

---

REIMBURSEMENT AGREEMENT

by and 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

Dated as of September 1, 2018

---

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. DEFINITIONS .....	1
ARTICLE II. LETTER OF CREDIT .....	11
Section 2.01. Issuance of Letter of Credit.....	11
Section 2.02. Letter of Credit Drawings .....	11
Section 2.03. Reimbursement of Drawings Under the Letter of Credit; Mandatory Prepayment; Interest .....	11
Section 2.04. Reimbursement of Certain Advances on Term Out Commencement Date....	13
Section 2.05. Fees .....	13
Section 2.06. Method of Payment; Etc .....	13
Section 2.07. Termination of Letter of Credit by the Commission .....	13
Section 2.08. Computation of Interest and Fees .....	13
Section 2.09. Payment Due on Non-Business Day To Be Made on Next Business Day .....	13
Section 2.10. Late Payments .....	14
Section 2.11. Source of Funds .....	14
Section 2.12. Extension of Letter of Credit Expiration Date .....	14
Section 2.13. Net of Taxes, Etc.....	14
Section 2.14. Increased Costs .....	15
Section 2.15. Maximum Rate; Payment of Fee .....	17
ARTICLE III. COMMERCIAL PAPER NOTES OPERATIONS .....	17
Section 3.01. Issuance Generally .....	17
Section 3.02. Notice of No Issuances; Final Drawing Notice .....	17
ARTICLE IV. CONDITIONS PRECEDENT .....	18
Section 4.01. Conditions Precedent to Issuance of the Letter of Credit .....	18
Section 4.02. Reserved.....	20
Section 4.03. Conditions Precedent to Term Out .....	20
ARTICLE V. REPRESENTATIONS AND WARRANTIES .....	21
Section 5.01. Organization, Powers, Etc.....	21
Section 5.02. Authorization, Absence of Conflicts, Etc .....	21
Section 5.03. Governmental Consent or Approval .....	21
Section 5.04. Binding Obligations .....	21
Section 5.06. Financial Condition.....	22
Section 5.07. Offering Memorandum .....	23
Section 5.08. Related Documents .....	23
Section 5.09. Margin Regulations.....	23
Section 5.10. No Default or Event of Default.....	23
Section 5.11. Commercial Paper Notes .....	23
Section 5.12. Security .....	23
Section 5.13. Sovereign Immunity.....	23
Section 5.14. Accurate Information .....	24
Section 5.15. Usury.....	24
Section 5.16. Swap Termination Payments .....	24
Section 5.17. Sanctions Concerns and Anti-Corruption Laws .....	24

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE VI. COVENANTS .....	24
Section 6.01. Covenants of the Commission .....	24
Section 6.02. Negative Covenants of the Commission.....	29
ARTICLE VII. DEFAULTS.....	30
Section 7.01. Events of Default and Remedies.....	30
Section 7.02. Remedies.....	33
ARTICLE VIII. MISCELLANEOUS .....	34
Section 8.01. Amendments, Waivers, Etc.....	34
Section 8.02. Notices .....	34
Section 8.03. Survival of Covenants; Successors and Assigns.....	35
Section 8.04. Unconditional Obligations.....	36
Section 8.05. LIABILITY OF BANK; INDEMNIFICATION .....	37
Section 8.06. Expenses and Taxes .....	38
Section 8.07. No Waiver; Conflict.....	39
Section 8.08. Modification, Amendment, Waiver, Etc.....	39
Section 8.09. Severability .....	39
Section 8.10. Counterparts.....	39
Section 8.11. Table of Contents; Headings.....	39
Section 8.12. ENTIRE AGREEMENT.....	40
Section 8.13. Governing Law; Jury Trial.....	40
Section 8.14. No Advisory or Fiduciary Responsibility .....	40
Section 8.15. USA Patriot Act; Government Regulations.....	41
Section 8.16. Dealing with the Commission, the Issuing and Paying Agent, and/or the Dealer.....	41
APPENDIX I — Form of Irrevocable Transferable Direct-Pay Letter of Credit	
APPENDIX II — Form of Notice of No Issuance	
APPENDIX III — Form of Bank Note	
APPENDIX IV — Form of Request For Extension	

## REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT, dated as of September 1, 2018 (together with any amendments or supplements hereto, this "*Agreement*"), is made by and between the SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION (the "*Commission*") and BANK OF AMERICA, N.A., and its successors and assigns (the "*Bank*").

### WITNESSETH:

A. Pursuant to that certain Subordinate Indenture, dated as of April 1, 2018 (amending and restating the Subordinate Indenture, dated as of August 1, 1991, as previously amended and restated by the Amended and Restated Subordinate Indenture, dated as of November 1, 2005, as further supplemented and amended, the "*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. The Commission has requested the Bank to issue the Letter of Credit (as herein defined) for the payment by the Issuing and Paying Agent, when and as due, of the principal of and interest on the Commercial Paper Notes on their respective maturity dates. The Bank is willing to make available the Letter 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

As used in this Agreement:

"*Advance*" has the meaning set forth in Section 2.03(a)(i) hereof.

"*Affiliate*" means, as to any Person, a corporation, partnership, association, agency, authority, instrumentality, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. When used with respect to the Commission, "*Affiliate*" shall not mean the Metropolitan Transit System and the North County Transit District.

"*Agreement*" means this Reimbursement Agreement, as amended and supplemented pursuant to the terms hereof.

"*Alternate Facility*" has the meaning set forth in the Indenture.

*"Amortization End Date"* means, with respect to any Advance, the earliest to occur of: (i) the fifth (5th) anniversary of the date on which the related Advance was made, (ii) the date on which an Alternate Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (iii) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default, (iv) the end of the term of the commercial paper program in respect of the Commercial Paper Notes as determined in accordance with the Indenture and Issuing and Paying Agent Agreement, and (v) the date on which the Sales Tax expires.

*"Authorized Officer"* means the Commission's executive director or chief financial officer.

*"Bank"* has the meaning set forth in the introductory paragraph hereof.

*"Bank Agreement"* means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) 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 bonds or notes of the Commission secured by or payable from Sales Tax Revenues or Revenues.

*"Bank Note"* has the meaning set forth in Section 2.03(d) hereof.

*"Bank Rate"* means the rate of interest per annum with respect to an Advance: (a) for any day commencing on the date such Advance is made to and including the 180<sup>th</sup> day next succeeding the date such Advance is made, equal to the Base Rate and (b) for any day commencing on the 181<sup>st</sup> day next succeeding the date such Advance is made and thereafter, equal to the sum of the Base Rate from time to time in effect *plus* one percent (1.00%); *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, *"Bank Rate"* shall mean the Default Rate; and *provided further* that, at no time shall the Bank Rate be less than the applicable rate of interest on any outstanding Commercial Paper Notes.

*"Bank's Counsel"* has the meaning set forth in Section 4.01 hereof.

*"Base Rate"* means, for any day, a fluctuating rate of interest per annum equal to the greatest of (a) the Reference Rate in effect at such time *plus* one percent (1.00%), (b) the Federal Funds Rate in effect at such time *plus* two percent (2.00%), (c) the LIBOR Rate plus 2.00%, and (d) seven percent (7.00%). Each determination of the Base Rate by the Bank shall be conclusive and binding on the Commission absent manifest error.

*"Bond Counsel"* means Orrick, Herrington & Sutcliffe LLP, or any other law firm(s) having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds and which is reasonably acceptable to the Commission.

*"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.

“*Budget*” means the annual budget of the Commission, including without limitation, the capital budget of the Commission.

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

“*CDTFA*” means the California Department of Tax and Fee Administration.

“*CDTFA Agreement*” means that certain Agreement means that certain Agreement for State Administration of Commission Transactions and Use Taxes dated April 1, 2008 between the Commission and the CDTFA (as successor to 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.

“*Change of Law*” means the adoption, promulgation or implementation, after the Closing Date, of, or any change, after the Closing Date, in, any law, rule, treaty, regulation, statute, policy, guideline, directive or Risk-Based Capital Guidelines, or any change, after the -Closing 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, promulgation 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, promulgation 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 Closing Date or any change after the Closing Date in the application, interpretation, promulgation or enforcement of any of the foregoing.

“*Closing Date*” means the date on which the Letter of Credit is issued.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and all rules and regulations from time to time promulgated thereunder.

“*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.

“*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) any obligation of such Person guaranteeing or in effect guaranteeing any other Debt, whether directly or indirectly and (viii) all obligations arising under or pursuant to any Swap Contract.

“*Default*” means any condition or event 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 a fluctuating interest rate per annum equal to the sum of the Base Rate from time to time in effect plus 4.00%.

“*Designated Jurisdiction*” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“*Drawing*” means a draw made under and subject to the conditions set forth in the Letter of Credit.

“*DTC*” means The Depository Trust Company and any successor or replacement thereto as securities depository.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder, or any successor statute.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof. “*Excess Interest*” has the meaning set forth in Section 2.15 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 as amended and restated as of May 23, 2012 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 as supplemented by the confirmation relating to the partial termination of the transaction entered into on May 23, 2012 between Goldman and the Commission; (iii) that certain ISDA Master Agreement, dated as of August 23, 2011, between BANA and the Commission,

entered into in accordance with the Novation Agreement, dated as of August 17, 2011 between Merrill Lynch Capital Services, Inc. (“*MLCS*”) and BANA, with terms identical to the terms of that certain ISDA Master Agreement, dated as of November 22, 2005, between MLCS and the Commission, as supplemented by the Schedule, dated as of November 22, 2005, as modified by the terms set forth in that certain letter, dated August 17, 2011, from BANA and MLCS to the Commission, and the confirmation of a transaction entered into on November 22, 2005 between MLCS and the Commission, as amended and restated, and transferred from MLCS to BANA, as of May 23, 2012; (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, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“*Fee Letter*” means that certain Fee Letter dated as of September 11, 2018, between the Commission and the Bank, as the same may be amended and supplemented from time to time.

“*Final Drawing Notice*” has the meaning set forth in the Letter of Credit.

“*Fiscal Year*” means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year.

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

“*GAAP*” means generally accepted accounting principles in the United States as in effect from time to time, applied by the Commission on a basis consistent with the Commission’s most recent financial statements furnished to the Bank dated as of June 30, 2017.

“*Governmental Authority*” means any national, supranational, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasigovernmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, department, commission, bureau, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Indenture*” has the meaning set forth in the recitals hereto.



*"Interest Payment Date"* means the first Business Day of each calendar month.

*"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.

*"Issuing and Paying Agent"* means U.S. Bank Trust National Association, as Issuing and Paying Agent under the Issuing and Paying Agent Agreement, or any successor in such capacity.

*"Issuing and Paying Agent 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.

*"Law"* has the meaning set forth in the Indenture.

*"Letter of Credit"* means the irrevocable transferable direct-pay letter of credit issued by the Bank for the account of the Commission in favor of the Issuing and Paying Agent supporting the Commercial Paper Notes, in the form of Appendix I hereto with appropriate insertions, as from time to time amended and supplemented pursuant to its terms.

*"Letter of Credit Expiration Date"* means the date set forth in the Letter of Credit as the date on which the Letter of Credit is stated to expire, as the same may be extended pursuant to Section 2.12 hereof.

*"Letter of Credit Fees"* has the meaning set forth in the Fee Letter.

*"LIBOR Rate"* means, for any date of determination, the rate per annum equal to the London Interbank Offered Rate or, if the London Interbank Offered Rate is no longer published, a comparable or successor rate which rate is approved by the Bank, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Bank from time to time) (in such case, the *"LIBOR Rate"*) at or about 11:00 a.m., London time, two (2) London Business Days prior to such date, for United States dollar deposits with a term of one month commencing that day); *provided* that (i) to the extent a comparable or successor rate is approved by the Bank in connection herewith, the approved rate shall be applied in a manner consistent with market practice; *provided, further* that to the extent such market practice is not administratively feasible for the Bank, such approved rate shall be applied in a manner as otherwise reasonably determined by the Bank, and (ii) if the LIBOR Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

*"Lien"* on any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, hypothecation, assignment, deposit arrangement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital or finance lease or other title retention agreement relating to such asset.

*"Material Adverse Change"* or *"Material Adverse Effect"* means the occurrence of any event or change which causes or results in a material and adverse change in the business, condition (financial or otherwise) or operations of the Commission or any event that causes or results in a

material adverse change in or a material adverse effect on (A) the validity or enforceability of 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, (C) the Commission's ability or obligation to make payments of principal or interest on any Senior Lien Debt, the Commercial Paper Notes, the Bank Note, any Drawing, any Advance 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, (D) any of the rights, security, interest or remedies available to the Bank under this Agreement or any other Related Documents or the Law or the Ordinance.

*"Material Event Notice"* means any material event notice disseminated; distributed or provided by the Commission in satisfaction of or as may be required pursuant to 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 during any period of time the Commission is subject to any continuing disclosure undertaking or requirements relating thereto.

*"Maximum CP Rate"* means the lesser of (i) twelve percent (12%) per annum and (ii) the maximum non-usurious lawful rate of interest permitted by applicable law.

*"Maximum Rate"* means the lesser of (i) twelve percent (12%) per annum and (ii) the maximum non-usurious lawful rate of interest permitted by applicable law.

*"Moody's"* means Moody's Investors Service, Inc., and any successor rating agency.

*"Notes"* means the Commercial Paper Notes and the Bank Note.

*"Notice of No Issuance"* means the written instruction, in the form attached as Appendix II hereto, given by the Bank to the Commission and the Issuing and Paying Agent pursuant to Section 3.02 hereof or Section 7.02(b) hereof.

*"Obligations"* means the Reimbursement Obligations (which includes amounts owing to the Bank evidenced by the Bank Note), the Letter of Credit Fees, the obligations of the Commission to pay all fees, charges and expenses payable hereunder, under the Fee Letter and under the Bank Note, and all other payment obligations of the Commission owed to the Bank under this Agreement, the Fee Letter and the Bank Note.

*"OFAC"* means the Office of Foreign Assets Control of the United States Department of the Treasury.

*"Offering Memorandum"* 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.

*"Ordinance"* has the meaning set forth in the Indenture.

*"Original Stated Amount"* has the meaning set forth in Section 2.01 hereof.

*"Outstanding"* has the meaning set forth in the Indenture.

*"Participant"* has the meaning set forth in Section 8.03(b) hereof.

*"Parity Debt"* has the meaning set forth in the Indenture.

*"Payment and Collateral Obligation"* means any provision of this Agreement, the Bank Note, any Advance, any Commercial Paper Note, the Indenture, the Bond Indentures, the Issuing and Paying Agent Agreement, the Law or the Ordinance relating to the Commission's obligation to make payments of the principal or interest on the Commercial Paper Notes or the payment of the Bank Note or any Advance 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 Advances.

*"Payment Office"* means Bank of America, N.A., ABA #: 026009593; A/C # 4535-883980, Attn: Scranton Standby; Reference: Letter of Credit # \_\_\_\_\_, San Diego County Regional Transportation Commission Series B Commercial Paper Notes, or such other office as the Bank may designate from time to time.

*"Person"* means an individual, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof or any similar entity.

*"Provider"* has the meaning set forth in the definition of "Bank Agreement."

*"Rating Agency"* or *"Rating Agencies"* means, respectively, either or both of Moody's and S&P.

*"Rating Documentation"* has the meaning set forth in Section 4.01(j) hereof.

*"Reference Rate"* means on any day, the rate of interest in effect for such day as publicly announced from time to time by the Bank as its "prime rate." The *"prime rate"* is a rate set by the Bank based upon various factors including the Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change, which date shall be no earlier than the date on which such public announcement was made.

*"Reimbursement Obligations"* means the obligations of the Commission to reimburse the Bank for all principal of and interest on Drawings under the Letter of Credit and to repay the Bank for all Advances, including in each instance, all interest accrued thereon.

*"Related Documents"* means this Agreement, the Letter of Credit, the Fee Letter, the Bank Note, the Commercial Paper Notes, the Indenture, the CDTFA Agreement, the Issuing and Paying Agent Agreement and the Dealer Agreement, and all amendments and supplements thereof in accordance with the respective terms thereof and the terms hereof.

*“Reportable Event Notice”* means any listed or reportable event notice disseminated, distributed or provided by the Commission in satisfaction of or as may be required pursuant to 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 during any period of time the Commission is subject to any continuing disclosure undertaking or requirements relating thereto.

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

*“Revenues Secured Debt”* means any Debt (including Bank Agreements, obligations under Swap Contracts including any swap termination payment or contingent obligation under a Swap Contract), secured by a charge, lien or encumbrance on the Revenues or Sales Tax Revenues with a lien on, pledge of, security interest in or priority of payment from Pledged Amounts that is senior to, or on a parity with, the Commercial Paper Notes, the Bank Note, the Drawings or the Advances, including, without limitation, Senior Lien Debt and the Reimbursement Obligations.

*“Risk-Based Capital Guidelines”* means (i) the risk-based capital guidelines in effect in the United States on the Closing Date, 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 Closing Date.

*“S&P”* means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and any successor rating agency.

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

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

*“Sanctioned Country”* means, at any time, a country, region or territory which is itself the subject or target of any Sanctions.

*“Sanctioned Person”* means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) and (b).

*“Sanction(s)”* means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury (*“HMT”*) or other relevant sanctions authority.

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

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

*“Special Default”* means a Default described in Section 7.01(e)(ii) or Section 7.01(h)(v) hereof.

*“State”* means the State of California.

*“Stated Amount”* means, as of any date, the maximum amount which by the terms of the Letter of Credit is available to be drawn under the Letter of Credit as of such date.

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

*“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 Out Commencement Date”* means, with respect to each Advance, the one hundred eightieth (180th) day immediately succeeding the date the related Advance was made.

*“Termination Date”* has the meaning set forth in the Letter of Credit.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Indenture or the Issuing and Paying Agent Agreement, as applicable. All references in this Agreement to times of day shall be references to New York City time unless otherwise expressly provided herein. Unless otherwise inconsistent with the terms of this Agreement, all accounting terms shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

## ARTICLE II.

### LETTER OF CREDIT

Section 2.01. Issuance of Letter of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, the Bank agrees to issue the Letter of Credit (substantially in the form of Appendix I hereto). The Letter of Credit shall be in the original stated amount of \$108,876,713 (calculated as the sum of the maximum principal amount of the Commercial Paper Notes supported by the Letter of Credit (*i.e.*, \$100,000,000) plus interest thereon in the amount of \$8,876,713 (the "*Original Stated Amount*").

Section 2.02. Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make Drawings under the Letter of Credit in accordance with its terms. The Commission hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The Commission hereby irrevocably approves reductions and reinstatements of the Stated Amount with respect to the Letter of Credit as provided in the Letter of Credit.

Section 2.03. Reimbursement of Drawings Under the Letter of Credit; Mandatory Prepayment; Interest.

(a) (i) Each Drawing made under the Letter of Credit shall constitute an advance ("*Advance*") to the Commission at the time of payment by the Bank of such Drawing under the Letter of Credit.

(ii) The Commission promises to pay to the Bank the interest portion of each Advance on the date of the related Drawing under the Letter of Credit.

(iii) The Commission promises to pay or cause to be paid to the Bank the principal portion of each Advance on the earliest to occur of (A) the date on which an Alternate Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (B) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default, (C) the end of the term of the commercial paper program in respect of the Commercial Paper Notes as determined in accordance with the Indenture, the Issuing and Paying Agent Agreement or the Ordinance or any ordinance or resolution of the Commission, (D) the date on which the Sales Tax expires and (E) subject to the provisions of Section 4.03 hereof, the related Term Out Commencement Date; *provided* that in the event the conditions precedent set forth in Section 4.03 hereof are satisfied on the Term Out Commencement Date, the principal portion of the related Advance shall be payable as set forth in Section 2.03(v) hereof.

(iv) Subject to Section 2.10 hereof, the Commission also promises to pay to the Bank interest on the unpaid principal amount of each Advance from the date such Advance is made until it is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, and such interest shall be payable monthly in arrears on the first Business Day of each calendar month for the immediately preceding calendar month (commencing on the first

Interest Payment Date to occur after the making of the related Advance), and on the date that the final principal or interest portion of such Advance is payable as herein provided.

(v) Unless otherwise paid in full on one of the dates provided above or prepaid pursuant to Section 2.03(b) and (c) hereof, if all of the conditions precedent set forth in Section 4.03 hereof are satisfied on the Term Out Commencement Date, the principal portion of each Advance shall be payable by the Commission in equal semi-annual installments ("*Semi-Annual Principal Payments*") commencing on the first Business Day of the sixth calendar month immediately succeeding the date such Advance is made, and on the first Business Day of each sixth calendar month thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Advance due and payable on the Amortization End Date (the period commencing on the date such installment is initially payable and ending on the Amortization End Date is referred to as the "*Amortization Period*"). Each Semi-Annual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Semi-Annual Principal Payments over the applicable Amortization Period.

(b) Any Advance may be prepaid in whole or in part on the day such Advance is made. Any Advance may be prepaid in whole or in part without premium or penalty on any other Business Day upon one Business Day's prior written notice to the Bank.

(c) Upon the Bank's receipt of any payment or prepayment of any Advance, the amount of such Advance shall be reduced by the amount of such payment or prepayment, with the Bank crediting any such prepayment, first to the payment of any outstanding interest accrued on the related Advance, and second to the payment of the principal of such Advance. Any such payment or prepayment to be applied to principal of Advances hereunder shall be applied to the prepayment of related Advances in chronological order of their issuance hereunder, and within each Advance in inverse order of the principal installments payable thereon. Following the occurrence of an Event of Default, any payments received by the Bank hereunder shall be applied by the Bank to the payment of the Obligations in such order as the Bank shall in its sole discretion determine.

(d) All Reimbursement Obligations shall be made against and evidenced by the Commission's promissory note payable to the order of the Bank in the principal amount of the Original Stated Amount, such note to be executed by the Commission and delivered by the Commission to the Bank on the Closing Date in the form of Appendix III attached hereto with appropriate insertions (the "*Bank Note*"). All Reimbursement Obligations due and owing to the Bank and all payments and prepayments on the account of the principal of and interest on each Reimbursement Obligation by or on behalf of the Commission shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts due and owing by the Commission hereunder, under the Fee Letter and under the Bank Note. The Bank may, but shall not be required to, complete the schedule attached to the Bank Note to reflect the making and status of unreimbursed Drawings and outstanding Advances due and owing hereunder and thereunder; *provided* that the failure to make or any error in making any such endorsement on such schedule shall not limit, extinguish or in any way modify the obligation of the Commission to repay unreimbursed Drawings, outstanding Advances or Reimbursement Obligations. The Commission shall pay principal and interest on the Bank Note on the dates and at the rates provided for in Sections 2.03 and 2.04 hereof.

Section 2.04. Reimbursement of Certain Advances on Term Out Commencement Date. Unless the conditions precedent contained in Section 4.03 hereof are satisfied on the Term Out Commencement Date, the Commission agrees to reimburse the Bank for the full amount of such Advance on the Term Out Commencement Date. If the Commission does not make such reimbursement to the Bank with respect to such Advance on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable upon demand.

Section 2.05. Fees. The Commission hereby agrees to perform the obligations provided for in the Fee Letter, including, without limitation, the payment of any and all fees, expenses and other amounts provided for therein, at the times and in the amounts set forth in the Fee Letter. Without limiting the generality of the foregoing, in the event that the Letter of Credit is terminated or the Stated Amount is reduced and is not subject to reinstatement, the Commission shall pay to the Bank the fees and expenses, if any, at the times and in the amounts set forth in and as required by the Fee Letter. 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 all fees and expenses) under the Fee Letter. All fees paid under this Agreement and the Fee Letter shall be fully earned when due and nonrefundable when paid.

Section 2.06. Method of Payment; Etc. All payments to be made by the Commission under this Agreement and the Fee Letter shall be made at the Payment Office of the Bank, not later than 4:00 p.m., New York City time, on the date when due and shall be made by wire transfer in lawful money of the United States of America in freely transferable and immediately available funds. Any payment received by the Bank after 4:00 p.m., New York City time, shall be deemed to have been received by the Bank on the next Business Day.

Section 2.07. Termination of Letter of Credit by the Commission. Notwithstanding any provisions of this Agreement, the Letter of Credit or any Related Document to the contrary, the Commission agrees not to terminate the Letter of Credit except upon (i) the payment by the Commission to the Bank of the fees and expenses, if any, in the amount set forth in the Fee Letter, (ii) the payment to the Bank of all fees, expenses and other Obligations payable hereunder and under the Fee Letter, including, without limitation, all principal and accrued interest due and owing on any Drawing or Advance or any amount due under the Bank Note and (iii) the Commission providing the Bank with fifteen (15) days prior written notice of its intent to terminate or reduce the Letter of Credit. All payments from the Commission to the Bank referred to in this Section 2.07 shall be made with immediately available funds on or before the date of termination.

Section 2.08. Computation of Interest and Fees. Fees payable hereunder and under the Fee Letter shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. All computations of interest payable by the Commission under this Agreement shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof.

Section 2.09. Payment Due on Non-Business Day To Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Letter on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next



succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.10. Late Payments. If the principal amount of any Obligation is not paid when due, such Obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable upon demand.

Section 2.11. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.12. Extension of Letter of Credit Expiration Date. If the Commission on any date not later than ninety (90) days (or such shorter time period as agreed by the Bank in its sole discretion) prior to the then current Letter of Credit Expiration Date, submits to the Bank a written request for an extension of the Letter of Credit Expiration Date in the form of Appendix IV hereto (or such other form acceptable to the Bank in its sole discretion) for a period as specified in such written request, the Bank will make reasonable efforts to respond to such request within thirty (30) days (or such shorter time period as agreed by the Bank in its sole discretion) after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such thirty (30) day period (or such shorter time period as agreed by the Bank in its sole discretion), the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank (including, without limitation, Letter of Credit Fees and drawn interest rates) and consistent with this Agreement and the Letter of Credit. If such an extension request is accepted by the Bank in its sole and absolute discretion, the then current Letter of Credit Expiration Date shall be extended to the date agreed to by the Commission and the Bank.

Section 2.13. Net of Taxes, Etc.

(a) *Taxes*. Any and all payments to the Bank by the Commission hereunder and 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 thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank 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 the Commission shall be required by law to withhold or deduct any Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or under the Fee Letter to the Bank, (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 2.13), the Bank 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 2.13 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank 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 the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Commission to the Bank with respect to such Taxes. In addition, the Commission agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America, the State of New York, the State of California 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 (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 Taxes or Other Taxes owing by the Commission to the Bank hereunder; *provided* that the Bank's failure to send such notice shall not relieve the Commission of its obligation to pay such amounts hereunder. The Commission may conduct a reasonable contest of any such Taxes with the prior written consent of the Bank which consent shall not be unreasonably withheld or delayed.

(b) *Indemnity.* The Commission shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank 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 2.13 paid by the Bank 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 the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the Commission of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank's failure to notify the Commission promptly of such assertion shall not relieve the Commission of its obligation under this Section 2.13. Payments by the Commission pursuant to this indemnification shall be made within sixty (60) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank 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 2.13 received by the Bank for Taxes or Other Taxes that were paid by the Commission pursuant to this Section 2.13 and to contest, with the cooperation and at the expense of the Commission, any such Taxes or Other Taxes which the Bank or the Commission reasonably believes not to have been properly assessed.

(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 2.13 shall survive the termination of this Agreement.

#### Section 2.14. Increased Costs.

(a) If the Bank shall have determined in good faith that a Change of Law shall (1) subject the Bank to any Taxes or change the basis of taxation of payments to the Bank of any amounts payable hereunder or under the Fee Letter (except for taxes on the overall net income of the Bank), (2) impose, modify or deem applicable any reserve, liquidity, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against making or maintaining its obligations under this Agreement, the Fee Letter or the Letter of Credit or assets held by, or deposits with or for the account of, the Bank or (3) impose on the Bank any other condition regarding this Agreement, the Fee Letter or the Letter of Credit, and the result of any event referred to in clause (1), (2) or (3) above shall be to increase the cost to the Bank of making or maintaining its obligations hereunder or under the Letter of Credit or the Fee Letter, or to reduce the amount of any sum received or receivable by the Bank hereunder or under the Fee Letter, then the Commission shall pay to the Bank, at such time as is set forth in Section 2.14(d) hereof, such additional amount or amounts as will compensate the Bank for such increased costs or reduction in amount received or receivable as relates to the Letter of Credit, this Agreement and the Fee Letter.

(b) If the Bank shall have determined in good faith that a Change of Law either (1) affects or would affect the amount of capital or liquidity required or expected to be maintained by the Bank or (2) reduces or would reduce the rate of return on the Bank's capital or reserves to a level below that which the Bank could have achieved but for such circumstances (taking into consideration the Bank's policies with respect to capital adequacy and liquidity or the maintenance of reserves, as applicable), then the Commission shall pay to the Bank at such time as is set forth in Section 2.14(d) hereof, such additional amount or amounts as will compensate the Bank for such cost of maintaining such increased capital or liquidity or such reduction in the rate of return on the Bank's capital as reasonably relates to the Letter of Credit, this Agreement and the Fee Letter.

(c) Notwithstanding anything in the foregoing to the contrary, for purposes of this Section 2.14, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, directives or promulgations thereunder or issued in connection therewith that become effective after the Closing Date shall be deemed to be a Change of Law, regardless of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines, directives or promulgations by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States financial regulatory authorities or any other Governmental Authority that become effective after the Closing Date shall be deemed a Change of Law regardless of the date enacted, adopted, promulgated, implemented or issued.

(d) All payments of amounts referred to in Sections 2.14(a) and (b) hereof shall be due and payable within thirty (30) days of demand by the Bank (or such entity controlling the Bank) or such Participant, as applicable. Interest on the sums due as described in Sections 2.14(a) and (b) hereof and in the preceding sentence shall begin to accrue from the date when the payments were first due 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 liquidity or reduction in return incurred by the Bank as a result of any event mentioned in Section 2.14(a) or (b) hereof setting forth, in reasonable detail, the basis for calculation and the amount of compensation due to the Bank shall be submitted by the Bank to the Commission and shall be conclusive (absent

manifest error) as to the amount thereof. In making the determinations contemplated by such certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like as the Bank in good faith determines to be appropriate. Any such increased costs shall be reduced or eliminated if the event causing such increase is modified or ceases to exist. All references to the Bank in this Section 2.14 shall be deemed to also refer to any Person controlling the Bank and any Participant.

Section 2.15. Maximum Rate; Payment of Fee. To the fullest extent permitted by law, if the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period; and (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (ii) the Maximum 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, if applicable, ceases to exceed the Maximum 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 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 repayment in full of any Obligation bearing Excess Interest, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Letter, the Commission shall pay to the Bank a fee S equal to the amount of all unpaid deferred Excess Interest on such Obligation.

### ARTICLE III.

#### COMMERCIAL PAPER NOTES OPERATIONS

Section 3.01. Issuance Generally. The Commission may issue Commercial Paper Notes only in accordance with the terms of and subject to the conditions set forth in the Indenture, the Issuing and Paying Agent Agreement, the Ordinance and this Agreement.

Section 3.02. Notice of No Issuances; Final Drawing Notice.

(a) Commercial Paper Notes may be issued from time to time prior to the Letter of Credit Expiration Date in accordance herewith and with the terms of and subject to the conditions set forth in the Indenture and the Issuing and Paying Agent Agreement so long as (i) the Issuing and Paying Agent is not in receipt of a Notice of No Issuance then in effect given by the Bank pursuant to this Section 3.02 or Section 7.02(b) hereof and not rescinded and (ii) the Issuing and Paying Agent is not in receipt of a Final Drawing Notice.

(b) The Bank may deliver a Notice of No Issuance in the form of Appendix II attached hereto at any time when: (i) an Event of Default shall have occurred and be continuing; or (ii) the representations and warranties of the Commission set forth in 5.02, 5.03, 5.05(c), 5.08, 5.09, 5.11, 5.12, 5.13, 5.15 and 5.16 of this Agreement (or incorporated therein by reference) shall, in the reasonable opinion of the Bank, no longer be true and correct in any material respect. The

Bank may deliver the Final Drawing Notice at any time when an Event of Default shall have occurred and be continuing. A Notice of No Issuance or the Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided, however*, that a Notice of No Issuance or the Final Drawing Notice received by the Issuing and Paying Agent after 12:00 noon New York City time, on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. A Notice of No Issuance or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Notice of No Issuance or the Final Drawing Notice in writing shall not render such Notice of No Issuance or the Final Drawing Notice ineffective. The Bank will furnish a copy of any Notice of No Issuance or the Final Drawing Notice to the Commission and each Dealer promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Notice of No Issuance or the Final Drawing Notice.

#### ARTICLE IV.

#### CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Issuance of the Letter of Credit. As conditions precedent to the obligation of the Bank to issue the Letter of Credit, the Commission shall provide to the Bank, and the Bank shall have received, on the Closing Date, each in form and substance satisfactory to the Bank and the Bank's counsel, Nixon Peabody LLP (hereinafter, "*Bank's Counsel*"):

(a) *Approvals.* (1) Executed originals of this Agreement and the Fee Letter duly executed by the Commission and copies of all action taken by the Commission (including, without limitation, the Ordinance) approving the execution and delivery by the Commission of this Agreement, the Fee Letter and the Bank Note, in each case, certified by an authorized official of the Commission as complete and correct as of the Closing Date and (2) executed or certified copies, as applicable, of each of the other Related Documents (except the Commercial Paper Notes) to which the Commission is a party and the Bond Indentures, the Law and the Ordinance, together with a certificate of an Authorized Officer of the Commission, dated the Closing Date, stating that such Related Documents, the Bond Indentures, the Law and the Ordinance and approvals are in full force and effect on the Closing 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, the Bond Indentures, the Law and the Ordinance for which the Commission has provided notice to the Bank prior to the Closing Date.

(b) *Certificate and Incumbency of Commission Officials.* (1) An incumbency and specimen signature certificate in respect of the incumbency and signature identification of each of the officials of the Commission who is authorized to (i) sign this Agreement, the Fee Letter and the Bank Note on behalf of the Commission and (ii) take actions for the Commission under this Agreement, the Fee Letter, the Bank Note and the other Related Documents (to which the Commission is a party), the Law and the Ordinance with respect to the Commercial Paper Notes and (2) a certificate of an Authorized Officer of the Commission, dated the Closing Date, certifying that (A) each of the Commission's representations and warranties contained herein and the other Related Documents to which the Commission is a party is true and correct on and as of the Closing

Date as though made on and as of such date, (B) no Default or Event of Default has occurred and is continuing or will result from the execution and delivery by the Commission of this Agreement, the Fee Letter or the issuance of the Letter of Credit, (C) since June 30, 2017, except as disclosed to the Bank in writing, there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) and no material litigation is ongoing with respect to the Commission, in any case, that may adversely affect the consummation of the transactions contemplated hereby or by any Related Document, the Bond Indentures, the Law or the Ordinance, (D) all conditions precedent set forth in the Indenture, the Issuing and Paying Agent Agreement and the Ordinance with respect to issuance of the Commercial Paper Notes shall have been satisfied, (E) all conditions precedent set forth in Section 4.01 of this Agreement have been satisfied, and (F) the Commission has not received notice from the Rating Agencies that the long-term unenhanced ratings of the Senior Lien Debt have been withdrawn, reduced or suspended since the dated date of the Rating Documentation.

(c) *Opinion of Norton Rose Fulbright.* An opinion of Norton Rose Fulbright as to the validity of this Agreement and other matters as acceptable to the Bank.

(d) *Opinion of Counsel to the Commission.* A written opinion of Counsel to the Commission, addressed to the Bank, dated the Closing Date in the form and substance agreed to by the Counsel to the Commission and the Bank, including, without limitation, language to the effect that: (i) the Commission has taken all actions, and has obtained any approvals, necessary to the authorization, execution, delivery and performance by the Commission of this Agreement, the Fee Letter and the Bank Note and (ii) this Agreement, the Fee Letter and the Bank Note have been duly authorized, executed and delivered by the Commission and are the valid and binding obligations of the Commission enforceable in accordance with their respective terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium or other similar laws applicable to the Commission and equitable principles relating to or affecting creditors' rights generally from time to time.

(e) *Bank Note.* An executed Bank Note payable to the Bank.

(f) *Financial Information.* A copy of the Commission's audited financial statements relating to the Commission for the Fiscal Year ended June 30, 2017.

(g) *Legality; Material Adverse Change; No Default, Etc.* (i) No material adverse change in the financial condition, operations or prospects of the Commission or laws, rules or regulations (or their interpretation or administration) shall have occurred since June 30, 2017, that, in any such case, could reasonably be determined to result in a Material Adverse Change or a diminution in Sale Tax Revenues (since the date of the audited financial statements described in paragraph (f) above) or adversely affect the consummation of the transactions contemplated hereby or in any other Related Document (each as determined in the reasonable discretion of the Bank), (ii) no Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the Commission of this Agreement, the Fee Letter and the Bank Note or the issuance of the Letter of Credit and (iii) the representations and warranties and covenants made by the Commission in Article V hereof shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date.

(h) *Litigation.* Prior to the Closing Date, the Bank shall have received a written description of all actions, suits or proceedings pending or, to the Commission's knowledge, threatened in writing against the Commission that are payable from Revenues 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, and all such matters shall be acceptable to the Bank in its sole discretion.

(i) *Fees, Etc.* Payment of the fees, costs and expenses to be paid on or prior the Closing Date referred to in Section 8.06 hereof and pursuant to the Fee Letter.

(j) *Ratings.* Written confirmation that (i) the Commercial Paper Notes have been rated at least "P-1" (or its equivalent) by Moody's and "A-1" (or its equivalent) by S&P, (ii) the unenhanced Senior Lien Debt (other than bank bonds, purchased bonds, revolving notes and other rated obligations payable to and held by any credit or liquidity provider which constitute Senior Lien Debt) is rated "Aa2" (or its equivalent) by Moody's, "AAA" (or its equivalent) by S&P (referred to herein as the "*Rating Documentation*"), (iii) a long term rating of at least Investment Grade has been obtained for the Bank Note (and its related CUSIP number) from any Rating Agency.

(k) *Bank Note CUSIP.* Written confirmation that a CUSIP number (No. 79741CAB7) has been obtained from Standard and Poor's CUSIP Services for the Bank Note.

(l) *Termination of Existing Letter of Credit.* Evidence satisfactory to the Bank that the MUFG Union Bank, N.A. (the "*Prior Bank*") letter of credit and reimbursement agreement that this Agreement is replacing will be terminated in accordance with the applicable terms thereof and that all payments due and owing to the Prior Bank will be paid in accordance with the terms thereof.

(m) *Other Documents.* Such other documents, certificates and opinions as the Bank's Counsel shall have reasonably requested.

Section 4.02. Reserved.

Section 4.03. Conditions Precedent to Term Out. On each related Term Out Commencement Date, all Advances shall be due and payable unless the following conditions precedent to term out are satisfied on such Term Out Commencement Date: (a) the representations and warranties contained in Sections 5.02, 5.03, 5.05(c), 5.08, 5.09, 5.11, 5.12, 5.13, 5.15 and 5.16 of this Agreement (or incorporated therein by reference) are true and correct in all material respects as of such date; and (b) no event has occurred and is continuing which constitutes a Special Default or an Event of Default.

Unless the Commission shall have previously advised the Bank in writing that (i) any or all of the representations and warranties contained in Sections 5.02, 5.03, 5.05(c), 5.08, 5.09, 5.11, 5.12, 5.13, 5.15 and 5.16 of this Agreement (or any or all such representations or warranties incorporated therein by reference) are not true and correct in any material respects as of the related Term Out Commencement Date or (ii) any event has occurred and is continuing which constitutes a Special Default or Event of Default, then the Commission shall be deemed to have represented

and warranted on the date the related Term Out Commencement Date that (x) all representations and warranties contained in Sections 5.02, 5.03, 5.05(c), 5.08, 5.09, 5.11, 5.12, 5.13, 5.15 and 5.16 of this Agreement (including those incorporated therein by reference) are true and correct in all material respects as of such Term Out Commencement Date and (y) no event has occurred and is continuing which constitutes a Special Default or Event of Default.

## ARTICLE V.

### REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Agreement and the Fee Letter and to issue the Letter of Credit, the Commission represents and warrants to the Bank as follows:

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, the other Related Documents, the Law and the Ordinance, 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 Issuing and Paying Agent Agreement, 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 of competent jurisdiction 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 the Law or the Ordinance, 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 the Law or the Ordinance. Except as disclosed to the Bank, 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 of competent jurisdiction 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 the Law or the Ordinance, 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 or the other Related Documents or the Law or the Ordinance. Except as disclosed to the Bank, 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.

(c) There is no action or investigation pending before any court or administrative agency of competent jurisdiction the outcome of which could reasonably be determined to materially adversely affect, or result in material diminution in Sale Tax Revenues that would materially adversely affect, the Commission's ability to satisfy obligations under the Related Documents.

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 Memorandum. The information contained in the Offering Memorandum 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 Memorandum, 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 Memorandum under the caption “THE BANK” or under the caption “BOOK-ENTRY ONLY SYSTEM” in Appendix C thereto.

Section 5.08. Related Documents. Each of the Related Documents, the Law and the Ordinance 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 or the Law or the Ordinance. 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 or the Law or the Ordinance.

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 or Event of Default. No Default or Event of Default 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 and Parity Debt. The payment of the Obligations ranks on a parity with the payment of the principal of and interest on Parity Debt and subordinate in priority of payment and lien 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, the Support Agreement Fund and the Fees and Expenses 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. Sovereign Immunity. The Commission is subject to claims and to suit for damages in connection with its obligations under this Agreement and the Fee Letter pursuant to and in accordance with the laws of the State of California applicable to public entities such as the Commission.

Section 5.14. 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 5.15. Usury. Except as provided in the Law, the Ordinance 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 5.16. 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 Advances.

Section 5.17. Sanctions Concerns and Anti-Corruption Laws. (a) *Sanctions Concerns*. Neither the Commission, nor, to the knowledge of the Commission, any director, officer or employee thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) *Anti-Corruption Laws*. The Commission has conducted its business in compliance with the United States Foreign Corrupt Practices Act of 1977 and other similar anti-corruption legislation, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

## 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) *Notice of Default*. As promptly as practical after the Executive Director of the Commission shall have obtained knowledge of the occurrence of either a Default or an Event of Default or breach of this Agreement or the Fee Letter, and in any case, provide to the Bank the written statement of the Commission setting forth the details of each such event and the action which the Commission proposes to take with respect thereto.

(b) *Annual Report*. Within two hundred and ten (210) days after the end of each fiscal year of the Commission, provide to the Bank 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 (i) accompanied by an unqualified opinion of a nationally recognized independent certified public accounting firm stating that (y) 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 a Default or an Event of Default has occurred under this Agreement, and (ii) accompanied by a certification from the Executive Director of the Commission addressed to the Bank stating that neither a Default or an Event of Default has occurred which was continuing at the end of such fiscal year or on the date of his certification, or, if such an event has occurred and was continuing at the end of such fiscal year or on the date of his certification, indicating the nature of such event and the action which the Commission proposes to take with respect thereto.

(c) *Offering Circulars and Material Event Notices.* (i) The Commission agrees to use its commercially reasonable efforts to post on the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board (“EMMA”), the final official statement or other offering circular prepared by the Commission in connection with the issuance of any securities by the Commission and (ii) during any period of time the Commission is subject to a continuing disclosure undertaking or requirements under or related to 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, the Commission shall post on EMMA a copy of any Material Event Notice or Reportable Event Notice disseminated, distributed or provided in satisfaction of or as may be required pursuant to such requirements and shall promptly inform the Bank that the same is available on EMMA.

(d) *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 other event which, in the reasonable judgment of the Commission, is likely to have a material adverse effect on the financial condition or operations of the Commission.

(e) *Additional Debt.* The Commission agrees to use its commercially reasonable efforts to post on EMMA (and promptly inform the Bank that the same is available on EMMA), in connection with 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, 3.05 and 3.07 of the Indenture, as applicable.

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

(g) *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.

(h) *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 in the Revenues or any 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 Indenture, the Ordinance or the other Related Documents or the Law or the Ordinance or (ii) enable the Bank to exercise or enforce its rights under or in connection with this Agreement or the Fee Letter.

(i) *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.

(j) *Commercial Paper Dealer.* The Commission will, at all times, maintain a reputable dealer of recognized national standing for the Commercial Paper Notes, and will notify the Bank as promptly as practicable of any appointment of a successor dealer (which successor dealer shall not be appointed without the prior written consent of the Bank, which response to such notice shall be prompt and which consent shall not be unreasonably withheld or delayed) for the Commercial Paper Notes before the date such appointment is to take effect. The Commission agrees to cause the Dealer to use its best efforts to sell Commercial Paper Notes up to the Maximum CP Rate in order to repay maturing Commercial Paper Notes. If any Advance or unreimbursed Drawing 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 seven (7) Business Days of the receipt of such written direction, subject to the any limitations in the Related Documents. 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.

(k) *Alternate Facility or Refunding.*

(i) The Commission agrees to use commercially reasonable efforts to obtain an Alternate Facility to replace the Letter of Credit or otherwise refinance, redeem or defease the Commercial Paper Notes in the event (A) the Bank decides not to extend the Letter of Credit

Expiration Date or if the Commission fails to request such an extension (such replacement, refinancing, redemption or defeasance to occur on or before the Letter of Credit Expiration Date), (B) the Letter of Credit is terminated, (C) the Commission terminates this Agreement and/or the Letter of Credit in accordance with the terms hereof and thereof, (D) the Bank issues a Notice of No Issuance and/or a Final Drawing Notice or (E) the Commission terminates this Agreement and/or the Letter of Credit in accordance with the terms hereof.

(ii) The Commission agrees that any Alternate Facility will require, as a condition to the effectiveness of the Alternate Facility, that the provider of Alternate Facility provide funds to the extent necessary, on the date the Alternate Facility becomes effective, for payment of all Reimbursement Obligations at par plus interest (at the applicable rate pursuant to the terms hereof) through the date repaid. On the effective date of such Alternate Facility or refinancing, redemption or defeasance, as the case may be, the Commission shall pay in full all other amounts due under this Agreement, the Fee Letter and the Bank Note (including, without limitation, all Excess Interest and unpaid interest thereon) and the Commission shall provide for the surrender (and cancellation) of the Letter of Credit to the Bank.

(iii) The Commission shall not permit an Alternate Facility to become effective with respect to less than all of the Commercial Paper Notes of a Subseries without the prior written consent of the Bank.

(l) *Incorporation of Covenants.* The covenants of the Commission set forth in the Indenture, the Issuing and Paying Agent Agreement, the CDTFAs Agreement and the Dealer Agreement 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, the Issuing and Paying Agent Agreement, the CDTFAs Agreement and the Dealer Agreement, which could reasonably be expected to have a material adverse effect on 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 Stated Amount has not been reduced to zero or terminated pursuant to the terms of this Agreement or the Letter of Credit has not been terminated 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.

(m) *Use of Proceeds.* The Commission shall (i) cause the proceeds from any Drawing under the Letter of Credit or any Advance made hereunder to be used solely to pay the principal of and interest on 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.

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

(o) *Most Favored Nations.* If the Commission desires to enter into any Bank Agreement with respect to the Commercial Paper Notes or any other debt obligations of the Commission payable on a parity basis with the Commercial Paper Notes, that would permit the acceleration of amounts due under such Bank Agreement, the Commission shall promptly notify the Bank of such proposed Bank Agreement and provide a copy thereof to the Bank and identify the applicable sections relating to acceleration set forth in such Bank Agreement. If within ten (10) days after such notification to the Bank, the Bank delivers to the Commission a proposed amendment to this Agreement containing such more favorable remedy of acceleration, and the Commission and the Bank subsequently execute and deliver such an amendment to this Agreement, such amendment shall be effective immediately after any applicable requirements of the Indenture have been satisfied, including, without limitation, any rating confirmations, and, upon the effectiveness of such amendment (or sooner, with the written consent of the Bank), the proposed Bank Agreement shall become effective in accordance with its terms. If the Bank does not deliver to the Commission a proposed amendment to this Agreement within ten (10) days after such notification to the Bank, the proposed Bank Agreement shall become effective in accordance with its terms. If the Bank delivers a proposed amendment and such amendment cannot be agreed upon by the Bank and the Commission, the proposed Bank Agreement shall not become effective.

(p) *Sovereign Immunity.* In the event of a change in applicable law (a "*Change in Law Related to Sovereign Immunity*") which permits the Commission to assert the defense of sovereign immunity in any proceeding by the Bank to enforce any of the Commission's obligations under this Agreement or any of the other Related Documents or the Law or the Ordinance and such Change in Law Related to Sovereign Immunity permits the Commission to waive such right in contract or otherwise, to the extent permitted by such applicable law, the Commission agrees not to assert the defense of sovereign immunity in any proceeding by the Bank to enforce any of the obligations of the Commission under this Agreement or any other Related Document or the Law or the Ordinance.

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

(r) *Maintenance of Existence.* To the extent permitted by law, the Commission shall preserve and maintain (i) its existence as a public instrumentality of the State, and (ii) its rights, franchises and privileges material to the conduct of its business as from time to time being conducted.

(s) *Pledge of Sales Tax Revenues.* 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.

(t) *Budget.* Promptly after adoption thereof, a copy of the final budget of the Commission for each Fiscal Year during the term of the Agreement.

(u) *Amendments.* Promptly provide copies of any amendments or modifications to the Law or any other enacted 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, the Bond Indentures, the Law or the Ordinance.

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, under the Fee Letter and under the Bank Note, the Commission hereby covenants and agrees that it will not:

(a) *Compliance with Laws, Etc.* Violate any laws, rules, regulations, or governmental orders to which it is subject and of which it is aware after diligent inquiry, which violation could reasonably be expected to result in a Material Adverse Change.

(b) *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 or the Ordinance, the Bond Indentures or any Related Document which would materially reduce the amount of the Sales Tax Revenues (including Revenues) or impair 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, the Bond Indentures 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, the Bond Indentures or any Related Documents whatsoever which will materially and adversely affect the rights, interests, security or remedies of the Bank or the holders of Commercial Paper Notes in respect thereof *provided* no consent shall be required or impairment deemed or adverse effect assumed from the issuance of additional Commercial Paper Notes in accordance with the Indenture or the issuance of additional Bonds or Senior Lien Debt or Parity Debt in accordance with the Bond Indenture.

(c) *Swap Termination Payments.* Subsequent to the Closing Date, the Commission shall not enter into any additional 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, the Advances and Reimbursement Obligations.

(d) *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); *provided* that, without the prior written consent of the Bank, the Commission may identify the Bank as the issuer of the Letter of Credit and a party to this Agreement, the Stated Amount of the Letter of Credit; the expiration date of the Letter of Credit, the conditions under which the Bank may issue a Notice of No Issuance or a Final Drawing Notice, the Amortization Period and related conditions, the Amortization End Date and related conditions, the relationship between the Bank and any participants in a financing and that the Commission's obligations under this Agreement and the Fee Letter are secured by Sales Tax Revenues, in offering documents with respect to the Senior Lien Debt and the Commercial Paper Notes, so long as no other information relating to the Agreement, the Fee Letter or the Bank is disclosed in such offering documents without the prior written consent of the Bank.

## ARTICLE VII.

### DEFAULTS

Section 7.01. Events of Default and Remedies. If any of the following events shall occur, each such event shall be an "Event of Default":

(a) the Commission fails to pay, or cause to be paid (i) any principal of or interest on any Drawing or any Advance when due, (ii) any Letter of Credit Fee within five (5) Business Days of the date such Letter of Credit Fee is due or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) of this Section 7.01(a)) within five (5) Business Days of the date such Obligation is due;

(b) any material representation, warranty or statement made by or on behalf of the Commission herein or in any Related Document to which the Commission is a party or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made;

(c) (i) the Commission fails to perform or observe any term, covenant or agreement contained in Sections 6.01(k)(ii), 6.01(k)(iii), 6.01(1) (with respect to amendments without consent only), 6.01(m), 6.01(p), 6.01(q)(ii), 6.01(q)(iii), 6.01(s), 6.01(t), 6.02 and 8.15 hereof; or (ii) the Commission fails to perform or observe any other term, covenant or agreement contained in this Agreement or the Fee Letter (other than those referred to in Sections 7.01(a) and 7.01(c)(i)) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) days after the earlier of (A) written notice thereof to the Commission or (B) an Authorized Officer having actual knowledge of such failure;

(d) the Commission shall (i) default in any payment of any Revenues Secured Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Revenues Secured Debt was created; or (ii) default in the observance or performance of any agreement or condition relating to any Revenues Secured Debt or contained in any instrument or

agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to permit the holder or holders of such Revenues Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause, or to cause (in each case, determined without regard to whether any notice is required), any such Revenues Secured Debt to become due prior to its stated maturity;

(e) (i) a court or other Governmental Authority with jurisdiction to rule on the validity of this Agreement, the Indenture, the Issuing and Paying Agent Agreement, the Law, the Ordinance or any other Related Document to which the Commission is a party shall find, announce or rule that (A) any material provision of this Agreement and any other Related Document to which the Commission is a party; or (B) any provision of the Indenture, the Issuing and Paying Agent Agreement, the Law or the Ordinance relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Commission's ability to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the interests, security, rights and remedies of the Bank or any Payment and Collateral Obligation, is not a valid and binding agreement of the Commission or; (ii) an Authorized Officer of the Commission, by duly authorized action of the Commission, shall contest the validity or enforceability of this Agreement, any other Related Document to which the Commission is a party or any provision of the Indenture, the Issuing and Paying Agent Agreement, the Law or the Ordinance relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Commission's obligation to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the interests, security, rights or remedies of the Bank or the pledge of, lien on or security interest in the Sales Tax Revenues or any Payment and Collateral Obligation, or shall, by duly authorized action of the Commission, seek an adjudication that this Agreement, any other Related Document to which the Commission is a party or any provision of the Indenture, the Issuing and Paying Agent Agreement, the Law or the Ordinance relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Commission's ability to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the interests, security, rights or remedies of the Bank or any Payment and Collateral Obligation, is not valid and binding on the Commission or an Authorized Officer of the Commission shall, by duly authorized action of the Commission, repudiate the Commission's obligations under this Agreement or under any other Related Document or any Payment and Collateral Obligation or any Governmental Authority with competent jurisdiction (including, without limitation, the Commission) shall initiate legal proceedings seeking to declare any of the Related Documents or the Commission's obligations to pay any Parity Debt as not valid and binding on the Commission; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Sales Tax Revenues under the Indenture, the Issuing and Paying Agent Agreement or the Ordinance securing the Commercial Paper Notes and the Obligations hereunder and under the Fee Letter and the Bank Note or any Payment and Collateral Obligation shall at any time for any reason cease to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) any provision of the Indenture, the Issuing and Paying Agent Agreement or the Ordinance relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Commission's ability to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the interests, security, rights or remedies of the Bank, or any Related

Document to which the Commission is a party, except for any Dealer Agreement which has been terminated due to a substitution of a Dealer, shall cease to be in full force or effect, or the Commission or any Person acting by or on behalf of the Commission shall deny or disaffirm the Commission's obligations under the Indenture, the Issuing and Paying Agent Agreement, the Law or the Ordinance or any other Related Document to which the Commission is a party or any Payment and Collateral Obligation;

(g) one or more final judgments or orders for the payment of money from Revenues which, individually or in the aggregate, equal or exceed \$10,000,000 (excepting therefrom any amounts covered by and available from insurance) shall have been rendered against the Commission and such judgment(s) or order(s) shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement) secured by a lien, charge or encumbrance upon or payable from the Sales Tax Revenues; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the Commission seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or its debts (or the existence of the Commission is dissolved or terminated by any other means); (iii) the Commission seeks appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of the Commission's property, or the Commission shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the Commission any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed; (v) there shall be commenced against the Commission any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property 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 60 days from the entry thereof; (vi) a financial control board, or its equivalent, shall be imposed upon the Commission by a Governmental Authority; (vii) the Commission takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) above; or (viii) the Commission shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(i) either of Moody's or S&P suspends, withdraws (other than a withdrawal requested by the Commission for non-credit related reasons) or downgrades the long-term unenhanced rating of any Senior Lien Debt (other than bank bonds, purchased bonds, revolving notes and other rated obligations payable to and held by any credit or liquidity provider which constitute Senior Lien Debt) of the Commission below "Baa2" (or its equivalent) or below "BBB" (or its equivalent), respectively; *provided however*, if there is no long-term unenhanced debt rating on any Senior Lien Debt (other than bank bonds, purchased bonds, revolving notes and other rated obligations payable to and held by any credit or liquidity provider which constitute Senior Lien Debt) outstanding, it shall constitute an Event of Default if either of Moody's or S&P suspends,

withdraws or downgrades the “shadow rating” assigned to Senior Lien Debt below “Baa2” (or its equivalent) or below “BBB” (or its equivalent), respectively;

(j) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the Indenture, the Law, the Ordinance, the Issuing and Paying Agent Agreement or the other Related Documents, that have been pledged to or a lien granted thereon to secure the Commercial Paper Notes, the Bank Note or the Obligations, shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof;

(k) (i) any “event of default” shall have occurred and be continuing under any Related Document beyond the expiration of any applicable grace period or (ii) any “event of default” under any Bank Agreement shall have occurred and be continuing beyond the expiration of any applicable grace period;

(l) Any provision of the Law or the Ordinance is supplemented, modified or amended in a manner that materially adversely impairs (i) 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 (ii) the CDTFA obligation to collect of the Sales Tax or the CDTFA’s ability or obligation to make payment of the Sales Tax Revenues to the Trustee; or

(m) the Commission shall cease to exist, dissolve or terminate.

Section 7.02. Remedies. Upon the occurrence of any Event of Default, all Obligations shall bear interest at the Default Rate and the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) by notice to the Commission, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Commission; *provided* that upon the occurrence of an Event of Default described under Section 7.01(h) hereof such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing);

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a “Notice of No Issuance” for purposes of the Issuing and Paying Agent Agreement) prohibit, until such time, if any, as the Bank shall withdraw (in writing) such notice, the issuance of additional Commercial Paper Notes, reduce the Stated Amount of the Letter of Credit to the amount of the then Outstanding Commercial Paper Notes supported by the Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Commercial Paper Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Related Documents or the Law or the Ordinance; or

(e) pursue any other action available at law or in equity.

## ARTICLE VIII.

### MISCELLANEOUS

Section 8.01. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure by the Commission therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then 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, waiver or consent shall, unless in writing and signed by the Bank, affect the rights or duties of the Bank under this Agreement or any other Related Document or the Law or the Ordinance.

Section 8.02. Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), facsimile transmission, or regular mail, as follows:

to the Commission: San Diego County Regional Transportation Commission  
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) 699-6931  
Facsimile: (619) 699-4890  
E-mail: [Andre.Douzdjian@sandag.org](mailto:Andre.Douzdjian@sandag.org)

with a copy to: San Diego County Regional Transportation Commission  
Attention: Secretary of the Commission  
Facsimile: (619) 699-1995

to the Bank: for Credit Matters and Drawings:  
  
Bank of America, N.A.  
Mail Code: IL4-540-28-27  
540 West Madison Street  
Chicago, Illinois 60653  
Attention: Christopher Littlewood  
Telephone: (312) 992-2250  
Email: [christopher.littlewood@baml.com](mailto:christopher.littlewood@baml.com)

and

Bank of America, N.A.  
Mail Code: WA1-501-34-03  
800 5<sup>th</sup> Avenue  
Seattle, WA 98104-3176  
Attention: Satinder Parwana  
Tel: (206) 358-6055  
Email: [satinder.parwana@baml.com](mailto:satinder.parwana@baml.com)

With a copy to:

Bank of America, N.A.  
Mail Code: CA5-705-11-00  
555 California Street, Suite 1160  
San Francisco, California 94104  
Attention: Grace Barvin  
Telephone: (415) 913-2325  
Email: [Grace.barvin@baml.com](mailto:Grace.barvin@baml.com)

to the Issuing and Paying  
Agent:

U.S. Bank Trust National Association  
100 Wall Street, 16th Floor  
New York, New York 10005  
Attention: Corporate Trust Division  
Telephone: (212) 361-2529  
Facsimile: (212) 361-5217  
E-mail: [millie.rolla@usbank.com](mailto:millie.rolla@usbank.com)

to the Dealer

Citigroup Global Markets Inc.  
388 Greenwich Street 8th Floor  
New York NY 10013  
Attention: Manager, Short Term Finance Group  
Telephone: 212-723-5594  
E-mail: [robert.j.demichiel@citi.com](mailto:robert.j.demichiel@citi.com)

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered or sent by facsimile transmission or mailed, be effective when deposited with the courier, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that Drawing certificates submitted to the Bank shall not be effective until received by the Bank.

Section 8.03. Survival of Covenants; Successors and Assigns.

(a) All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Drawing or Advance hereunder and shall continue in full force and effect and until all Obligations hereunder, under the Fee Letter and under the Bank Note shall have been paid in full. Whenever in this Agreement and

the Fee Letter any of the parties hereto and thereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Commission which are contained in this Agreement, the Fee Letter and the Bank Note shall inure to the benefit of the successors and assigns of the Bank. The Commission may not transfer its rights or obligations under this Agreement, the Fee Letter or the Bank Note without the prior written consent of the Bank. The Bank may transfer some or all of its rights and obligations under this Agreement with the prior written consent of the Commission (which consent shall not be withheld unreasonably); *provided* that (i) the Commission has received written notice from each of the Rating Agencies then rating the Commercial Paper Notes that the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Commercial Paper Notes; and (ii) the Bank shall be responsible for all costs resulting from the transfer. This Agreement, the Fee Letter and the Bank Note are made solely for the benefit of the Commission, the Bank, and no other Person (including, without limitation, the Issuing and Paying Agent, any Dealer or any holder of Commercial Paper Notes) shall have any right, benefit or interest under or because of the existence of this Agreement, the Fee Letter or the Bank Note; *provided further* that the Commission's liability to any Participant shall not in any event exceed that liability which the Commission would owe to the Bank but for such participation.

(b) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a "*Participant*") a participation or participations in all or any part of the Bank's rights and benefits under this Agreement, the Fee Letter and the Bank Note on a participating basis but not as a party to this Agreement, the Fee Letter or the Bank Note (a "*Participation*") without the consent of the Commission. The Bank shall provide the Commission with written notice of any Participation not more than five (5) Business Days after the date of entering into such Participation. In the event of any such grant by the Bank of a Participation to a Participant, 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 and the Bank Note. The Commission agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement, the Fee Letter and the Bank Note as if such Participant were the Bank; *provided* that no Participant shall have the right to declare, or to take actions in response to, any Event of Default under the Agreement, any Related Documents, the Bond Indentures, the Law or the Ordinance; and *provided further* that no such Participant shall be entitled to receive payment pursuant to Section 2.14 hereof in an amount greater than the amount which would have been payable had the Bank not granted a Participation to such Participant.

Section 8.04. Unconditional Obligations. The obligations of the Commission under this Agreement, the Fee Letter and the Bank Note shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of the Indenture, the Issuing and Paying Agent Agreement, the Ordinance, this Agreement, the Fee Letter and the Bank Note, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement, the Fee Letter, the Letter of Credit, the Bank Note or, to the extent permitted by law, the Commercial Paper Notes, the Indenture, the Issuing and Paying Agent Agreement, the Law, the Ordinance or any other Related Document;

(b) any amendment or waiver of or any consent to departure from the terms of the Indenture, the Issuing and Paying Agent Agreement, the Law, the Ordinance or all or any of the other Related Documents to which the Bank has not consented in writing;

(c) the existence of any claim, counterclaim, set off, recoupment, defense, or other right which any Person may have at any time against the Bank, the Commission, the Issuing and Paying Agent, any Dealer, or any other Person, whether in connection with this Agreement, the Fee Letter, the Bank Note, the Indenture, the Issuing and Paying Agent Agreement, the Law, the Ordinance, the other Related Documents, or any other transaction related thereto;

(d) any statement or any other document presented pursuant hereto or pursuant to the Letter of Credit which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; and

(e) payment by the Bank of a Drawing against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement.

Notwithstanding this Section, the Bank acknowledges the Commission may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The Commission's payment obligations shall remain in full force and effect pending the final disposition of any such action.

#### Section 8.05. LIABILITY OF BANK; INDEMNIFICATION.

(a) To THE FULLEST EXTENT PERMITTED BY THE LAWS OF THE STATE, THE COMMISSION ASSUMES ALL RISKS OF THE ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT WITH RESPECT TO THE USE OF THE LETTER OF CREDIT AND THE USE OF PROCEEDS THEREUNDER; *PROVIDED* THAT THIS ASSUMPTION WITH RESPECT TO THE BANK IS NOT INTENDED TO AND SHALL NOT PRECLUDE THE COMMISSION FROM PURSUING SUCH RIGHTS AND REMEDIES AS IT MAY HAVE AGAINST THE ISSUING AND PAYING AGENT UNDER ANY OTHER AGREEMENTS. NEITHER THE BANK NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE OR RESPONSIBLE FOR (i) THE USE OF THE LETTER OF CREDIT, THE DRAWINGS OR ADVANCES THEREUNDER OR HEREUNDER, THE PROCEEDS OF THE COMMERCIAL PAPER NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE PROGRAM DOCUMENTS OR FOR ANY ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT OR ANY DEALER; (ii) THE VALIDITY, SUFFICIENCY OR GENUINENESS OF ANY DOCUMENTS DETERMINED IN GOOD FAITH BY THE BANK TO BE VALID, SUFFICIENT OR GENUINE, EVEN IF SUCH DOCUMENTS SHALL, IN FACT, PROVE TO BE IN ANY OR ALL RESPECTS INVALID, FRAUDULENT, FORGED OR INSUFFICIENT; (iii) PAYMENTS BY THE BANK AGAINST PRESENTATION OF REQUESTS FOR DRAWINGS OR REQUESTS FOR WHICH THE BANK IN GOOD FAITH HAS DETERMINED TO BE VALID, SUFFICIENT OR GENUINE AND WHICH SUBSEQUENTLY ARE FOUND NOT TO COMPLY WITH THE TERMS OF THIS AGREEMENT OR THE LETTER OF CREDIT; OR



(TV) ANY OTHER CIRCUMSTANCES WHATSOEVER IN MAKING OR FAILING IN GOOD FAITH TO MAKE PAYMENT HEREUNDER OR UNDER THE LETTER OF CREDIT; *PROVIDED* THAT THE COMMISSION SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK FOR ANY CLAIMS, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, SOLELY AND DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE BANK.

(b) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE, THE COMMISSION HEREBY INDEMNIFIES AND HOLDS HARMLESS THE BANK AND ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS FROM AND AGAINST ANY AND ALL DIRECT, AS OPPOSED TO CONSEQUENTIAL OR PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (INCLUDING SPECIFICALLY REASONABLE ATTORNEYS' FEES) WHICH THE BANK MAY INCUR (OR WHICH MAY BE CLAIMED AGAINST THE BANK BY ANY PERSON WHATSOEVER) BY REASON OF OR IN CONNECTION WITH (i) THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT AND THE BANK NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY; AND (ii) THE STATEMENTS CONTAINED IN THE OFFERING MEMORANDUM PREPARED AND DISTRIBUTED IN CONNECTION WITH THE COMMERCIAL PAPER NOTES; *PROVIDED* THAT THE COMMISSION SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK, AND THE COMMISSION SHALL HAVE A CAUSE OF ACTION AGAINST THE BANK, AND THE BANK SHALL BE LIABLE, FOR ANY DIRECT, AS OPPOSED TO CONSEQUENTIAL OR PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (A) TO THE EXTENT, BUT ONLY TO THE EXTENT, SOLELY AND DIRECTLY CAUSED BY (1) THE BANK'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE IN DETERMINING WHETHER THE DOCUMENTS PRESENTED UNDER THE LETTER OF CREDIT COMPLY WITH THE TERMS OF THE LETTER OF CREDIT; OR (2) THE BANK'S WILLFUL OR GROSSLY NEGLIGENT FAILURE TO MAKE LAWFUL PAYMENT UNDER THE LETTER OF CREDIT AFTER THE PROPER PRESENTATION TO THE BANK BY THE ISSUING AND PAYING AGENT OR A SUCCESSOR ISSUING AND PAYING AGENT UNDER THE ISSUING AND PAYING AGENT AGREEMENT OF A DRAWING STRICTLY COMPLYING WITH THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT; OR (B) INCURRED IN CONNECTION WITH THE STATEMENTS CONTAINED IN THE OFFERING MEMORANDUM UNDER THE CAPTION "THE BANK". The Bank is hereby expressly authorized and directed to honor any demand for payment which is made under the Letter of Credit without regard to, and without any duty on its part to inquire into the existence of, any disputes or controversies between the Commission, any Dealer, the Issuing and Paying Agent or any other person or the respective rights, duties or liabilities of any of them, or whether any facts or occurrences represented in any of the documents presented under the Letter of Credit are true and correct.

Section 8.06. Expenses and Taxes. The Commission will promptly pay (a) the fees and expenses of counsel to the Bank and incurred in connection with the preparation, execution and delivery of this Agreement, the Fee Letter and the Letter of Credit as set forth in the Fee Letter;

(b) the fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement and the Fee Letter after the occurrence of an Event of Default; and (c) all costs and expenses, if any, in connection with the enforcement of this Agreement and the Fee Letter and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, the Commission shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and the Fee Letter and the security contemplated by the Related Documents, the Law and the Ordinance and any related documents and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the Commission agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the Commission hereunder or under the Fee Letter or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement or the Fee Letter in the nature of a "workout" or of any insolvency or bankruptcy proceedings of the Commission.

Section 8.07. No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Agreement, the Letter of Credit, the Issuing and Paying Agent Agreement, the Law, the Ordinance and any other Related Documents, this Agreement shall control solely as between the Commission and the Bank.

Section 8.08. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement, the Fee Letter or the Bank Note shall be effective unless the same shall be in writing and signed by the parties hereto.

Section 8.09. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

Section 8.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 8.11. Table of Contents; Headings. The table of contents and the Section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 8.12. ENTIRE AGREEMENT. THIS AGREEMENT AND THE FEE LETTER, TOGETHER WITH THE BANK NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

Section 8.13. Governing Law; Jury Trial. (a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE.

(a) To THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A JURY TRIAL IN RESPECT OF ANY LITIGATION (WHETHER AS CLAIM, COUNTERCLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE) OR OTHER CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS, THE LAW AND THE ORDINANCE. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE BANK TO ENTER INTO THIS AGREEMENT AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE COMMISSION AND THE BANK IS MADE IN RELIANCE UPON SUCH WAIVER. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL. THE COMMISSION REPRESENTS AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS PROVISION WITH ITS LEGAL COUNSEL AND THAT IT HAS KNOWINGLY AND VOLUNTARILY WAIVED ANY JURY TRIAL RIGHTS IT MAY HAVE FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL. 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 REIMBURSEMENT 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 REIMBURSEMENT 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 638 AS PROVIDED HEREIN.

Section 8.14. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the Commission acknowledges and

agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between the Commission, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the Commission has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Commission is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Commission, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the Commission with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Commission, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Commission. To the fullest extent permitted by law, the Commission, hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 8.15. USA Patriot Act; 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 the 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 Patriot Act, and shall comply with all applicable Bank Secrecy Act ("*BSA*") laws and regulations, as amended.

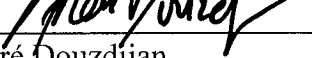
The Commission hereby represents and warrants and covenants and agrees (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Commission of the Treasury or included in any Executive Orders, that prohibits or limits the 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 8.16. Dealing with the Commission, the Issuing and Paying Agent, and/or the Dealer. The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Commission, the Issuing and Paying Agent, and/or any Dealer regardless of the capacity of the Bank hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Commission and the Bank have duly executed this Agreement as of the date first above written.

SAN DIEGO COUNTY REGIONAL  
TRANSPORTATION COMMISSION

By:   
Name: André Douzdzian  
Title: Director of Finance

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Name: Grace Barvin  
Title: Senior Vice President

[Signature Page to Reimbursement Agreement]

IN WITNESS WHEREOF, the Commission and the Bank have duly executed this Agreement as of the date first above written.

SAN DIEGO COUNTY REGIONAL  
TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Name: André Douzdjian  
Title: Director of Finance

BANK OF AMERICA, N.A.

By:  \_\_\_\_\_  
Name: Grace Barvin  
Title: Senior Vice President

[Signature Page to Reimbursement Agreement]

APPENDIX I

[FORM OF FORM OF IRREVOCABLE TRANSFERABLE  
DIRECT-PAY LETTER OF CREDIT]

**BANK OF AMERICA, N.A.**

**IRREVOCABLE TRANSFERABLE DIRECT-PAY LETTER OF CREDIT**

September 11, 2018

No. 68142917

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

Ladies and Gentlemen:

1. At the request and for the account of our customer, the San Diego County Regional Transportation Commission (the "*Commission*"), which has caused or will cause the issuance of the Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the "*Commercial Paper Notes*"), Bank of America, N.A. (the "*Bank*"), hereby establishes, in favor of U.S. Bank Trust National Association, as issuing and paying agent (the "*Issuing and Paying Agent*") acting for the benefit of the holders of the Commercial Paper Notes pursuant to (i) that certain Amended and Restated Issuing and Paying Agent Agreement dated as of November 1, 2005, as amended and supplemented from time to time (the "*Issuing and Paying Agent Agreement*"), between the Commission and the Issuing and Paying Agent, and (ii) that certain Subordinate Indenture dated as of April 1, 2018, as supplemented and amended from time to time (the "*Indenture*") between the Commission and U.S. Bank National Association, as Trustee (the "*Trustee*"), each pursuant to which the Commercial Paper Notes have been or will be issued from time to time, and pursuant to that certain Reimbursement Agreement, dated as of September 1, 2018 (the "*Reimbursement Agreement*"), by and between the Commission and the Bank, this Irrevocable Transferable Direct-Pay Letter of Credit (this "*Letter of Credit*") in the maximum available amount of One Hundred Eight Million Eight Hundred Seventy-Six Thousand Seven Hundred Thirteen Dollars (\$108,876,713) (calculated as the sum of the maximum principal amount of the Commercial Paper Notes, in an amount equal to \$100,000,000, *plus* interest thereon in an amount equal to \$8,876,713, hereinafter, as reduced or reinstated from time to time in accordance with the provisions hereof, the "*Stated Amount*").

2. This Letter of Credit shall expire, at 5:00 p.m., New York City time, on the date (the "*Termination Date*") which is the earliest to occur of: (a) September 10, 2021 (the "*Stated Expiration Date*"), as such date, may be extended by notice in the form attached hereto as Annex F; (b) the date of payment of a Drawing on which the Stated Amount of the Letter of Credit amount is reduced to zero, not subject to reinstatement; (c) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex C attached hereto appropriately completed (after we honor any properly presented and conforming Drawing,

if any, on such date); (d) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex D attached hereto appropriately completed; (e) the date which is the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which you receive notice from us in the form of Annex H-1 hereto (the "*Final Drawing Notice*"); or (f) the date on which the final Drawing in the form of Annex H-2 hereto is honored hereunder. All Drawings hereunder shall be paid from immediately available funds of the Bank.

3. Funds under this Letter of Credit are available to you against your presentation of a drawing certificate in the form of Annex A or Annex H-2 hereto (a "*Drawing*") which shall be made by facsimile transmission to Bank of America, N.A. by facsimile (800) 755-8743, Attention: Standby Letter of Credit Department, or at any other number or numbers which may be designated by the Bank by written notice delivered to you. Each Drawing so presented shall have all blanks appropriately filled in and shall be signed by a person who purports to be an authorized officer of the Issuing and Paying Agent and each of the aforesaid certificates shall be either in the form of a letter on the letterhead of the Issuing and Paying Agent. Any facsimile Drawing made hereunder shall be promptly confirmed by you to us by telephone (but such notice shall not be a condition to drawing hereunder and you shall have no liability for not doing so).

4. The Bank hereby agrees with you that, to the extent of its liability as provided herein, all demands for payment made under and in compliance with the terms of this Letter of Credit will be duly honored upon delivery or transmission of the certificate as specified in paragraph 3 hereof and if presented at the aforesaid office on or before the Termination Date. If a Drawing is made by you hereunder at or prior to 11:00 a.m., New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof; payment shall be made in the amount specified, in such Drawing in immediately available funds, no later than 2:00 p.m., New York City time, on the same Business Day. If a Drawing is made by you hereunder after 11:00 a.m., New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof, payment shall be made in the amount specified in such Drawing in immediately available funds, no later than 2:00 p.m., New York City time, on the next succeeding Business Day. Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds, to the Issuing and Paying Agent in accordance with the instructions specified by the Issuing and Paying Agent in the drawing certificate relating to a particular drawing hereunder. As used in this Letter of Credit, "*Business Day*" means a day other than: (1) a Saturday, Sunday, or a day on which banking institutions in the State of California or the State of New York are authorized or obligated by law or executive order to be closed; (2) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed; and (3) a day upon which commercial banks are authorized or obligated by law or executive order to be closed in the city in which Drawings are to be presented under this Letter of Credit.

5. Demands for payment honored hereunder shall not at the time of any Drawing exceed the Stated Amount, as the Stated Amount may have been reduced or reinstated by the Bank as hereinafter provided. Subject to the preceding sentence, each Drawing honored by the Bank hereunder shall *pro tanto* reduce, by the amount of such Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing, except to the extent the Stated Amount has been reinstated in accordance with the provisions of paragraph 7 of this Letter of Credit.

6. Upon receipt by the Bank of a certificate in the form of Annex B (a "*Stated Amount Reduction Certificate*") attached hereto appropriately completed and signed by your duly authorized officer, the Stated Amount shall be permanently reduced to the amount set forth therein.



7. After any Drawing, the Stated Amount will be reinstated, but only when and to the extent amounts are received by the Bank for reimbursement of the amount of such Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice), and will be subject to any reduction in said Stated Amount as above provided in paragraph 6 and will also be subject to any reduction in said Stated Amount as described in the immediately succeeding sentence. If at any time you shall have received notice from the Bank in substantially the form of Annex G or Annex H-1 attached hereto, which you are required to acknowledge and accept in accordance with such Annex(es) and return to the Bank, then in each case the Stated Amount shall be permanently reduced to the principal amount of Commercial Paper Notes outstanding at the time of your receipt of such Annex(es) plus interest to accrue thereon to maturity (as you shall certify to us upon your receipt of such Annexes), and shall be further permanently reduced upon the Bank honoring the related Drawing(s) upon the maturity of such Commercial Paper Notes (or with respect to the Final Drawing Notice, upon the Bank honoring the final Drawing), and the Stated Amount shall no longer be reinstated following any Drawings.

8. Only you or your successor as Issuing and Paying Agent may make Drawings under this Letter of Credit. Upon the payment to you or to your account of the amount demanded hereunder, the Bank shall be fully discharged of its obligation under this Letter of Credit with respect to such demand for payment and shall not thereafter be obligated to make any farther payments under this Letter of Credit. By paying to you an amount demanded in accordance herewith, the Bank makes no representations as to the correctness of the amount demanded.

9. Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98") except for (i) Rule 2.06(c)(iii) thereof, with regard to an amendment of this Letter of Credit for the purpose of extending the Stated Expiration Date, (ii) Rule 3.12(a) thereof, and (iii) Rule 5.01(a) thereof. As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including, without limitation, the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws. Unless otherwise specified herein, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at Bank of America, N.A., 1 Fleet Way, PA6-580-02-30, Scranton, PA 18507-1999, or by telecopier at telecopier number (800) 755-8743, Attention: Standby Letter of Credit Department, Reference: San Diego County Regional Transportation Commission Series B Commercial Paper Notes and specifically referring to the number of this Letter of Credit. Any communication to the Bank (other than Drawings) shall be in writing delivered to the Bank at the address set forth in this paragraph 9 hereof,

10. This Letter of Credit is transferable in whole only to your successor as Issuing and Paying Agent. Any such transfer (including any successive transfer) shall be subject to the Bank's receipt of a signed transfer request signed by the beneficiary and by the transferee in the form of Annex E hereto together with the original Letter of Credit. Transfers to designated foreign nationals and/or specifically designated nationals are not permitted as being contrary to the U.S. Treasury Department or Foreign Assets Control Regulations.

11. This Letter of Credit sets forth in full the Bank's undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Commercial Paper Notes), except only the certificates, notices and annexes referred to herein; and no such reference shall be deemed to incorporate herein by reference any document; instrument or agreement.

Very truly yours,

BANK OF AMERICA, N.A.

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

Name:

Title:

ANNEX A TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917

[Date]

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, PA 18507-1999  
Attention: Standby Letter of Credit Department

Re: Drawing Certificate

Ladies and Gentlemen:

U.S. Bank Trust National Association (the "*Issuing and Paying Agent*") hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018 (the "*Letter of Credit*"; any other capitalized terms used herein: and not defined herein having their respective meanings set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent, that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Indenture, and is acting as agent for the owners of Commercial Paper Notes.

2. The Issuing and Paying Agent is making a drawing under the Letter of Credit with respect to payment of the principal amount of, and interest on, the Commercial Paper Notes due on \_\_\_\_\_.

3. The amount demanded hereby is \$\_\_\_\_\_ (of which \$\_\_\_\_\_ represents the principal amount and \$\_\_\_\_\_ represents the interest amount), to be used for payment of principal of, and interest on, the Commercial Paper Notes. Said amount does not exceed the amounts permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit.

4. The amount demanded hereunder was computed in accordance with the terms and conditions of the Commercial Paper Notes, the Issuing and Paying Agent Agreement and the Indenture.

5. The amount demanded hereby does not include any amount in respect of the Commercial Paper Notes registered in the name of the Commission or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Commercial Paper Notes for the benefit of the Commission.

6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal of and interest on Commercial Paper Notes Upon the stated maturity thereof, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) such amount will be deposited to the Series B Note Fund (established pursuant to the Issuing and Paying Agent Agreement), and (d) except for

the other amounts on deposit in such Series B Note Fund, no portion of said amount shall be commingled with other funds held by the undersigned.

7. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex A as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

By: \_\_\_\_\_  
Name:  
Title:

cc: San Diego County Regional Transportation Commission

**ANNEX B TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917**

[Date]

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, PA 18507-1999  
Attention: Standby Letter of Credit Department

Re: Permanent Reduction of the Stated Amount of Letter of Credit

Ladies and Gentlemen:

U.S. Bank Trust National Association (the "*Issuing and Paying Agent*") hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018 (the "*Letter of Credit*"; any other capitalized, terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit), issued by the Bank in favor of the Issuing and Paying Agent, that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Indenture, and is acting as the agent for the owners of the Commercial Paper Notes.

2. The Issuing and Paying Agent hereby notifies you that on or prior to the date hereof the Commission has determined that the Stated Amount of the Letter of Credit shall be permanently reduced to \$\_\_\_\_\_ (of which \$\_\_\_\_\_ represents the principal amount and \$\_\_\_\_\_ represents the interest amount).

3. The Issuing and Paying Agent hereby confirms that the aggregate principal amount of Commercial Paper Notes outstanding, together with the aggregate interest payable on such principal amount of such Commercial Paper Notes outstanding, as of the date hereof, does not exceed the Stated Amount of the Letter of Credit as so reduced.

4. If any Commercial Paper Notes are outstanding as of the date of this Annex B, the Commission has informed us that it will not issue additional Commercial Paper Notes unless after the issuance of such additional Commercial Paper Notes the aggregate principal amount of Commercial Paper Notes outstanding, together with the aggregate interest payable thereon, shall be no greater than the Stated Amount of the Letter of Credit, as so permanently reduced pursuant to this Annex B.

5. The Stated Amount of the Letter of Credit is reduced to \$\_\_\_\_\_ upon receipt by the Bank of this Annex B.

6. The undersigned represents that he/she is a duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex B as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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

By: \_\_\_\_\_  
Name:  
Title:

cc: San Diego County Regional Transportation Commission

ANNEX C TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917

[Date]

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, PA 18507-1999  
Attention: Standby Letter of Credit Department

Re: Termination of Letter of Credit (Alternate Facility)

Ladies and Gentlemen:

U.S. Bank Trust National Association (the "*Issuing and Paying Agent*") hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018 (the "*Letter of Credit*"; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit), issued by the Bank in favor once Issuing and Paying Agent, that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Indenture.
2. As Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Indenture, the Issuing and Paying Agent has accepted an Alternate Facility, in compliance with the Issuing and Paying Agent Agreement, the Indenture and the Reimbursement Agreement.
3. Upon receipt of this Annex C, the Letter of Credit shall terminate as provided in paragraph 2(c) of the Letter of Credit.
4. Accompanying this Annex C is the original Letter of Credit, marked "cancelled".
5. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex C as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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

By: \_\_\_\_\_  
Name:  
Title:

cc: San Diego County Regional Transportation Commission

**ANNEX D TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. \_\_\_\_\_**

[Date]

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, PA 18507-1999  
Attention: Standby Letter of Credit Department

Re: Termination of Letter of Credit (No Commercial Paper Notes Outstanding)

Ladies and Gentlemen:

U.S. Bank Trust National Association (the "*Issuing and Paying Agent*") hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917 dated September 11, 2018 (the "*Letter of Credit*"; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit) issued by, the Bank in favor of the Issuing and Paying Agent, that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Indenture.
2. All the Commercial Paper Notes are wholly defeased or no Commercial Paper Notes remain outstanding under the Issuing and Paying Agent Agreement or the Indenture.
3. The Commission has notified us that it does not intend to issue any additional Commercial Paper Notes and desires to terminate this Letter of Credit in accordance with terms of the Reimbursement Agreement.
4. Upon receipt by the Bank of this Annex D, the Letter of Credit shall terminate as provided in paragraph 2(d) of the Letter of Credit.
5. Accompanying this Annex D is the original Letter of Credit, marked "cancelled".
6. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex D as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

By: \_\_\_\_\_  
Name:  
Title:

cc: San Diego County Regional Transportation Commission



**ANNEX E TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917**

[Date]

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, PA 18507-1999  
Attention: Standby Letter of Credit Department

Re: Transfer of Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018

Ladies and Gentlemen:

For value received, we, the undersigned "Beneficiary", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (the "*Letter of Credit*") in its entirety to:

NAME OF TRANSFEREE

\_\_\_\_\_ (Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

as successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Indenture, as defined in the Letter of Credit, all rights of the undersigned beneficiary to draw under the Letter of Credit in its entirety.

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Beneficiary in the Letter of Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Beneficiary.

The original Letter of Credit, including amendments to this date, is attached and the undersigned Beneficiary requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Beneficiary acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of the transferred Letter of Credit and these instructions,

Beneficiary represents and warrants that (a) the Transferee is the Beneficiary's successor issuing and paying agent under the Issuing and Paying Agent Agreement and the Indenture, (b) the enclosed Letter of Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the letter of Credit affecting the rights to be transferred.

The Effective Date shall be the date hereafter on which the Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

Sincerely yours,

\_\_\_\_\_  
(Print Name of Beneficiary)

\_\_\_\_\_  
(Beneficiary's Authorized Signature)

\_\_\_\_\_  
(Print Authorized Signer's Name and Title)

\_\_\_\_\_  
(Telephone Number/Fax Number)

**SIGNATURE GUARANTEED**

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

\_\_\_\_\_  
(Print Name of Bank)

\_\_\_\_\_  
(Address of Bank)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Print Name and Title of Authorized Signer)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Date)

Acknowledged:

\_\_\_\_\_  
(Print Name of Transferee)

\_\_\_\_\_  
(Transferee's Authorized Signature)

\_\_\_\_\_  
(Print Authorized Signer's Name and Title)

\_\_\_\_\_  
(Telephone Number/Fax Number)

**SIGNATURE GUARANTEED**

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

\_\_\_\_\_  
(Print Name of Bank)

\_\_\_\_\_  
(Address of Bank)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Print Name and Title of Authorized Signer)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Date)

Acknowledged as of \_\_\_\_\_, 20\_\_:

BANK OF AMERICA, N.A.

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

Name:

Title:

cc: San Diego County Regional Transportation Commission

ANNEX F TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917

[Date]

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

Re: Notice of Extension

Ladies and Gentlemen:

We refer to the Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018 (the "*Letter of Credit*") of Bank of America, N.A. Any capitalized term used herein and not defined herein shall have its respective meaning as set forth in the Letter of Credit.

The Letter of Credit Expiration Date is extended from \_\_\_\_\_ to \_\_\_\_\_.

This Notice of Extension shall be attached to the Letter of Credit and made a part thereof.

Very truly yours,

BANK OF AMERICA, N.A.,  
as the Bank

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED AND APPROVED BY:

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Name:  
Title:

ANNEX G TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917

[Date]

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

Re: Event of Default under Reimbursement Agreement and Permanent Reduction Notice

Ladies and Gentlemen:

The undersigned, authorized officer of Bank of America, N.A. (the “*Bank*”) with reference to that certain Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018 (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth, in the Letter of Credit), issued by the Bank in favor of U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby certifies that:

1. There exists an Event of Default under Section 7.01\_\_ of the Reimbursement Agreement and such Event of Default is continuing.
2. The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Event of Default under Reimbursement Agreement and Permanent Reduction Notice (“*Default and Reduction Notice*”), to cease issuing Commercial Paper Notes.
3. Upon receipt by you of this Annex G you are notified (i) that the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter, of Credit, (ii) that the Stated Amount of the Letter of Credit shall be permanently reduced to the: principal amount of Commercial Paper Notes outstanding on the date of your receipt this Default, and Reduction Notice plus interest thereon to maturity (“*Outstanding Notice Amount*”), (iii) that the Stated Amount of the Letter of Credit shall be further permanently reduced following the Bank honoring the related Drawing upon the maturity of any such Commercial Paper Notes (or with respect to the Final Drawing Notice, upon the Bank honoring the final Drawing), and shall be further permanently reduced from time to time as otherwise may be provided in the Letter of Credit and (iv) that the Stated Amount shall no longer be reinstated following any Drawings.

You are hereby requested under the terms of the Letter of Credit to acknowledge receipt of this notice, make certain undertakings, and certify the Outstanding Notice Amount in the manner set forth below.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex G as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BANK OF AMERICA, N.A.,  
as the Bank

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby accepts this Default and Reduction Notice on \_\_\_\_\_, 20\_\_ (the "Acceptance Date") and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date. U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby certifies that the Outstanding Notice Amount (which is the principal amount of Commercial Paper Notes outstanding as of the Acceptance Date plus interest thereon to maturity) equals \$\_\_\_\_\_, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

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

By: \_\_\_\_\_  
Name:  
Title:

cc: San Diego County Regional Transportation Commission

**ANNEX H-1 TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917**

[Date]

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

Re: Final Drawing Notice

Ladies and Gentlemen:

Reference is made to Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018 (the "*Letter of Credit*"; established by Bank of America, N.A. (the "*Bank*") in your favor as Beneficiary and as Issuing and Paying Agent, and at the request of the San Diego County Regional Transportation Commission (the "*Commission*"; any other capitalized used herein and not defined herein shall have their respective meanings set forth in the Letter of Credit).

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Final Drawing Notice, to cease issuing Commercial Paper Notes.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Final Drawing Notice, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Indenture that are both (x) outstanding on the date hereof and (y) maturing or are hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us. Notwithstanding anything in the Issuing and Paying Agent Agreement or the Indenture to the contrary, the final Drawing under the Letter of Credit shall not provide for the payment of Commercial Paper Notes that are issued after the receipt by the Issuing and Paying Agent of this notice or a Notice of No Issuance (as defined in the Reimbursement Agreement) or Annex G to the Letter of Credit.

You are hereby requested under the terms of the Letter of Credit to acknowledge receipt of this notice, make certain undertakings, and certify the new Stated Amount of the Letter of Credit in the manner set forth below.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex H-1 as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

BANK OF AMERICA, N.A.,  
as the Bank

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby accepts this Final Drawing Notice on \_\_\_\_\_, \_\_\_\_ (the "Acceptance Date") and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date. U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby certifies that as of the Acceptance Date, the principal amount of Commercial Paper Notes currently outstanding plus interest thereon to maturity equals \$\_\_\_\_\_, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

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

By: \_\_\_\_\_  
Name:  
Title:

cc: San Diego County Regional Transportation Commission

**ANNEX H-2 TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68142917**

[Date]

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, PA 18507-1999  
Attention: Standby Letter of Credit Department

Re: Certificate for Drawing in connection with the Payment of Principal and Interest after Final Drawing Notice

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. 68142917, dated September 11, 2018 (the "*Letter of Credit*"; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Indenture and is acting as the agent for the holders of the Commercial Paper Notes.

2. The Issuing and Paying Agent has received the Final Drawing Notice in the form of a Final Drawing Notice in the form of Annex H-1 to the Letter of Credit.

3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Commercial Paper Notes that (i) were issued in, accordance with the Issuing and Paying Agent Agreement and the Indenture, (ii) were outstanding prior to the Issuing and Paying Agent's receipt of the Drawing Notice and/or a Notice of No Issuance (as defined in the Reimbursement Agreement) and (iii) mature on or after the date of the Final Drawing Notice. Notwithstanding anything in the Issuing and Paying Agent Agreement or the Indenture to the contrary, this Drawing shall not provide for the payment of Commercial Paper Notes that are issued after the receipt by the Issuing and Paying Agent of this notice or a Notice of No Issuance.

4. The amount of the Drawing is equal to \$\_\_\_\_\_, with \$\_\_\_\_\_ being drawn in respect of the payment of principal of maturing Commercial Paper Notes and \$\_\_\_\_\_ representing \_\_\_ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agent Agreement and the Indenture. The amount of the Drawing being drawn in respect of the payment of principal of and interest payable to maturity of, the Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.



5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Series B Note Fund maintained by the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement and the Indenture and apply the same directly to the payment when due of the principal amount of Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Issuing and Paying Agent Agreement and the Indenture, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for amounts on deposit in such Series B Note Fund and except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes have been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

6. This Annex H-2 is being presented to the Bank on a date which is no later than the 15th calendar day (or if such date is not a Business Day, the immediately preceding Business Day) after receipt by the Issuing and Paying Agent of the Final Drawing Notice from the Bank.

7. Payment by the Bank pursuant to this Drawing shall be made to [\_\_\_\_\_, ABA Number \_\_\_\_\_, Account Number \_\_\_\_\_, Attention \_\_\_\_\_.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Annex H-2 as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

By: \_\_\_\_\_  
Name:  
Title:

cc: San Diego County Regional Transportation Commission

APPENDIX II

[FORM OF NOTICE OF NO ISSUANCE]

[Dated Date]

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

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

Re: \$100,000,000  
Subordinate Sales Tax Revenue Commercial Paper Notes  
(Limited Tax Bonds), Series B

Ladies and Gentlemen:

Pursuant to Section 7.02(b) or Section 3.02 of that certain Reimbursement Agreement, dated as of September 1, 2018 (the "*Reimbursement Agreement*"), by and between the San Diego County Regional Transportation Commission (the "*Commission*") and the undersigned, as Bank, you are hereby notified that (a) either (1) an "Event of Default" under Section 7.01 of the Reimbursement Agreement has occurred and is now continuing or (2) one or more of the representations and warranties of the Commission set forth in the Reimbursement Agreement, are in the reasonable opinion of the Bank, no longer true and correct in all material respects and; (b) upon receipt of this notice, (i) no new Commercial Paper Notes, as defined in the Reimbursement Agreement, shall be issued or authenticated (ii) the Stated Amount of the Letter of Credit shall be permanently reduced to the principal amount of Commercial Paper Notes outstanding on the date of your receipt this Notice of No Issuance plus interest thereon to maturity ("*Outstanding Notice Amount*"), (iii) the Stated Amount of the Letter of Credit shall be further permanently reduced following the Bank honoring the related Drawing upon the maturity of any such Commercial Paper Notes (or with respect to the Final Drawing Notice, upon the Bank honoring the final Drawing), and shall be further permanently reduced from time to time as otherwise may be provided in the Letter of Credit and (iv) the Stated Amount shall no longer be reinstated following any Drawings.

This Notice of No Issuance shall remain in effect unless you have received written notification from us that this Notice of No Issuance has been rescinded.

Very truly yours,

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby accepts this Notice of No Issuance on \_\_\_\_\_, 20\_\_ (the "Acceptance Date") and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date. U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby certifies that the Outstanding Notice Amount (which is the principal amount of Commercial Paper Notes outstanding as of the Acceptance Date plus interest thereon to maturity) equals \$\_\_\_\_\_, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

cc: [DEALER]  
[RATING AGENCIES]

## APPENDIX III

### [FORM OF BANK NOTE]

\$108,876,713 Maximum Principal Amount

September 11, 2018

FOR VALUE RECEIVED, the undersigned, SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION (the "*Borrower*"), hereby promises to pay to the order of BANK OF AMERICA, N.A., and its successors and assigns (the "*Bank*") at its principal office at 800 5<sup>th</sup> Avenue Seattle, WA 98104-3176, in the manner and on the dates provided in the hereinafter defined Agreement in lawful money of the United States of America and in immediately available funds, the principal amount equal to the aggregate unreimbursed amount of Drawings and Advances made by the Bank pursuant to the Letter of Credit and the Agreement not to exceed One Hundred Eight Million Eight Hundred Seventy-Six Thousand Seven Hundred Thirteen Dollars (\$108,876,713). Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement, dated as of September 1, 2018 (the "*Agreement*") by and between the Borrower and the Bank, as from time to time in effect.

The Borrower further promises -to pay interest from the date hereof on the outstanding principal amount hereof and unpaid interest hereon from time to time at the rates and times and in all cases in accordance with the terms of the Agreement. The Borrower promises to make all other payments owed by it under the Agreement and the Fee Letter. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Credit Agreement.

The Bank may endorse its records relating to this Bank Note with appropriate notations evidencing the Drawing under the Letter of Credit and Advances under the Agreement and payments of principal hereunder as contemplated by the Agreement.

This Bank Note (a) is one of "the duly authorized issue of notes of the Borrower 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 Subordinate Indenture, dated as of April 1, 2018 (amending and restating the Subordinate Indenture, dated as of August 1, 1991, as previously amended and restated by the Amended and Restated Subordinate Indenture, dated as of November 1, 2005, as further supplemented and amended) (as amended, the "Subordinate Indenture"), each between the Borrower 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 Borrower 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 Agreement, (iii) the Agreement and (v) the Fee Letter. Reference is made to the Agreement for provisions relating to (a) the security for the payment hereof, (b) the prepayment hereof and (c) the acceleration of the maturity hereof.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance

and enforcement of this Bank Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Bank Note is an obligation of the Borrower secured by a lien on the Revenues as more fully described in Section 5.12 of the 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 Bank 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 Borrower has caused this Bank Note to be signed in its name as an instrument by its duly authorized officer on the date and in the year first above written.

SAN DIEGO COUNTY REGIONAL  
TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPENDIX IV

[FORM OF REQUEST FOR EXTENSION]

Bank of America, N.A.  
Mail Code: WA1-501-34-03  
800 5<sup>th</sup> Avenue  
Seattle, WA 98104-3176  
Attention: Satinder Parwana  
Tel: (206) 358-6055  
Email: [satinder.parwana@baml.com](mailto:satinder.parwana@baml.com)

Re: Request for Extension of Irrevocable Transferable  
Direct-Pay Letter of Credit No. 68142917

Ladies and Gentlemen:

Pursuant to Section 2.12 of that certain Reimbursement Agreement, dated as of September 1, 2018 (the "*Reimbursement Agreement*"), by and between the San Diego County Regional Transportation Commission (the "*Commission*") and Bank of America, N.A. (the "*Bank*"), the Commission hereby requests that the Letter of Credit Expiration Date be extended for a one-year extension. All capitalized terms contained herein which are not specifically defined herein shall be deemed to have the definition set forth in the Reimbursement Agreement.

The Bank is requested to notify the Commission of its decision with respect to this request for extension within 30 days of the date of receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. If the Bank fails to notify the Commission of its decision within such 30-day period, the Bank shall be deemed to have rejected such request.

Very truly yours,

SAN DIEGO COUNTY  
REGIONAL TRANSPORTATION  
COMMISSION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

cc: U.S. Bank Trust National Association,  
as Issuing and Paying Agent