing that the rating action is being taken for non-credit related reasons) or reduced below “Baa3” (or its equivalent) and “BBB-” (or its equivalent), respectively;

(j) *Incipient/Invalidity Event.* The occurrence of an (i) Incipient Invalidity Event or (ii) Invalidity Event;

(k) *Rating Maintenance.* (i) either of Moody's or S&P shall withdraw or suspend the long-term unenhanced rating on any Senior Lien Debt or (ii) either Moody's or S&P shall reduce the long-term unenhanced rating on any Senior Lien Debt below "Baa2" (or its equivalent) or "BBB" (or its equivalent), respectively;

(l) *Debt Moratorium or Restructuring.* (i) the Commission shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Commercial Paper Notes, the Bank Note or the Loans or Senior Lien Debt or (ii) any Governmental Authority having appropriate jurisdiction over the Commission shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Commercial Paper Notes, the Bank Note or the Loans; or

(m) *Material Adverse Amendment of Law or Ordinance.* Any provision of the Law or the Ordinance is supplemented, modified or amended in a manner that materially adversely impairs (A) the Commission's ability or obligation to impose or levy the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or collect Revenues and/or pay the Revenues directly to the Trustee or (B) the State Board of Equalization's obligation to collect of the Sales Tax or the State Board of Equalization's ability or obligation to make payment of the Sales Tax Revenues to the Trustee.

Section 7.02. Remedies.

(a) Upon the occurrence of any Event of Default, other than an Event of Default specified in Section 7.01(e) hereof, the Bank may declare the Bank Note and the Loans, all accrued interest thereon, and all other Obligations to be forthwith due and payable, whereupon the Bank Note and the Loans and such interest and all other Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Commission. If any Event of Default specified in Section 7.01(e) hereof shall occur, without any notice to the Commission or any other act by the Bank the Bank Note and Loans, together with accrued interest thereon, and all other amounts payable under this Agreement and the Fee Letter, shall become forthwith due and payable, without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by the Commission.

(b) Upon the occurrence of any Immediate Termination Event, the Commitment shall automatically and immediately terminate, without notice, with respect to all Commercial Paper Notes and thereafter the Bank shall have no obligation to make any Advance or Bank Loan hereunder.

(c) Upon the occurrence of an Event of Default that is not an Immediate Termination Event, the Bank may, by delivering to the Commission a Notice of Termination in substantially the form of *Exhibit E* attached hereto, terminate its obligation to make Advances or Bank Loans hereunder (except as provided below with respect to Commercial Paper Notes issued and sold prior to such date), causing the Issuing and Paying Agent to cease issuing any Commercial Paper Notes, whereupon no additional Commercial Paper Notes shall be issued, the Available Commitment shall immediately be reduced to the then outstanding principal amount of Commercial Paper Notes, and the Available Commitment shall be further reduced in a similar manner as and when such Commercial Paper Notes mature such that, on the date all Commercial Paper Notes issued and sold prior to the date such Notice of Termination is received by the Issuing and Paying Agent mature, the Available Commitment will be reduced to zero and the obligation of the Bank to extend any further credit hereunder will be terminated; *provided that* the Commitment shall not terminate, and the right of the Bank to accelerate the maturity of the Bank Note and the Loans shall not affect the obligation of the Bank to make Loans to the extent necessary for the Commission to make required payments of principal on the Commercial Paper Notes issued and sold prior to the date upon which the Notice of Termination is received by the Issuing and Paying Agent; *provided further* that if any Loans are made that would not have been made but for the application of the immediately preceding provision, such Loans shall be immediately due and payable on the date such Loans are made.

(d) Upon the occurrence of an Event of Default under Section 7.01(j)(i) hereof, the obligation of the Bank to make Advances or Bank Loans hereunder shall be automatically and immediately suspended from the time of the occurrence of such Event of Default until a final, non-appealable judgment of a court having jurisdiction in the premises shall be entered declaring that (i) all contested provisions of the Law and the Ordinance that impact the Commission's ability or obligation to levy the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or to collect Revenues or to pay the Revenues directly to the Trustee or the State Board of Equalization's ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee, (ii) all contested provisions of any Payment and Collateral Obligation, any Commercial Paper Note, the Bank Note, any Loan and any provision of any Related Document related to the payment of principal and interest on any Commercial Paper Note, the Bank Note or any Loan, and/or (iii) the pledge of and lien on the Revenues to secure the payment of principal and interest on the Commercial Paper Notes, the Bank Note and the Loans, as applicable, are upheld in their entirety. In the event such judgment is entered declaring that (x) all contested provisions of the Law and the Ordinance that impact the Commission's ability or obligation to levy the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or to collect Revenues or to pay the Revenues directly to the Trustee or the State Board of Equalization's ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee, (y) all contested provisions of any Payment and Collateral Obligation, any Commercial Paper Note, the Bank Note, any Loan and any provision of any Related Document related to the payment of principal and interest on any Commercial Paper Note, the Bank Note or any Loan, and/or (z) the pledge of and lien on the Revenues to secure the payment of principal and interest on the Commercial Paper Notes, the Bank Note and the Loans, as applicable, are upheld in their entirety, the obligation of the Bank to make Loans hereunder shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless this Agreement shall have otherwise expired or terminated in accordance with the

terms hereof or there has occurred an Immediate Termination Event) as if there had been no suspension. In the event (1) any provision of the Law and the Ordinance that impacts the Commission's ability or obligation to levy the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or to collect Revenues or to pay the Revenues directly to the Trustee or the State Board of Equalization's ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee, (2) any provision of any Payment and Collateral Obligation, any Commercial Paper Note, the Bank Note, any Loan and any provision of any Related Document related to the payment of principal and interest on any Commercial Paper Note, the Bank Note or any Loan, and/or (3) the pledge of and lien on the Revenues to secure the payment of principal and interest on the Commercial Paper Notes, the Bank Note and the Loans, as applicable, is declared to be null and void or unenforceable, then the obligations of the Bank under this Agreement will terminate as set forth above. Notwithstanding the foregoing, if, upon the Commitment Termination Date, litigation is still pending and a judgment regarding the validity and enforceability of (A) any provision of the Law and the Ordinance that impacts the Commission's ability or obligation to levy the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or to collect Revenues or to pay the Revenues directly to the Trustee or the State Board of Equalization's ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee, (B) any provision of any Payment and Collateral Obligation, any Commercial Paper Note, the Bank Note, any Loan and any provision of any Related Document related to the payment of principal and interest on any Commercial Paper Note, the Bank Note or any Loan, and/or (C) the pledge of and lien on the Revenues to secure the payment of principal and interest on the Commercial Paper Notes, the Bank Note and the Loans, as is the subject of such Event of Default has not been obtained, then the Commitment and the obligation of the Bank to make Loans hereunder shall at such time terminate without notice or demand.

(e) Upon the occurrence of a Default under Section 7.01(e)(ii) or Section 7.01(e)(iii) hereof, the obligation of the Bank to make Advances or Bank Loans hereunder shall be automatically and immediately suspended until the proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, the obligation of the Bank to make Advances hereunder shall be reinstated and the terms of this Agreement will continue in full force and effect (unless the obligation of the Bank to make Advances hereunder shall have otherwise expired or terminated in accordance with the terms hereof or there has occurred an Immediate Termination Event) as if there had been no such suspension.

(f) Failure to take action in regard to one or more Events of Default shall not constitute a waiver of, or the right to take action in the future in regard to, such or subsequent Events of Default.

ARTICLE VIII

RESERVED

ARTICLE IX

INCREASED COSTS; REDUCED RETURN; TAXES

Section 9.01. Increased Costs. (a) If the Bank, its Parent or any Participant or Assignee shall have determined that a Change of Law shall (A) change the basis of taxation of payments to such entity of any amounts payable hereunder or under the Fee Letter (except for taxes on the overall net income of such entity), (B) impose, modify or deem applicable any reserve, special deposit or similar requirement against making or maintaining its obligations under this Agreement or assets held by, or deposit with or for the account of, such entity or (C) impose on such entity any other condition regarding this Agreement or under the Fee Letter, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to such entity of making or maintaining its obligations hereunder or under the Fee Letter, or to reduce the amount of any sum received or receivable by such entity hereunder, then, the Commission shall pay to the Bank, its Parent or any Participant or Assignee, as applicable, at such time and in such amount as is set forth in paragraph (d) of this Section 9.01, such additional amount or amounts as will compensate such entity for such increased costs or reductions in amount.

(b) If the Bank, its Parent or any Participant or Assignee shall have determined that a Change of Law shall impose, modify or deem applicable any capital or liquidity adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which such entity, allocates capital resources to its commitments, including its obligations under liquidity facilities) that either (A) affects or would affect the amount of capital to be maintained by such entity or (B) reduces or would reduce the rate of return on such entity's capital to a level below that which such entity could have achieved but for such circumstances (taking into consideration such entity's policies with respect to capital adequacy), then, the Commission shall pay to such entity, at such time and in such amount as is set forth in paragraph (d) of this Section 9.01, such additional amount or amounts as will compensate such entity for such cost of maintaining such increased capital or such reduction in the rate of return on such entity's capital.

(c) Notwithstanding the foregoing, for purposes of this Section 9.01, (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act shall be deemed to be a Change of Law, as of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a Change of Law as of the date enacted, adopted or issued.

(d) All payments of amounts referred to in paragraph (a) and (b) of this Section 9.01 shall be due thirty (30) calendar days following the Commission's receipt of notice thereof.

Interest on the sums due as described in paragraph (a) and (b) of this Section 9.01, and in the preceding sentence, shall begin to accrue from the date when the payments were first due and shall otherwise be payable in accordance with Section 9.01 hereof; *provided*, that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank, its Parent or any Participant or Assignee as a result of any event mentioned in paragraph (a) or (b) of this Section 9.01 setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by such the Bank to the Commission and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by the above referenced certificate, such entity may make such reasonable estimates, assumptions, allocations and the like that such entity in good faith determines to be appropriate. Any such increased costs due under paragraph (a) or (b) above shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(e) The obligations of the Commission under this Section 9.01 shall survive the termination of this Agreement.

Section 9.02. Net of Taxes, Etc. (a) *Taxes.* Any and all payments to the Bank, its Parent or any Participant or Assignee by the Commission hereunder or under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed as a result of a Change of Law, excluding, however, taxes imposed on or measured by the net income or capital of such entity by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between such entity and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “*Taxes*”). If, as a result of a Change of Law, the Commission shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Fee Letter to the Bank, its Parent or any Participant or Assignee, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 9.02), such entity receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Commission shall make such deductions and (iii) the Commission shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Commission shall make any payment under this Section 9.02 to or for the benefit of the Bank, its Parent or any Participant or Assignee with respect to Taxes and such entity shall claim any credit or deduction for such Taxes against any other taxes payable by such entity to any taxing jurisdiction in the United States then such entity shall pay to the Commission an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by such entity pursuant to this sentence shall not exceed the aggregate amount previously paid by the Commission with respect to such Taxes. In addition, the Commission agrees to pay any present or future stamp, recording or documentary taxes and, if as a result of a Change of Law, any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of New York or any other taxing jurisdiction from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement or the Fee Letter, excluding, however, taxes imposed

on or measured by the net income or capital of the Bank, its Parent or any Participant or Assignee by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between such entity and such jurisdiction or political subdivision (hereinafter referred to as “*Other Taxes*”). The Bank shall provide to the Commission within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by the Commission to such entity hereunder *provided* that the Bank’s failure to send such notice shall not relieve the Commission of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The Commission shall, to the fullest extent permitted by law, indemnify the Bank, its Parent or any Participant or Assignee for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 9.02, paid by such entity or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the Commission shall not be obligated to indemnify such entity for any penalties, interest or expenses relating to Taxes or Other Taxes to the extent arising from such entity’s gross negligence or willful misconduct. The Bank agrees to give notice to the Commission of the assertion of any claim against such entity relating to such Taxes or Other Taxes as promptly as practicable after being notified of such assertion; *provided* that the Bank’s failure to notify the Commission of such assertion shall not relieve the Commission of its obligation under this Section 9.02. Payments by the Commission pursuant to this indemnification shall be made within thirty (30) days after the date such entity makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. Such entity agrees to repay to the Commission any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Commission pursuant to this Section 9.02 received by such entity for Taxes or Other Taxes that were paid by the Commission pursuant to this Section 9.02.

(c) *Notice.* Within thirty (30) days after the date of any payment of Taxes or Other Taxes by the Commission, the Commission shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) *Survival of Obligations.* The obligations of the Commission under this Section 9.02 shall survive the termination of this Agreement.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. All notices, requests, consents and other communications to any party hereunder or to Moody’s and/or S&P shall be in writing (including bank wire, telex, telecopier or similar writing) and shall be given to such Person: (i) in the case of the Commission or the Bank, at its address, telex or telecopy number set forth on the signature pages hereof, (ii) in the case of the Issuing and Paying Agent to U.S. Bank Trust National Association, 100 Wall Street, 16th Floor, New York, New York 10005, (iii) in the case of Moody’s, at 7 World Trade

Center, at 250 Greenwich Street, New York, NY 10007, (iv) in the case of S&P, at 55 Water Street, New York, NY 10041 or (v) in the case of any such party, the Issuing and Paying Agent or either such Rating Agency, at such other address or telex or telecopier number as such party or the Issuing and Paying Agent or, in the case of any such rating agency, the Commission may hereafter specify for the purpose by at least five Business Days' prior notice to the Bank and the Commission. Each such notice, request, consent or other communication shall be effective (x) if given by telecopy, when such telecopy is transmitted to the specified telecopier number and its receipt is acknowledged, (y) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (z) if given by any other means, when delivered at the address specified in this Section; *provided* that notices to the Bank under Article III or Article IX hereof shall not be effective until received; and *provided further* that Notice of No Issuance given by the Bank to the Commission or the Issuing and Paying Agent shall be effective immediately upon receipt thereof.

Section 10.02. No Waivers. No failure or delay by the Bank in exercising any right, power or privilege hereunder or under the Bank Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 10.03. Expenses; Documentary Taxes; Indemnification. (a) The Commission shall pay (i) all out-of-pocket expenses of the Bank, including, without limitation, the reasonable fees and disbursements of counsel to the Bank in connection with the preparation of this Agreement, the Fee Letter and the Bank Note and the Related Documents scheduled to become effective on or about the Effective Date, any waiver or consent hereunder or thereunder or any amendment hereof or thereof or any Default or alleged Default hereunder or thereunder and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by the Bank, including, without limitation, reasonable fees and disbursements of counsel to the Bank in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom; *provided* that the Commission should have no obligation to pay expenses incurred in respect of any alleged Event of Default if a court having appropriate jurisdiction renders a final nonappealable judgment that no Event of Default occurred and was continuing at the relevant time. In addition, the Commission shall be obligated to pay any and all stamp, transfer, documentary and other taxes, assessments, charges and fees payable or determined to be payable in connection with the execution, delivery, filing or recording of any Related Document or any Related Document or any instrument filed or recorded in connection with the transactions contemplated hereby or thereby and shall agree to hold each Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omitting to pay any such taxes, assessments, charges or fees.

(b) To the extent permitted by law, the Commission agrees to indemnify and hold harmless the Bank, its officers, directors, employees and agents (each an "*Indemnified Party*") from and against any and all claims, damages, losses, liabilities, and reasonable costs or expenses whatsoever which an Indemnified Party may incur (or which may be claimed against an Indemnified Party by any Person) by reason of or in connection with the execution and delivery of and consummation of the transactions contemplated under this Agreement and the other

Related Documents, including, without limitation, (i) the offering, sale, remarketing or resale of Commercial Paper Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement contained or incorporated by reference in any offering document, or in any supplement or amendment thereof, prepared with respect to the Commercial Paper Notes, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading; *provided*, that indemnity shall not apply to any information furnished to the Commission by the Bank for inclusion in any such Offering Statement and (ii) the execution and delivery of, or payment or failure to pay by any Person under, this Agreement; *provided, however*, that the Commission shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Bank as determined by a court of competent jurisdiction in a final, non-appealable order. Nothing in this Section 10.03(b) is intended to limit the obligations of the Commission under the Commercial Paper Notes or of the Commission to pay its obligations hereunder and under the other Related Documents.

(c) The provisions of this Section 10.03 and Sections 9.01 and 9.02 shall survive the termination of this Agreement and the payment in full of the Commercial Paper Notes and the Obligations of the Commission hereunder and under the Fee Letter. Each Indemnified Party shall notify the Commission of any amounts which are owed to such Indemnified Party pursuant to this Section 10.03.

Section 10.04. Reserved.

Section 10.05. Amendments and Waivers. No amendment or waiver of any provision or term of this Agreement, the Fee Letter or the Bank Note and no consent to any departure by the Commission or any other party therefrom, shall be effective unless in writing signed by the Bank (unless otherwise specifically provided herein) and the Commission and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment to or waiver of any term or provision of any Related Document incorporated herein by reference shall have the effect of amending or otherwise modifying any corresponding term or provision incorporated into this Agreement unless the Bank has consented to such amendment or waiver, as applicable, in writing.

Section 10.06. Successors and Assigns. (a) The obligations of the Commission under this Agreement shall continue until the later of the Commitment Termination Date and the date upon which all amounts due and owing to the Bank shall have been paid in full. 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 the Commission may not assign or otherwise transfer any of its rights under this Agreement without the prior consent written of the Bank; *provided, however*, that the obligations of the Commission pursuant to Sections 9.01 and 10.03 shall survive the termination of this Agreement.

(b) The Bank may at any time grant to one or more banks or other institutions (each a “Participant”) participating interests in its Commitment or any or all of its Loans. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon

notice to the Commission, the Bank shall remain responsible for the performance of its obligations hereunder, and the Commission shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Commission hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement or the Fee Letter. The Commission agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article IX with respect to its participating interest; *provided* that no Participant shall be entitled to receive any greater amount pursuant to such provisions than the Bank would have been entitled to receive thereunder in respect of the participating interest granted by the Bank had it not granted such participating interest. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) The Bank may at any time assign to one or more banks or other institutions (each such bank or other institution, an "Assignee") all, or a proportionate part of all, of its rights and obligations under this Agreement and the Bank Note, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Acceptance in substantially the form of *Exhibit H* hereto executed by such Assignee and such Bank, with (and subject to) the consent of the Commission. If the Bank proposes any assignment it shall give at least 30 days advance written notice thereof to the Commission, the Issuing and Paying Agent and the Commission's Commercial Paper dealer. No such assignment shall become effective until the Commission shall have received written evidence from each rating agency then rating the Commercial Paper Notes to the effect that such assignment will not, by itself, result in a reduction, suspension or withdrawal of such rating agency's ratings of the Commercial Paper Notes which then prevail (and the Assignor and the Assignee shall bear any fees charged by a rating agency to provide such evidence). Upon execution and delivery of such instrument and payment by such Assignee to such Bank of an amount equal to the purchase price agreed between such Bank and such Assignee, such Assignee shall be a party to this Agreement and shall have all the rights and obligations of the Bank with a Commitment as set forth in such instrument of assumption, and the Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c) the Bank and the Commission shall make appropriate arrangements so that, if required, new Bank Notes are issued to the Assignee and the Bank so as to give effect to such assignment.

(d) The Bank may at any time assign all or any portion of its rights under this Agreement and its Bank Note to a Federal Reserve Bank. No such assignment shall release the Bank from its obligations hereunder.

Section 10.07. Governing Law. THIS AGREEMENT AND THE BANK NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE OBLIGATIONS OF THE PARTIES SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.08. Waiver of Jury Trial. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Related Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). If and to the extent the foregoing waiver of the right to a jury trial is unenforceable for any reason, the parties hereto hereby consent to the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to determine any and all issues in such reference whether fact or law. Each party hereto acknowledges and represents that it and the other parties hereto have been induced to enter into this Agreement and the other Related Documents by, among other things, the mutual waivers and certifications in this Section, and that it has reviewed this waiver and consent, and knowingly and intentionally waives its jury trial rights and consents to judicial references following the opportunity to consult with legal counsel of its choice on such matters. In the event of litigation, a copy of this Agreement may be filed as a written consent to a trial by the court or to judicial reference under California Code of Civil Procedures Section 678 as provided herein.

Section 10.09. Electronic Execution of Assignments and Certain Other Documents. The words “execution,” “signed,” “signature,” and words of like import in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.10. Government Regulations. The Bank hereby notifies the Commission that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), the Bank is required to obtain, verify and record information that identifies the Commission, which information includes the name and address of the Commission and other information that will allow each Bank to identify the Commission in accordance with the Patriot Act. The Commission shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Act, and shall comply, and cause any of its Subsidiaries, if any, to comply, with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended.

The Commission hereby agrees (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits either Bank from making any advance or extension of credit to the Commission or from otherwise conducting business with the Commission and (b) to ensure that the proceeds of the Commercial Paper Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 10.11. Assignment to Federal Reserve Bank. The Bank may assign and pledge all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned Obligations made by the Commission to the Bank in accordance with the terms of this Agreement or the Fee Letter shall satisfy the Commission's Obligations hereunder in respect of such assigned Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 10.12. Counterparts; Integration. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 10.13. Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 10.14. Headings. 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.

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


SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

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

For all notices:

San Diego Association of Governments
Suite 800
401 B Street
San Diego, CA 92101
Attention: Director of Finance
Tax ID No.: 68-0162675
Telephone: (619) 699-1940
Facsimile: (619) 699-4890

BANK OF AMERICA, N.A., as Bank

By 
Name: Greg Bailey
Title: Vice President

Address for Notices:

Bank of America, N.A.
333 S. Hope Street, 13th Floor
Los Angeles, California 90071
Attention: Credit Products Officer
Telephone: (213) 621-7131
Telecopier: (213) 621-3607

for Administrative Matters:

BANK OF AMERICA, N.A.
Sacramento Main Office
555 Capitol Mall
Sacramento, California 95814-4503
Attention: Allen Ralph
Telephone: (916) 307-8610
Telecopier: (415) 796-1206

EXHIBIT A

**SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SUBORDINATE SALES TAX REVENUE COMMERCIAL PAPER NOTES (LIMITED TAX BONDS),
SERIES B –BANK NOTE**

Up to \$100,000,000

New York, New York
September 28, 2011
CUSIP: 79730DAA0

For value received, the San Diego County Regional Transportation Commission, a public entity duly established and existing under the laws of the State of California (the “Commission”), promises to pay to the order of Bank of America, N.A. (the “Bank”), the unpaid principal amount of each Loan made by the Bank to the Commission pursuant to that certain Credit Agreement, dated as of September 1, 2011 (the “*Credit Agreement*”), between the Commission and the Bank, on the dates and in the amounts provided for in the Credit Agreement. The Commission promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds to:

PAYMENTS:

Bank of America, N.A.
ABA No.: 026009593
Account No.: 136621-1001000
Attention: Credit Services
Reference: San Diego County Regional Transportation
Commission

The Commission promises to make all other payments owed by it under the Credit Agreement and the Fee Letter. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Credit Agreement.

This Note is the Bank Note referred to in the Credit Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. As provided in the Credit Agreement, this Note is subject to prepayment, in whole or in part, in accordance with the terms of the Credit Agreement.

All Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Commission hereunder or under the Credit Agreement.

This Note (a) is one of “the duly authorized issue of notes of the Commission known as “San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds)–Bank Note” (the “Bank Note”) issued under and pursuant to (i) that certain Amended and Restated Subordinate Indenture dated as of November 1, 2005 (the “A&R Indenture”), as supplemented and amended by that certain First Supplement to the Amended and Restated Subordinate Indenture dated as of March 27, 2008 (the “First Supplement to Indenture”), and as further supplemented and amended by that certain Second Supplement to the Amended and Restated Subordinate Indenture dated as of October 1, 2010 (the “Second Supplement to Indenture”), each between the Commission and U.S. Bank National Association, as Trustee (the “Trustee”), (ii) that certain Amended and Restated Issuing and Paying Agent Agreement dated as of November 1, 2005, as amended and supplemented to date, between the Commission and U.S. Bank Trust National Association, as Issuing and Paying Agent, as the same may from time to time be amended or supplemented in accordance with the terms thereof and of the Credit Agreement, (iii) the Credit Agreement and (v) the Fee Letter. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions relating to (a) the security for the payment hereof, (b) the prepayment hereof and (c) the acceleration of the maturity hereof.

This Note is an obligation of the Commission secured by a lien on the Revenues as more fully described in Section 11.01 of the Credit Agreement.

This Bank Note is not an obligation of the State of California.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

IN WITNESS WHEREOF, the Commission has caused this Bank Note to be signed in its name and on its behalf by its Executive Director as of the 28th day of September, 2011.

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

By: _____

Name: Gary L. Gallegos

Title: Executive Director

Bank Note (cont'd)

LOANS AND PAYMENTS OF PRINCIPAL

<u>Date</u>	Amount of <u>Loan</u>	Amount of Principal <u>Repaid</u>	Maturity <u>Date</u>	Notation <u>Made By</u>
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EXHIBIT B

FORM OF NOTICE OF BORROWING

To: Bank of America, N.A., as Bank

Reference is made to that certain Credit Agreement dated as of September 1, 2011 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "*Agreement*," the terms defined therein being used herein as therein defined), between the San Diego County Regional Transportation Commission (the "*Commission*") and the Bank relating to the Commission's Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B. The Issuing and Paying Agent, pursuant to Section 3.02(a) and related provisions of the Agreement, issues this Notice of Borrowing to be made under the Agreement and hereby certifies, represents and warrants and requests on behalf of the Commission as follows:

1. We hereby certify that an amount of \$_____ representing the principal of certain Commercial Paper Notes are due and payable on _____ and amounts in the Note Principal Account are insufficient to pay the same respectively on such date;

2. We hereby request an Advance in the amount of \$_____ to be made on _____, 20__ (which is a Business Day during the Revolving Credit Period);

3. We hereby request that the Bank remit the Advance as specified below to [please specify account number, name and address of bank where Advance should be sent];

4. We hereby certify, represent and warrant that the aggregate amount of the Advance to be borrowed will not exceed the sum of the aggregate principal amount of the Commercial Paper Notes maturing on the date of such Advance which have not been and will not be paid, after first applying the aggregate amount of cash and investments held in the respective Note Principal Account in the Note Fund and any other funds made available by the Commission to pay the principal amount of such Commercial Paper Notes.

5. We hereby certify, represent and warrant that we have no actual knowledge that (i) any Immediate Termination Event has occurred and (ii) any Suspension Event has occurred and is continuing.

6. The proceeds of the Advance shall be transferred to the Issuing and Paying Agent at:

U.S. Bank Trust National Association

ABA: #091 000 022

Account No.: 1731 0185 1827

Account Name: U.S. Bank Trust
Attention: Rosalyn Callender
Reference: San Diego County Regional Transportation Commission
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds), Series B

Date of this Notice of Borrowing: _____

Any capitalized terms used and not defined herein shall have the meaning assigned to it in the Agreement.

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

By _____
Title: _____

With a copy to:

The San Diego County Regional Transportation Commission
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101
Attention: Director of Finance

EXHIBIT C

FORM OF NOTICE OF BANK LOAN

To: Bank of America, N.A., as Bank

Reference is made to that certain Credit Agreement dated as of September 1, 2011 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "*Agreement*," the terms defined therein being used herein as therein defined), between the San Diego County Regional Transportation Commission (the "*Commission*") and the Bank, relating to the Commission's Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B. The Commission hereby certifies, represents and warrants and notifies and requests as follows:

1. We do not intend to reimburse the Bank in cash for the Advance made to us on _____, 20____, the Advance Maturity Date of which falls on _____, 20____;

2. We hereby request a Bank Loan in the principal amount of \$_____ to reimburse the aforesaid Advance on the Advance Maturity Date thereof;

3. We hereby certify, represent and warrant that each of the representations and warranties contained in Sections 5.01, 5.02, 5.03, 5.04, 5.06, 5.08, 5.09, 5.10, 5.11, 5.12, 5.15, 5.16, 5.17 and 5.19 of the Agreement and in each other Related Document is true and correct in all material respects on and as of the Advance Maturity Date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty is true and correct as of such date);

4. We hereby certify, represent and warrant that no Default or Event of Default has occurred and is continuing on the Advance Maturity Date; and

5. We hereby certify, represent and warrant that each of the conditions set forth in Section 4.03 of the Agreement are satisfied on and as of the Advance Maturity Date and we know of no reason why they should not be satisfied on and as of the Advance Maturity Date.

Date of this Notice of Bank Loan (which is the Advance Maturity Date): _____,
20____.

Any capitalized terms used and not defined herein shall have the meaning assigned to it in the Agreement.

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

By _____
Title: _____

With a copy to:

U.S. Bank Trust National Association, as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005

Attention: _____

EXHIBIT D

FORM OF NOTICE OF NO ISSUANCE

[_____], 20__

U.S. Bank Trust National Association, as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of September 1, 2011 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “*Agreement*,” the terms defined therein being used herein as therein defined), between the San Diego County Regional Transportation Commission (the “*Commission*”) and the Bank of America, N.A. (the “*Bank*”), relating to the Commission’s Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B. The undersigned, a duly authorized officer of the Bank notifies the Issuing and Paying Agent that:

1. The Bank hereby delivers to you this Notice of No Issuance because:

[one or more of the conditions set forth in Section 2.01(b) of the Agreement have not been satisfied.]

[an event described in Section 3.08(c) of the Agreement has occurred.]

2. The Bank hereby instructs you to cease issuing Commercial Paper Notes in accordance with Section 4(e)(v) of the Issuing and Paying Agent Agreement.

Any capitalized terms used and not defined herein shall have the meaning assigned to it in the Agreement.

BANK OF AMERICA, N.A., as Bank

By _____
Name: _____
Title: _____

With a copy to:

The San Diego County Regional Transportation Commission

San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101
Attention: Director of Finance

EXHIBIT E

FORM OF NOTICE OF TERMINATION

[_____], 20__

U.S. Bank Trust National Association, as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of September 1, 2011 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “*Agreement*,” the terms defined therein being used herein as therein defined), between the San Diego County Regional Transportation Commission (the “*Commission*”) and the Bank of America, N.A. (the “*Bank*”), relating to the Commission’s Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B. The undersigned, a duly authorized officer of the Bank hereby notifies the Issuing and Paying Agent that this notice constitutes a “Notice of Termination” in accordance with Section 3.08(b) of the Agreement and Section 4(e)(v) of the Issuing and Paying Agent Agreement, as a result of the occurrence of an Event of Default under Section 7.01(____) of the Agreement. The Commitment shall terminate on the close of business on _____, 20__, which is the latest maturity date of the Commercial Paper Notes issued prior to the date on which the Bank has delivered this Notice of Termination to the Issuing and Paying Agent.

BANK OF AMERICA, N.A., as Bank

By _____
Name: _____
Title: _____

With a copy to:

The San Diego County Regional Transportation Commission
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101
Attention: Director of Finance

EXHIBIT F

FORM OF LETTER FROM COMMISSION RE EXCESS FUNDS

September 28, 2011

U.S. Bank Trust National Association, as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005

Ladies and Gentlemen:

We refer to the Amended and Restated Issuing and Paying Agent Agreement dated as of November 1, 2005 as supplemented and amended, between U.S. Bank Trust National Association, as Issuing and Paying Agent, and the San Diego County Regional Transportation Commission (the "Commission"). The Commission hereby instructs you to pay to Bank of America, N.A., as Bank (the "Bank") under the Credit Agreement dated as of September 1, 2011, between the Bank and the Commission (as amended and supplemented from time to time, the "Credit Agreement"), upon receipt by you of the proceeds from the sale of Commercial Paper Notes (as defined in the Credit Agreement) the Excess Amount (as defined in the Credit Agreement) in payment (or prepayment) of all or a portion of the principal of, and accrued interest on, outstanding Loans made pursuant to the Credit Agreement, as set forth in Section 3.09(a) of the Credit Agreement.

This instruction may not be changed or revoked by the undersigned and shall be observed by you unless and until the Bank gives its written consent to any change or revocation hereof.

Very truly yours,

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

By _____
Name: _____
Title: _____

EXHIBIT G

FORM OF LETTER FROM ISSUING AND PAYING AGENT RE EXCESS FUNDS

September 28, 2011

Bank of America, N.A.
333 S. Hope Street, 13th Floor
Los Angeles, California 90071
Attention: Credit Products Officer

Ladies and Gentlemen:

As Issuing and Paying Agent under the Amended and Restated Issuing and Paying Agent Agreement dated as of November 1, 2005, between U.S. Bank Trust National Association, as Issuing and Paying Agent (the "Paying Agent") and the San Diego County Regional Transportation Commission (the "Commission") (as supplemented and amended, the "Agency Agreement"), we hereby agree as follows:

1. In accordance with that certain Amended and Restated Subordinate Indenture dated as of November 1, 2005 (the "A&R Indenture"), as supplemented and amended by that certain First Supplement to the Amended and Restated Subordinate Indenture dated as of March 27, 2008 (the "First Supplement to Indenture"), and as further supplemented and amended by that certain Second Supplement to the Amended and Restated Subordinate Indenture dated as of October 1, 2010 (the "Second Supplement to Indenture"), each between the Commission and U.S. Bank National Association, as Trustee (the "Trustee"), and the instructions of the Commission to us set forth in the letter of the Commission to the undersigned dated the date hereof, a copy of which is attached hereto, we shall pay to you upon receipt by us of the proceeds from the sale of the Commercial Paper Notes (as defined in the Credit Agreement dated as of September 1, 2011, between Bank of America, N.A., a Bank and the Commission (as amended and supplemented from time to time, the "Credit Agreement")) the Excess Amount (as defined in the Credit Agreement) in payment (or prepayment) of all or a portion of the principal of, and interest on, outstanding Loans made pursuant to the Credit Agreement, as set forth in Section 3.09(a) of the Credit Agreement.

2. As provided in Section 2.01 of the Credit Agreement, we shall not issue any Commercial Paper Notes if we have received Notice of No Issuance in accordance with such Section.

Very truly yours,

U.S. BANK TRUST NATIONAL ASSOCIATION,
AS ISSUING AND PAYING AGENT

By _____
Name: _____
Title: _____

EXHIBIT H

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated _____, 20__

Reference is made to that certain Credit Agreement dated as of September 1, 2011 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “*Credit Agreement*,” the terms defined therein being used herein as therein defined), between the San Diego County Regional Transportation Commission (the “*Commission*”) and the Bank of America, N.A. (the “*Bank*”), relating to the Commission’s Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B. Unless otherwise defined herein, capitalized terms used herein shall have the meanings given thereto in the Credit Agreement.

[_____]¹ (the “*Assignor*”) and [_____]² (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 of the Assignor and the Assignor’s 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) the outstanding principal amount of its Commitment 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 Commercial Paper Notes, (c) the outstanding principal amount of Advances owing to it is \$_____ and (d) the outstanding principal amount of Bank Loans owing to it is \$_____. 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 financed with the proceeds of the Commercial Paper Notes or the performance or observance by the Commission of any of its obligations under the Credit Agreement, any Related Document or any other instrument or document furnished thereunder or pursuant thereto.

1 Insert legal name of assigning Bank.

2 Insert legal name of financial institution to which the Assignor is assigning its rights and obligations.

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 6.01(a)(ii) 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 Assignor 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; and (d) 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 the 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 the 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 shall be governed by and construed in accordance with the laws of the State of New York; *provided that* the obligations of the Commission hereunder shall be governed by and construed in accordance with the laws of the State of California.

F. The effective date of this Assignment and Acceptance shall be _____, 20__³ (the “*Assignment Effective Date*”).

³ If the Bank proposes any assignment it shall give at least 30 days advance written notice thereof to the Commission, the Issuing and Paying Agent and the Commission’s Commercial Paper dealer. No such assignment shall become effective until the Commission shall have received written evidence from each rating agency then rating the Commercial Paper Notes to the effect that such assignment will not, by itself, result in a reduction, suspension or withdrawal of such rating agency’s ratings of the Commercial Paper Notes which then prevail (and the Assignor and the Assignee shall bear any fees charged by a rating agency to provide such evidence).

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 above.

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

Agreed to and Accepted:

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION⁴

By: _____
Name: _____
Title: _____

⁴ The prior written consent of the Commission must be obtained pursuant to Section 10.06(c) of the Credit Agreement.