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***AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT***

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AMENDED AND RESTATED  
REVOLVING CREDIT AGREEMENT

dated as of March 1, 2016

by and between

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Relating to

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
SUBORDINATE PROPOSITION C SALES TAX  
REVENUE REVOLVING OBLIGATIONS

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Table of Contents

Page

ARTICLE I  
DEFINITIONS

Section 1.01.	Definitions.....	2
Section 1.02.	Accounting Terms and Determinations .....	24
Section 1.03.	Interpretation.....	25
Section 1.04.	Times of Day.....	25
Section 1.05.	Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference.....	25
Section 1.06.	Effectiveness.....	26

ARTICLE II  
FACILITIES; APPLICATION AND ISSUANCE OF THE LOANS; PAYMENTS

Section 2.01.	Revolving Credit Commitments .....	26
Section 2.02.	Application.....	26
Section 2.03.	Making of Advances; Use of Proceeds.....	26
Section 2.04.	Conditions Precedent .....	27
Section 2.05.	Interest Rate Determinations.....	32
Section 2.06.	Fees .....	32
Section 2.07.	Reduction and Termination.....	35
Section 2.08.	Extension of Commitment Expiration Date.....	35
Section 2.09.	Funding Indemnity.....	35
Section 2.10.	Payments.....	36

ARTICLE III  
REVOLVING LOANS

Section 3.01.	Making of Revolving Loans .....	36
Section 3.02.	Revolving Loans Evidenced by Notes .....	36
Section 3.03.	Interest on Revolving Loans; Computation Date.....	37
Section 3.04.	Repayment of Revolving Loans.....	37
Section 3.05.	Prepayment of Revolving Loans.....	38

ARTICLE IV  
THE TERM LOAN

Section 4.01.	Term Loan.....	38
Section 4.02.	Conditions Precedent to Term Loan .....	38
Section 4.03.	Term Loans Evidenced by Notes .....	39
Section 4.04.	Interest on Term Loan.....	39
Section 4.05.	Repayment of Term Loan .....	39
Section 4.06.	Prepayment of Term Loan .....	40

ARTICLE V  
SECURITY AND PLEDGE

Section 5.01.	Security and Pledge.....	40
---------------	--------------------------	----

Table of Contents  
(continued)

Page

ARTICLE VI  
LIABILITY, INDEMNITY AND PAYMENT

Section 6.01.	Liability of the Authority .....	41
Section 6.02.	Indemnification by the Authority.....	41
Section 6.03.	Increased Costs .....	42
Section 6.04.	Taxes .....	44
Section 6.05.	Calculation of Interest and Fees; Maximum Interest Rate; Default Rate .....	47
Section 6.06.	Liability of the Lender .....	48
Section 6.07.	Obligations Unconditional.....	48

ARTICLE VII  
REPRESENTATIONS AND WARRANTIES

Section 7.01.	Organization, Powers, Etc.....	49
Section 7.02.	Authorization, Absence of Conflicts, Etc .....	49
Section 7.03.	Governmental Consent or Approval .....	49
Section 7.04.	Binding Obligations .....	50
Section 7.05.	Litigation.....	50
Section 7.06.	Financial Condition.....	50
Section 7.07.	Tax- Exempt Status of Tax-Exempt Loans.....	50
Section 7.08.	Related Documents .....	50
Section 7.09.	Incorporation of Representations and Warranties.....	51
Section 7.10.	Margin Regulations.....	51
Section 7.11.	No Event of Default .....	51
Section 7.12.	The Notes .....	51
Section 7.13.	Security; Pledge of Net Pledged Revenues Securing Obligations.....	51
Section 7.14.	Sovereign Immunity.....	52
Section 7.15.	Accurate Information .....	52
Section 7.16.	Pari Passu .....	52
Section 7.17.	Maximum Rate.....	52
Section 7.18.	No Proposed Legal Changes .....	52
Section 7.19.	Valid Lien .....	53
Section 7.20.	ERISA; Plans; Employee Benefit Plans .....	53
Section 7.21.	Solvency.....	53
Section 7.22.	Environmental Laws .....	53
Section 7.23.	No Existing Right to Accelerate .....	53
Section 7.24.	Anti-Terrorism Laws .....	54
Section 7.25.	Investment Policy.....	54
Section 7.26.	Binding Effect.....	54

ARTICLE VIII  
AFFIRMATIVE COVENANTS OF THE AUTHORITY

Section 8.01.	Affirmative Covenants of the Authority .....	55
---------------	--	----

Table of Contents  
(continued)

Page

ARTICLE IX  
NEGATIVE COVENANTS OF THE AUTHORITY

Section 9.01.	Negative Covenants of the Authority .....	61
---------------	---	----

ARTICLE X  
DEFAULTS AND REMEDIES

Section 10.01.	Events of Default .....	64
Section 10.02.	Rights and Remedies upon Default.....	68
Section 10.03.	No Waiver.....	69
Section 10.04.	Discontinuance of Proceedings.....	69

ARTICLE XI  
MISCELLANEOUS

Section 11.01.	Evidence of Debt.....	69
Section 11.02.	Amendments and Waivers .....	70
Section 11.03.	Addresses for Notices .....	70
Section 11.04.	Survival of This Agreement.....	71
Section 11.05.	Severability .....	72
Section 11.06.	Governing Law; Waiver of Jury Trial; Jurisdiction and Venue .....	72
Section 11.07.	Successors and Assigns.....	73
Section 11.08.	No Setoff.....	76
Section 11.09.	Headings .....	76
Section 11.10.	Counterparts.....	76
Section 11.11.	Patriot Act.....	77
Section 11.12.	Arm's Length Transaction .....	77
Section 11.13.	No Advisory or Fiduciary Responsibility.....	77

EXHIBIT A-1	FORM OF TAX-EXEMPT LIBOR NOTE
EXHIBIT A-2	FORM OF TAX-EXEMPT SIFMA NOTE
EXHIBIT A-3	FORM OF TAXABLE NOTE
EXHIBIT B	FORM OF REQUEST FOR ADVANCE
EXHIBIT C	FORM OF REQUEST FOR EXTENSION
EXHIBIT D	FORM OF NOTICE OF TERMINATION
EXHIBIT E	FORM OF NOTICE OF TERMINATION OR REDUCTION
EXHIBIT F	FORM OF NOTICE OF REDUCTION
EXHIBIT G	FORM OF NOTICE OF EXTENSION

**AMENDED AND RESTATED  
REVOLVING CREDIT AGREEMENT**

THIS AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT, dated as of March 1, 2016 (this “*Agreement*”), is entered into by and between the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a county transportation commission duly established and existing under the laws of the State of California (the “*Authority*”) and WELLS FARGO BANK, NATIONAL ASSOCIATION and its successors and permitted assigns (the “*Lender*”).

**RECITALS**

WHEREAS, the Authority and the Lender previously entered into that certain Revolving Credit Agreement, dated as of April 1, 2013 (the “*Original Credit Agreement*”), pursuant to which the Lender provided the Authority revolving lines of credit (the “*Lines of Credit*”) to pay Costs of a Project (as defined herein), costs of issuance in connection with this Agreement or for any other purpose permitted under the Act (as defined herein) and/or the Trust Agreement (as defined herein);

WHEREAS, the Original Credit Agreement has a commitment expiration date of April 22, 2016 (the “*Original Commitment Expiration Date*”);

WHEREAS, the Authority has requested the Lender to extend the Original Commitment Expiration Date of the Original Credit Agreement and the Lender is prepared to extend the Original Commitment Expiration Date upon the terms and conditions set forth in this Agreement;

WHEREAS, the Authority has requested the Lender to provide for Tax-Exempt SIFMA Loans (as hereinafter defined), in addition to Tax-Exempt LIBOR Loans (as hereinafter defined), and the Lender is prepared to provide for Tax-Exempt SIFMA Loans upon the terms and conditions set forth in this Agreement;

WHEREAS, subject to and upon the terms and conditions set forth herein, the Authority and the Lender desire to amend and restate the Original Credit Agreement in the form of this Agreement in connection with the extension of the Original Commitment Expiration Date and making certain amendments to the Original Credit Agreement, including amendments thereto so that this Agreement provides for Tax-Exempt SIFMA Loans; and

WHEREAS, all obligations of the Authority to repay the Lender for extensions of credit made by the Lender under the Lines of Credit and to pay all other amounts payable to the Lender arising under or pursuant to this Agreement or the promissory notes to be issued to the Lender hereunder are created under and will be evidenced by this Agreement and such promissory notes and will be secured by a pledge of and lien on Net Pledged Revenues (as defined herein), all in accordance with the terms and conditions hereof;

NOW, THEREFORE, in consideration of the foregoing Recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Lender to extend

the Original Commitment Expiration Date and provide for Tax-Exempt SIFMA Loans, and to extend to the Authority the Lines of Credit, the Authority and the Lender hereby agree as follows:

## ARTICLE I

### DEFINITIONS

*Section 1.01. Definitions.* In addition to the terms defined in the recitals and elsewhere in this Agreement and the Trust Agreement, the following terms shall have the following meanings:

“*Act*” means the Los Angeles County Transportation Authority Commission Revenue Bond Act, Section 130500 et seq. of the California Public Utilities Code, as amended from time to time.

“*Advance*” means a Revolving Loan requested by the Authority under the Tax-Exempt Loan Commitment or the Taxable Loan Commitment, as applicable, and the terms hereof for the payment of Costs of a Project, costs of issuance in connection with this Agreement or for any other purpose permitted under the Act and/or the Trust Agreement.

“*Advance Date*” means the date on which the Lender honors a Request for Advance and makes the funds requested available to the Authority.

“*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.

“*Agreement*” means this Amended and Restated Revolving Credit Agreement, as the same may be amended from time to time.

“*Amortization End Date*” means the earliest to occur of (A) the third (3<sup>rd</sup>) anniversary of the Conversion Date; (B) the seventh (7<sup>th</sup>) day immediately succeeding an Event of Default specified in Section 10.01(a), 10.01(b), 10.01(c), 10.01(d), 10.01(e), 10.01(f), 10.01(g) or 10.01(h) hereof; and (C) the two hundred seventieth (270<sup>th</sup>) day immediately succeeding the date on which the Lender has notified the Authority of an acceleration of the Obligations following any Event of Default specified in Section 10.01(i), 10.01(j), 10.01(k), 10.01(l), 10.01(m), 10.01(n), 10.01(o), 10.01(p), 10.01(q), 10.01(r), 10.01(s), 10.01(t) or 10.01(u) hereof.

“*Amortization Payment*” has the meaning set forth in Section 4.05 hereof.

“*Amortization Payment Date*” means (a) the Initial Amortization Payment Date and each three-month anniversary of the Initial Amortization Payment Date occurring thereafter which occurs prior to the Amortization End Date and (b) the Amortization End Date.

“*Amortization Period*” has the meaning set forth in Section 4.05 hereof.

“Annual Historical Proposition C Debt Service Payments” has the meaning set forth in Section 8.01(b)(ii) hereof.

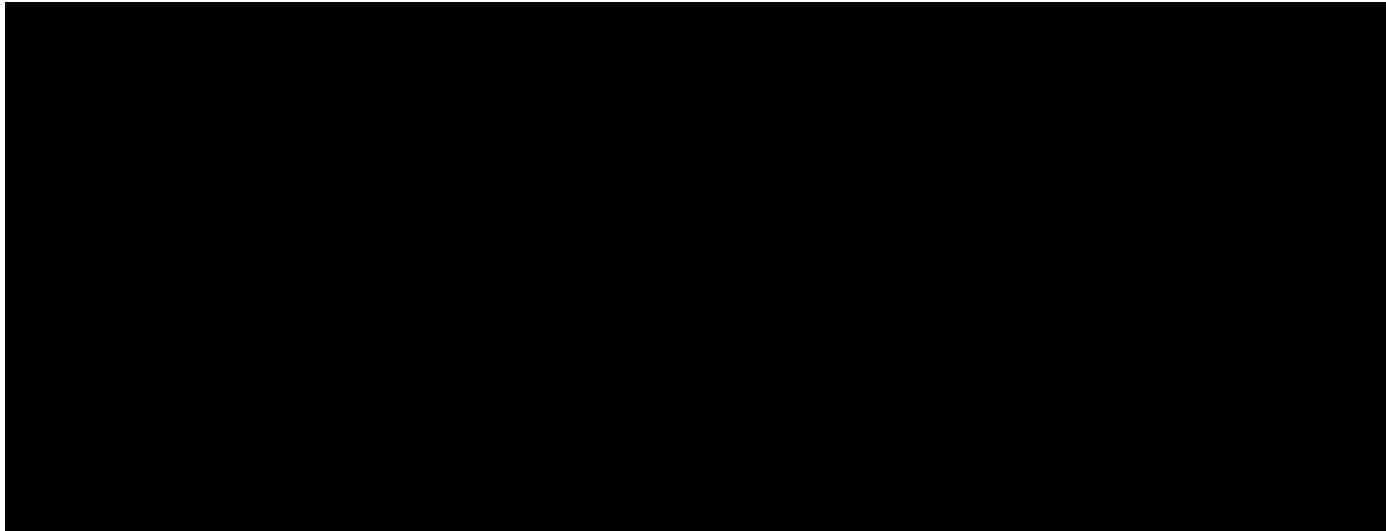
“Annual Historical Proposition C Sales Tax Receipts” has the meaning set forth in Section 8.01(b)(ii) hereof.

“Anti-Terrorism Laws” has the meaning set forth in Section 7.24 hereof.

“Applicable Factor” means [REDACTED].

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

“Applicable Spread” means, initially, with respect to Tax-Exempt Loans, [REDACTED], and with respect to Taxable Loans, [REDACTED] which is subject to maintenance of the current Authority Rating. In the event of a change in the Authority Rating, the Applicable Spread shall equal the number of basis points set forth in the Level associated with the lowest Authority Rating as set forth in the schedule below:



Any change in the Applicable Spread resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a “global” rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority acknowledges that as of the Effective Date the Applicable Spread is that specified above for Level 1.



“*Applicable Spread for Taxable Loans*” has the meaning set forth in the definition of “*Applicable Spread*”.

“*Applicable Spread for Tax-Exempt Loans*” has the meaning set forth in the definition of “*Applicable Spread*”.

“*Approving Opinion*” means, with respect to any action or matter that may affect a Tax-Exempt Loan, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by this Agreement and the other Related Documents and (ii) will not adversely affect the exclusion of interest on any Tax-Exempt Loan from gross income of the Lender or any Participant for purposes of federal income taxation.

“*Authority*” means Los Angeles County Metropolitan Transportation Authority, a public entity duly established and existing under the laws of the State.

“*Authority Rating*” means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each of Moody’s, Fitch and S&P to the Authority’s Senior Lien Bonds.

“*Authorized Representative*” means any of the Chief Executive Officer of the Authority, the Executive Director, Finance and Budget of the Authority, the Treasurer of the Authority, the General Counsel of the Authority, the Board Secretary of the Authority, the Board of Directors of the Authority, as a whole, or any other authorized representative or authorized spokesperson conveying an official position of the Board or the Authority, or such person at the time and from time to time authorized to act on behalf of the Authority by written certificate furnished to the Lender.

“*Available Commitment*” means, on any date, an initial amount equal to \$75,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Advance or any Revolving Loan in respect of such Advance made to the Authority under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.07 or Section 10.02(a)(iii) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; provided, that, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed \$75,000,000 at any one time.

“*Bank Agreement*” means any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplemental or modification thereto) entered into by the Authority with any Person, directly or indirectly, or otherwise consented to by the Authority, under which any Person or Persons undertakes to make loans, extend credit or liquidity to the Authority in connection with, or purchase on a private placement basis, any Debt secured by or payable from Pledged Revenues or Net Pledged Revenues.

“*Bankruptcy Code*” means the federal Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United States Code), and any successor statute thereto.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time plus [REDACTED] (ii) the Federal Funds Rate in effect at such time plus [REDACTED] and (iii) [REDACTED]

“*Board of Equalization*” means the California State Board of Equalization that collects the Proposition C Sales Tax.

“*Bond Counsel*” means Kutak Rock LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds and the exemption from federal income taxation of interest thereon, appointed and paid by the Authority.

“*Business Day*” means any day other than (i) a Saturday, Sunday or (ii) a day on which banks in Los Angeles, California, or New York, New York, are required or authorized by law to be closed, or (iii) a day on which the Lender is required or authorized by law to be closed.

“*Calculation Ratio*” has the meaning set forth in Section 8.01(b)(ii) hereof.

“*Change in Law*” means the occurrence, after the Original Effective Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation, any Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, shall in each case be deemed to be a “*Change in Law*,” regardless of the date enacted, adopted or issued.

“*Code*” means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

“*Commitment*” means the agreement of the Lender pursuant to Section 2.01 hereof to make Advances under the terms hereof for the account of the Authority for the purpose of providing funds to pay Costs of a Project, costs of issuance in connection with this Agreement or for any other purpose permitted under the Act and/or the Trust Agreement.

“*Commitment Expiration Date*” means March 28, 2019, unless extended as provided herein.

“*Commitment Fee*” has the meaning set forth in Section 2.06(a) hereof.

“*Commitment Fee Rate*” has the meaning set forth in Section 2.06(a) hereof.

“*Computation Date*” means (a) for a Tax-Exempt SIFMA Loan, the Wednesday immediately preceding the applicable SIFMA Index Reset Date, provided that if such date is not a Business Day, the immediately preceding Business Day and (b) for a Loan bearing interest

with respect to the LIBOR Index Rate, the second London Business Day preceding the applicable LIBOR Index Reset Date.

“*Consultant*” has the meaning set forth in the Senior Lien Trust Agreement.

“*Conversion Date*” means the date on which a Revolving Loan is converted to a Term Loan pursuant to Article IV hereof.

“*Costs of a Project*” has the meaning set forth in the Subordinate Trust Agreement.

“*Debt*” means, with respect to any Person, without duplication: (a) all indebtedness of such Person for borrowed money (including, but not limited to, amounts drawn under a letter of credit, line of credit or other credit or liquidity facilities or amounts loaned pursuant to a Bank Agreement); (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable in the ordinary course of business; (c) all obligations of such Person evidenced by notes, certificates, debentures or similar instruments; (d) all Guarantees by such Person of Debt of other Persons (each such Guarantee to constitute Debt in an amount equal to the amount of such other Person’s Debt guaranteed thereby); (e) all obligations of other Persons secured by a lien on, or security interest in, any asset of such Person whether or not such obligation is assumed by such Person; (f) all obligations under leases that constitute capital leases for which such Person is liable; and (g) all obligations of such Person under any Swap Contract, in each case, whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

“*Default*” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” means, for any day, a fluctuating rate per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.00%).

“*Designated Representative*” has the meaning provided in the Second Supplemental Subordinate Trust Agreement.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Lender has received written notification from the Authority, supported by a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax exempt municipal finance, to the effect that an Event of Taxability has occurred;

(iii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other

government official or agent exercising the same or a substantially similar function from time to time) that based upon filings of the Authority (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of the Authority, or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Authority shall receive notice from the Lender that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender or any Participant the interest on any Tax-Exempt Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the Authority has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined after taking into account any permitted appeals; provided further, however, that upon demand from the Lender, the Authority shall promptly reimburse the Lender for any payments, including any taxes, interest, penalties or other charges, the Lender shall be obligated to make as a result of the Determination of Taxability.

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

“*Effective Date*” means March 29, 2016, subject to the satisfaction or waiver by the Lender of the conditions precedent set forth in Section 2.04(a) hereof.

“*EMMA*” means the Electronic Municipal Market Access system and any successor thereto.

“*Environmental Laws*” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, or rules, and all judgments, orders, decrees, permits, concessions, grants, franchises, licenses, permits, agreements or governmental restrictions relating to air, water or land pollution, wetlands, or the protection of the environment or the release of any materials into the environment, including air, water or land and those related to Hazardous Materials, air emissions and discharges to waste or public systems.

“*Environmental Liability*” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Authority directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“*Event of Default*” with respect to this Agreement has the meaning set forth in Section 10.01 hereof and, with respect to any other Related Document, has the meaning assigned therein.

“*Event of Taxability*” means (i) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority, or the failure to take any action by the Authority, or the making by the Authority of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on any Tax-Exempt Loan to become includable, in whole or in part, in the gross income of the Lender or any Participant for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Loan to become includable, in whole or in part, in the gross income of the Lender or any Participant for federal income tax purposes.

“*Excess Interest Amount*” has the meaning set forth in Section 6.05(c) hereof.

“*Excluded Tax*” means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Authority hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which the Lender or such other recipient is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Authority is located.

“*Executive Order*” has the meaning set forth in Section 7.24 hereof.

“*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, then 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, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one hundredth of one percent) (1/100 of 1%) charged to the Lender on such day on such transactions as determined by the Lender.

“*Fiscal Year*” means the period commencing on July 1 of each given calendar year and ending on June 30 of the immediately succeeding calendar year, or such similar period as the Authority may designate as its fiscal year.

“*Fitch*” means Fitch Ratings, Inc., and any successor rating agency.

“*FRB*” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“*Gateway Trustee*” means The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company, as successor-in-interest to Harris Trust and Savings Bank, as trustee under the Gateway Trust Agreement.

“*Gateway Trust Agreement*” means that certain Trust Agreement, dated as of January 1, 1995, as heretofore amended and supplemented by and between the Authority and the Gateway Trustee, relating to Debt of the Authority secured by the Proposition C Sales Tax on a basis subordinate to the Subordinate Obligations, as such Agreement is in effect as of the Effective Date.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Authority.

“*Governmental Approval*” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“*Governmental Authority*” means the government of the United States or any state or political subdivision thereof or any other nation or political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law; provided, however, that for purposes of Sections 6.03 and 6.04 hereof only, “*Governmental Authority*” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

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

“*Hazardous Materials*” means (a) any petroleum or petroleum products, flammable substance, explosives, radioactive materials, hazardous waste or contaminants, toxic wastes,

substances or contaminants, or any other wastes, contaminants, or pollutants; (b) asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers, or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls or radon gas; (c) any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “contaminants” or “pollutants,” or words of similar import, under any applicable Environmental Law; (d) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by any governmental authority; and (e) any other chemical, material or substance which may or could pose a hazard to the environment.

“*Historical Debt Service Coverage Ratio*” has the meaning set forth in Section 10.01(v) hereof.

“*Historical Ratio*” has the meaning set forth in Section 8.01(b)(ii) hereof.

“*Incipient Invalidity Event*” means (i) the validity or enforceability of any provision of the Act or Ordinance No. 49 that impacts (A) the Authority’s ability or obligation to levy the Proposition C Sales Tax in the incorporated and unincorporated territory of the County of Los Angeles in accordance with the provisions of the Act and Ordinance No. 49 which affects the Authority’s ability or obligation to make payments of principal or interest on the Loans or the pledge of and lien on Net Pledged Revenues securing the payments of principal or interest on the Loans or (B) the Board of Equalization’s ability or obligation to collect the Proposition C Sales Tax or to pay the Pledged Tax to the Senior Lien Trustee, in each case, which affects the Authority’s ability or obligation to make payments of principal or interest on the Loans or the pledge of and lien on Net Pledged Revenues securing the payments of principal or interest on the Loans is publicly contested or publicly repudiated by an Authorized Representative of the Authority or (ii) the validity or enforceability of any such provision described in clause (i)(A) or (i)(B) above is deemed to be invalid or unenforceable as a result of an Authorized Representative of the Authority or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction taking or being permitted to take any official action, or introducing or duly enacting any statute or legislation or issuing an executive order or (iii) any such provision described in clause (i)(A) or (i)(B) is determined by a court of competent jurisdiction or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction in a proceeding subject to further appeals to be invalid or unenforceable or (iv) the validity or enforceability of any Payment and Collateral Obligation is publicly contested or publicly repudiated by an Authorized Representative of the Authority or (v) the validity or enforceability of any Payment and Collateral Obligation is deemed to be invalid or unenforceable as a result of an Authorized Representative of the Authority or the State or any instrumentality of the State or any Governmental Authority with appropriate jurisdiction taking or being permitted to take any official action or introducing or duly enacting any statute or legislation or issuing an executive order or (vi) any Payment and Collateral Obligation is declared invalid or unenforceable in a proceeding subject to further appeals by the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction or (vii) any provision of the Act or Ordinance No. 49 is supplemented, modified or amended in a manner that makes invalid or unenforceable (A) the Authority’s ability or obligation to levy the Proposition C Sales Tax in the incorporated and unincorporated territory of the County of Los

Angeles in accordance with the provisions of the Act and Ordinance No. 49 which affects the Authority's ability or obligation to make payments of principal or interest on the Loans or the pledge of and lien on Net Pledged Revenues securing the payments of principal or interest on the Loans or (B) the Board of Equalization's ability or obligation to collect the Proposition C Sales Tax or the Board of Equalization's ability or obligation to make payment of the Pledged Tax to the Senior Lien Trustee, in each case, which affects the Authority's ability or obligation to make payments of principal or interest on the Loans or the pledge of and lien on Net Pledged Revenues securing the payments of principal or interest on the Loans or (viii) any provision of this Agreement, the Loans or the Trust Agreement relating to the Authority's ability or obligation to make payments of principal or interest on the Loans or the pledge of and lien on the Net Pledged Revenues to secure the payment of principal and interest on the Loans is publicly contested or publicly repudiated by an Authorized Representative of the Authority or (ix) the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction shall, by official action, makes a finding or ruling or through the enactment of any statute or legislation or the issuance of an executive order determines that any provision of this Agreement, the Loans or the Trust Agreement relating to the Authority's ability or obligation to make payments of principal or interest on the Loans or the pledge of and the lien on Net Pledged Revenues to secure the payment of principal or interest on the Loans is not valid and binding on the Authority.

*"Indemnitee"* has the meaning set forth in Section 6.02 hereof.

*"Indemnified Taxes"* means Taxes other than Excluded Taxes.

*"Initial Amortization Payment Date"* means the two hundred seventieth (270<sup>th</sup>) calendar day following the Conversion Date.

*"Initial Commitment Amount"* means \$75,000,000.

*"Interest Payment Date"* means (a) with respect to any Tax-Exempt Revolving Loan or Taxable Revolving Loan, the first Business Day of every calendar month (except that the first Interest Payment Date shall be May 2, 2016) and on the Revolving Loan Maturity Date, and (b) as to any Term Loan, the first Business Day of every calendar month, and on the Amortization End Date.

*"Interest Period"* means, with respect to any Loan, the period from (and including) the date such Loan is made to (but excluding) the next succeeding Rate Reset Date, and thereafter shall mean the period from (and including) such Rate Reset Date to (but excluding) the next succeeding Rate Reset Date (or, if sooner, to but excluding the Revolving Loan Maturity Date).

*"Invalidity Event"* means (i) the Act or Ordinance No. 49 is repealed, (ii) a Federal court or any other court with appropriate jurisdiction or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction determines in a final nonappealable order or judgment, as the case may be, that a provision or provisions of the Act or Ordinance No. 49 have been supplemented, modified and/or amended in a manner that makes invalid or unenforceable (A) the Authority's obligation to levy the Proposition C Sales Tax in the incorporated and unincorporated territory of the County of Los Angeles in accordance with the



provisions of the Act and Ordinance No. 49 which affects the Authority's ability or obligation to make payments of principal or interest on the Loans or the pledge of and lien on Net Pledged Revenues securing the payments of principal or interest on the Loans or (B) the Board of Equalization's obligation to collect the Proposition C Sales Tax or the Board of Equalization's ability or obligation to make payment of the Pledged Tax directly to the Senior Lien Trustee, in each case, which affects the Authority's ability or obligation to make payments of principal or interest on the Loans or the pledge of and lien on Net Pledged Revenues securing the payments of principal or interest on the Loans, (iii) the Act or Ordinance No. 49 is ruled to be null and void by a Federal court or any court with appropriate jurisdiction or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction, (iv) any provision of this Agreement, any Loan or the Trust Agreement relating to the Authority's ability or obligation to make payments of the principal or interest on the Loans or the pledge of and lien on the Net Pledged Revenues to secure the payment of principal and interest on the Loans (each such provision, a "*Payment and Collateral Obligation*") is ruled to be null and void by a Federal court or any other court with appropriate jurisdiction or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction in a final nonappealable order or judgment by such court or the State or any instrumentality of the State, as applicable, or (v) an Authorized Representative of the Authority publicly denies, contests or repudiates that the Authority has any or further liability or obligation with respect to payments of principal or interest on the Loans under the Act or Ordinance No. 49 or any Payment and Collateral Obligation.

"*Investment Grade*" means a rating at "BBB-" (or its equivalent) or better by S&P, "Baa3" (or its equivalent) or better by Moody's or "BBB-" (or its equivalent) or better by Fitch.

"*Law*" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"*Lender*" means Wells Fargo Bank, National Association and its successors and assigns.

"*Lender Affiliate*" means the Lender and any Affiliate of the Lender, and includes, without limitation, Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Securities (a trade name).

"*Lender Rate*" means, for each day of determination, a fluctuating rate per annum, with respect to any Term Loan, equal to (i) for the period from and including the Conversion Date to but not including the date which is two hundred seventy (270) calendar days immediately following the Conversion Date, the Base Rate from time to time in effect, and (ii) from and after the date which is two hundred seventy (270) calendar days immediately following the Conversion Date and thereafter, the Base Rate from time to time in effect plus one percent (1.00%); provided that from and after the occurrence of an Event of Default, "*Lender Rate*" shall mean the Default Rate.

“*Lender’s Office*” means the Lender’s address and, as appropriate, the account as set forth in Section 11.03 hereof, or such other address or account of which the Lender may from time to time notify the Authority.

“*LIBOR Index Rate*” means the rate of interest per annum determined by the Lender based on the rate for United States dollar deposits for delivery on each LIBOR Index Reset Date for a period equal to one month as reported on Reuters Screen LIBOR01 page (or any successor page) at approximately 11:00 a.m., London, England time, on the Computation Date preceding the related LIBOR Index Reset Date (or if not so reported, then as determined by the Lender from another recognized source of interbank quotation upon notice thereof provided by the Lender to the Authority). Notwithstanding anything in this Agreement to the contrary, if the LIBOR Index Rate determined as provided above would be less than zero, then the LIBOR Index Rate shall be deemed to be zero.

“*LIBOR Index Reset Date*” means the first Business Day of each calendar month.

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

“*Loan*” and “*Loans*” means individually, each Revolving Loan and each Term Loan under this Agreement, and collectively the Revolving Loans and the Term Loans under this Agreement.

“*London Business Day*” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency) in the City of London, United Kingdom.

“*Margin Rate Factor*” means the greater of (i) 1.0, and (ii) the product of (a) one minus the Maximum Federal Corporate Tax Rate multiplied by (b) 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change. As of the Effective Date, the Margin Rate Factor is 1.0.

“*Margin Stock*” has the meaning ascribed to such term in Regulation U and/or Regulation X promulgated by the FRB, as now and hereafter from time to time in effect.

“*Material Adverse Change*” means the occurrence of any event or change, including but not limited to a change revealed by a comparison of any financial statements delivered pursuant to Section 8.01(b) hereof to the financial statements for the most recent prior Fiscal Year, which separately or in the aggregate with the occurrence of other events, results or could reasonably be expected to result in a Material Adverse Effect.

“*Material Adverse Effect*” means any event or occurrence (including, without limitation, a change in Applicable Law) that causes a material adverse change in or a material adverse effect

on (A) the validity or enforceability of this Agreement, the Notes or any of the other the Related Documents, (B) the validity, enforceability or perfection of the pledge of and lien on the Net Pledged Revenues under the Trust Agreement or hereunder, (C) the status of the Authority as a public entity created and validly existing under the laws of the State, (D) the exemption of interest on the Tax-Exempt Loans from federal income tax or (E) the collection of the Pledged Tax that could reasonably be expected to have a material adverse effect on the ability of the Authority to pay debt service on the Loans, the Senior Lien Bonds, the Senior Parity Debt or the Subordinate Obligations or amounts due on any other Obligations hereunder.

“*Maximum Federal Corporate Tax Rate*” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender). As of the Effective Date, the Maximum Federal Corporate Tax Rate is 35%.

“*Maximum Rate*” means the maximum non-usurious interest rate payable by the Authority under applicable law.

“*Miscellaneous Taxes*” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Related Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Related Document.

“*Moody’s*” means Moody’s Investors Service, Inc. and any successor rating agency.

“*1933 Act*” means the Securities Act of 1933, as amended.

“*Net Pledged Revenues*” has the meaning set forth in Article I of the Subordinate Trust Agreement.

“*Noteholder*” or “*Holder*” means the holder or owner of a Note.

“*Notes*” means the Tax-Exempt Notes and the Taxable Note, each evidencing the Revolving Obligations.

“*OFAC*” has the meaning set forth in Section 7.24 hereof.

“*Obligations*” means all Reimbursement Obligations, all fees, expenses and charges payable or reimbursable hereunder to the Lender (including, without limitation, any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents) and all other payment obligations of the Authority to the Lender arising under or in relation to this Agreement or the other Related Documents, in each, case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“*Ordinance No. 49*” has the meaning set forth in Article I of the Subordinate Trust Agreement.

“*Original Commitment Expiration Date*” has the meaning set forth in the second recital hereof.

“*Original Credit Agreement*” has the meaning set forth in the first recital hereof.

“*Original Effective Date*” means April 24, 2013.

“*Outstanding*” has the meaning set forth in Article I of the Subordinate Trust Agreement.

“*Parity and Senior Debt*” means any Debt issued by or on behalf of Authority pursuant to the Trust Agreement or the Senior Lien Trust Agreement and secured by a lien on Net Pledged Revenues or Pledged Revenues, respectively, ranking senior to or on a parity with the Notes, the Loans, the Senior Lien Bonds, the Senior Parity Debt and/or the Subordinate Obligations.

“*Participant*” means any entity to which the Lender has granted a participation in the obligations of the Lender hereunder and of the Authority hereunder and under the Notes.

“*Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001), as amended.

“*Payment and Collateral Obligation*” has the meaning set forth in the definition of the term “*Invalidity Event*” herein.

“*Person*” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“*Plan*” means an employee benefit plan maintained for employees of the Authority that is covered by ERISA.

“*Pledged Revenues*” has the meaning set forth in Article I of the Subordinate Trust Agreement.

“*Pledged Tax*” has the meaning set forth in Article I of the Subordinate Trust Agreement.

“*Prime Rate*” means on any day, the rate of interest per annum then most recently established by the Lender as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Lender to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Lender may make various business or other loans at rates of interest having no relationship to such rate. If the Lender ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in *The Wall Street Journal* (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

“*Projected Maximum Total Annual Debt Service*” means, at any point in time, maximum Total Annual Debt Service for the then current or any future fiscal year (subject to clause (i) below in this definition), calculated by the Authority as provided in this definition. For purposes of calculating Projected Maximum Total Annual Debt Service the following assumptions shall be used to calculate the principal and interest becoming due in any fiscal year (subject to clause (i) below in this definition):

(a) in determining the principal amount due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such Proposition C Indebtedness, including any scheduled redemption or prepayment of Proposition C Indebtedness on the basis of accreted value, and for such purpose, the redemption payment shall be deemed a principal payment;

(b) if any of the Proposition C Indebtedness issued or proposed to be issued constitutes Balloon Indebtedness (as hereinafter defined in this definition), then, for purposes of determining Projected Maximum Total Annual Debt Service, such amounts that constitute Balloon Indebtedness shall be treated as if the principal amount of such Proposition C Indebtedness were to be amortized in substantially equal annual installments of principal and interest over a term of 25 years and the interest rate used for such computation shall be the Bond Buyer Revenue Bond Index, for the last week of the month preceding the date of calculation, as published in *The Bond Buyer*, or if such index is no longer published, in a similar index selected by the Lender with notice to the Authority;

(c) if any Proposition C Indebtedness issued or proposed to be issued constitutes Tender Indebtedness (as hereinafter defined in this definition), then for purposes of determining the amounts of principal and interest due in any fiscal year on such Proposition C Indebtedness, the options or obligations of the owners of such Proposition C Indebtedness to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as a principal maturity (but any such amount treated as a maturity shall not be eligible for treatment as Balloon Indebtedness) occurring on the first date on which owners of such Proposition C Indebtedness may or are required to tender such Proposition C Indebtedness, except that any such option or obligation of Tender Indebtedness shall be ignored and not treated as a principal maturity if such Proposition C Indebtedness is rated in one of the two highest long term rating categories (without reference to gradations such as “plus” or “minus”) by Moody’s or by S&P or such Proposition C Indebtedness is rated in the highest short term note or commercial paper rating categories by Moody’s or by S&P, in which case such Proposition C Indebtedness will be treated as Variable Rate Indebtedness;

(d) if any Proposition C Indebtedness issued or proposed to be issued constitutes tax exempt Variable Rate Indebtedness, the interest rate on such Proposition C Indebtedness shall be assumed to be 150% of the greater of (i) the daily average rate of interest during the 36 month period ending with the month preceding the date of calculation quoted for 30 day interest periods for tax exempt debt in the Short Term Tax

Exempt Yields index for Prime Commercial Paper A-1/P-1 (30 days) as published in *The Bond Buyer*, or if such rate has been published for a shorter period only, such shorter period, or if such index is no longer published, a similar index selected by the Lender, with notice to the Authority, or (ii) the rate of interest on such Proposition C Indebtedness on the date of calculation; provided, that in the event that such Variable Rate Indebtedness is issued in connection with an interest rate swap agreement in which the Authority has agreed to pay a fixed interest rate and such interest rate swap agreement has been reviewed and approved by any two of the three entities identified in the definition of Rating Agency herein and the Lender, for purposes of this definition, the interest rate for purposes of computing Projected Maximum Total Annual Debt Service shall be such fixed rate for the period that such interest rate swap agreement is contracted to remain in full force and effect and thereafter shall be assumed to be such maximum interest rate described above;

(e) if any Proposition C Indebtedness issued or proposed to be issued constitutes taxable Variable Rate Indebtedness, the interest rate on such Proposition C Indebtedness shall be assumed to be 150% of the greater of (i) the daily average rate of interest during the 36 month period ending with the month preceding the date of calculation quoted for 30 day interest periods for taxable Proposition C Indebtedness with the type of interest rate setting mechanism used for such Proposition C Indebtedness or (ii) the rate of interest on such Proposition C Indebtedness on the date of calculation; provided that in the event that such Variable Rate Indebtedness is issued in connection with an interest rate swap agreement in which the Authority has agreed to pay a fixed interest rate and such interest rate swap agreement has been reviewed and approved by any two of the three entities identified in the definition of Rating Agency herein and the Lender, for purposes of this definition, the interest rate for purposes of computing Projected Maximum Total Annual Debt Service shall be such fixed rate for the period that such interest rate swap agreement is contracted to remain in full force and effect and thereafter shall be assumed to be such maximum interest rate described above;

(f) if moneys or Government Obligations (as hereinafter defined in this definition) have been irrevocably deposited with and are held by the Senior Lien Trustee or the Trustee, as applicable, or another fiduciary to be used to pay principal and/or interest on specified Proposition C Indebtedness as it comes due, and the sufficiency of such deposits has been verified to the Lender by the Senior Lien Trustee or the Trustee, as applicable, or other fiduciary, such principal or interest, as the case may be, shall not be included in calculating Projected Maximum Total Annual Debt Service;

(g) if any Proposition C Indebtedness issued or proposed to be issued is to be payable in a currency other than Dollars, the amount of principal of and interest on such Proposition C Indebtedness shall be assumed to be, (i) the amount of Dollars payable under a foreign exchange contract, currency swap agreement, foreign exchange futures contract, foreign exchange option contract, synthetic cap or other similar agreement (a “*Currency Hedge Agreement*”) to receive payments in that currency in amounts sufficient to pay the Proposition C Indebtedness and (ii) for any payments of principal of and interest on such Proposition C Indebtedness with respect to which the Authority has not entered into a Currency Hedge Agreement, 125% of the amount of Dollars required to

purchase the amount of currency required to make such payments at the average exchange rate as quoted in *The Wall Street Journal* for a six month period ending not more than one month prior to the date of calculation;

(h) for purposes of this definition:

“*Balloon Indebtedness*” means Proposition C Indebtedness 25% or more of the principal of which matures on the same date and such amount is not required by the documents governing such Proposition C Indebtedness to be amortized by payment or redemption prior to such date. Commercial paper shall be treated as Balloon Indebtedness for the purposes of this definition. If any Indebtedness consists partially of Proposition C Indebtedness bearing interest at a fixed rate and partially of Variable Rate Indebtedness, the portion constituting Variable Rate Indebtedness and the portion bearing interest at a fixed rate shall be treated as separate issues for purposes of determining whether any such Proposition C Indebtedness constitutes Balloon Indebtedness.

“*Government Obligations*” means (i) direct obligations of, or obligations the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, (ii) U.S. Treasury STRIPS, and (iii) the interest component of Resolution Funding Corporation strips for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book entry form; it is specifically hereby provided that the obligations described in this definition and which constitute Government Obligations shall not include shares in mutual funds or in unit investment trusts which invest in obligations described in (i), (ii), or (iii) of this definition.

“*Tender Indebtedness*” means any Proposition C Indebtedness or portions of Proposition C Indebtedness a feature of which is an option which is exercisable but for the passage of time or the giving of notice or both, on the part of the owners thereof, or an obligation, under the terms of such Proposition C Indebtedness, to tender all or a portion of such Proposition C Indebtedness prior to the stated maturity date of such Proposition C Indebtedness to the Authority or a fiduciary or agent for payment or purchase and requiring that such Proposition C Indebtedness or portions of Proposition C Indebtedness be purchased if properly presented.

“*Variable Rate Indebtedness*” means any portion of indebtedness the interest rate on which is not established at the time of incurrence of such indebtedness and has not at some subsequent date been established at a single numerical rate for the entire term of the indebtedness; and

(i) in determining Total Annual Debt Service and Projected Maximum Total Debt Service, the debt service payment owed by the Authority with respect to Proposition C Indebtedness on July 1 of each year shall be included in the fiscal year of the Authority ending on the June 30 next preceding such July 1.

“*Property*” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“*Proposition C Indebtedness*” means any Debt or Guarantee which is secured by a Lien on Proposition C Sales Tax revenues, whether senior to or on a parity with any Subordinate Obligations, including, without limitation and without duplication, all commissions, discounts and other fees and charges owed with respect to letters of credit or other similar obligations secured by a Lien on Proposition C Sales Tax revenues that is senior to or on a parity with any Subordinate Obligations.

“*Proposition C Sales Tax*” means the retail transactions and use tax imposed by Ordinance No. 49 and approved by the electors of the County of Los Angeles at an election held November 6, 1990.

“*Rate Reset Date*” means each date on which the interest rate borne by any Loan shall be reset hereunder, including a LIBOR Index Reset Date or a SIFMA Index Reset Date.

“*Rating Agency*” means any of S&P, Moody’s and/or Fitch, as context may require.

“*Rating Documentation*” has the meaning set forth in Section 2.04(a)(viii) hereof.

“*Ratings Threshold*” means ratings from (i) Moody’s of “Baa3” (or its equivalent), (ii) S&P of “BBB-” (or its equivalent) or (iii) Fitch of “BBB-” (or its equivalent).

“*Reduction Fee*” means an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of the permanent reduction of the Commitment pursuant to Section 2.07(a) hereof, (B) the difference between (x) the Initial Commitment Amount and (y) the sum of the Available Commitment after the reduction and the aggregate principal amount of the Loans outstanding after the reduction and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the first anniversary of the Effective Date, and the denominator of which is 360.

“*Reimbursement Obligations*” means the obligations of the Authority under this Agreement to repay all Loans, together with interest thereon, pursuant to and in accordance with this Agreement.

“*Related Documents*” means this Agreement, the Notes, the Tax Certificate, the Senior Lien Trust Agreement, the Trust Agreement and any documents related thereto or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“*Request for Advance*” means any request for an Advance made by the Authority to the Lender, in the form of Exhibit B hereto, executed and delivered on behalf of the Authority by the manual or facsimile signatures of any Designated Representative.

“*Revolving Loan*” has the meaning set forth in Section 3.01 hereof, including Taxable Revolving Loans and Tax-Exempt Revolving Loans.



“*Revolving Loan Maturity Date*” means, with respect to any Revolving Loan, the Commitment Expiration Date or any earlier Termination Date.

“*Revolving Obligations*” has the meaning given such term in the Second Supplemental Subordinate Trust Agreement.

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

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

“*Second Subordinate Debt*” has the meaning set forth in Section 9.01(d)(v) hereof.

“*Second Supplemental Subordinate Trust Agreement*” means the Second Supplemental Subordinate Trust Agreement, dated as of April 1, 2013, between the Authority and the Trustee, as the same may be amended or otherwise modified in accordance with the terms thereof and hereof.

“*Senior Lien Bonds*” has the meaning given to such term in Article I of the Subordinate Trust Agreement.

“*Senior Lien Trust Agreement*” means the Amended and Restated Trust Agreement dated as of January 1, 2010, by and between the Authority and the Senior Lien Trustee, as the same may be amended or otherwise modified in accordance with the terms hereof and thereof.

“*Senior Lien Trustee*” means U.S. Bank National Association as successor trustee, or its permitted successor as trustee under the Senior Lien Trust Agreement from time to time.

“*Senior Parity Debt*” means “*Parity Debt*” as defined in the Senior Lien Trust Agreement.

“*SIFMA*” means the Securities Industry & Financial Markets Association (formerly the Bond Market Association).

“*SIFMA Index*” means, for any Computation Date preceding the related SIFMA Index Reset Date, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by SIFMA and issued on the Computation Date immediately preceding such SIFMA Index Reset Date. If the SIFMA Index is no longer published, then “*SIFMA Index*” shall mean the S&P Weekly High Grade Index. If the S&P Weekly High Grade Index is no longer published, then “*SIFMA Index*” shall mean the prevailing rate determined by the Lender for tax-exempt state and local government bonds meeting criteria determined in good faith by the Lender to be comparable under the circumstances to the criteria used by SIFMA to determine the SIFMA Index immediately prior to the date on which SIFMA ceased publication of the SIFMA Index. If the

SIFMA Index shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“*SIFMA Index Reset Date*” means Thursday of each week.

“*State*” means the State of California.

“*Subordinate Obligations*” has the meaning given to such term in Article I of the Subordinate Trust Agreement.

“*Subordinate Trust Agreement*” means the Subordinate Trust Agreement, dated as of June 1, 1993, by and between the Authority and the Trustee, as the same may be amended or otherwise modified in accordance with the terms thereof and hereof.

“*Swap Contract*” means (a) any and all rate swap transactions, total return swaps, 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 Certificate*” means that certain Tax Compliance Certificate dated April 24, 2013, by the Authority, relating to the Tax-Exempt Revolving Loans and the Tax-Exempt Term Loans, as the same may be amended or supplemented from time to time.

“*Taxable Date*” means the date on which interest on any Tax-Exempt Loan is first includable in gross income of any holder thereof (including the Lender) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“*Taxable LIBOR Rate*” means a fluctuating rate per annum, determined as of the Computation Date preceding the applicable LIBOR Index Reset Date, equal to the sum of (i) the Applicable Spread for Taxable Loans plus (ii) the LIBOR Index Rate, as in effect on the Computation Date preceding such LIBOR Index Reset Date, rounded upward to the fifth decimal place.

“*Taxable Loan*” and “*Taxable Loans*” means individually and collectively, Taxable Revolving Loans and Taxable Term Loans.

“*Taxable Loan Commitment*” means, on any date, an initial amount equal to \$75,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Advance or any Revolving Loan in respect of such Advance made to the Authority under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Tax Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.07 or 10.02(a)(iii) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; provided, that, after giving effect to any of the foregoing adjustments the Taxable Loan Commitment shall never exceed \$75,000,000 at any one time.

“*Taxable Note*” has the meaning set forth in Section 3.02(c) hereof.

“*Taxable Period*” has the meaning set forth in Section 6.03(e) hereof.

“*Taxable Rate*” means, with respect to a Taxable Period, the product of (i) the average interest rate on the Tax-Exempt Loan during such period and (ii) 1.54.

“*Taxable Revolving Loan*” means any Revolving Loan bearing interest at the Taxable LIBOR Rate.

“*Taxable Term Loan*” means a Taxable Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.01 hereof.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“*Tax-Exempt LIBOR Rate*” means a fluctuating rate per annum, determined as of the Computation Date preceding the applicable LIBOR Index Reset Date, equal to the product of (x) the sum of (a) the Applicable Spread for Tax-Exempt Loans plus (b) the product of (i) the LIBOR Index Rate, as in effect on such Computation Date, multiplied by (ii) the Applicable Factor, as in effect on such Computation Date, multiplied by (y) the Margin Rate Factor, rounded upward to the fifth decimal place.

“*Tax-Exempt LIBOR Loan*” means both a Tax-Exempt LIBOR Revolving Loan and Tax-Exempt LIBOR Term Loan.

“*Tax-Exempt LIBOR Note*” has the meaning set forth in Section 3.02(a) hereof.

“*Tax-Exempt LIBOR Revolving Loan*” means any Revolving Loan bearing interest at the Tax-Exempt LIBOR Rate (or, if applicable, the Taxable Rate, the Default Rate or the Maximum Rate).

“*Tax-Exempt LIBOR Term Loan*” means a Tax-Exempt LIBOR Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.01 hereof.

“*Tax-Exempt Loan*” and “*Tax-Exempt Loans*” means individually and collectively, Tax-Exempt Revolving Loans and Tax-Exempt Term Loans.

“*Tax-Exempt Loan Commitment*” means, on any date, an initial amount equal to \$75,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Advance or any Revolving Loan in respect of such Advance made to the Authority under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.07 or 10.2(a)(iii) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; provided, that, after giving effect to any of the foregoing adjustments the Tax Exempt Loan Commitment shall never exceed \$75,000,000 at any one time.

“*Tax-Exempt Notes*” means, collectively, the Tax-Exempt LIBOR Note and the Tax-Exempt SIFMA Note.

“*Tax-Exempt Rate*” means either the Tax-Exempt LIBOR Rate or the Tax-Exempt SIFMA Rate, as applicable.

“*Tax-Exempt Revolving Loan*” means any Revolving Loan bearing interest at a Tax-Exempt Rate, including a Tax-Exempt LIBOR Revolving Loan and a Tax-Exempt SIFMA Revolving Loan.

“*Tax-Exempt SIFMA Rate*” means a fluctuating rate per annum, determined as of the Computation Date preceding the applicable SIFMA Index Reset Date, equal to the product of (i) the sum of (a) the Applicable Spread for Tax-Exempt Loans plus (b) the SIFMA Index, and (ii) the Margin Rate Factor, as in effect on such Computation Date, rounded upward to the fifth decimal place.

“*Tax-Exempt SIFMA Loan*” means both a Tax-Exempt SIFMA Revolving Loan and a Tax-Exempt SIFMA Term Loan.

“*Tax-Exempt SIFMA Note*” has the meaning set forth in Section 3.02(b) hereof.

“*Tax-Exempt SIFMA Revolving Loan*” means any Revolving Loan bearing interest at the Tax-Exempt SIFMA Rate (or, if applicable, the Taxable Rate, the Default Rate or the Maximum Rate).

“*Tax-Exempt SIFMA Term Loan*” means a Tax-Exempt SIFMA Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.01 hereof.

“*Tax-Exempt Term Loan*” means both a Tax-Exempt LIBOR Term Loan and a Tax-Exempt SIFMA Term Loan.

“*Termination Date*” means the earliest of (i) the Commitment Expiration Date, as such date may be extended pursuant to Section 2.07 hereof, (ii) the date on which the Commitment and Available Commitment are otherwise terminated or reduced to zero in accordance with Section 2.07 hereof and (iii) the date the Commitment terminates by its terms in accordance with Section 10.02 hereof.

“*Termination Fee*” means an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of termination of the Commitment pursuant to Section 2.07(b) hereof, (B) the difference between (x) the Initial Commitment Amount and (y) the principal amount of any permanent reduction to the Commitment pursuant to Section 2.07(a) hereof for which a Reduction Fee has been paid to the Lender and (C) a fraction, the numerator of which is equal to the number of days from and including the date of termination to and including the first anniversary of the Effective Date, and the denominator of which is 360.

“*Term Loan*” means both a Tax-Exempt Term Loan and a Taxable Term Loan.

“*Third Supplemental Subordinate Trust Agreement*” means the Third Supplemental Subordinate Trust Agreement, dated as of March 1, 2016, between the Authority and the Trustee, as the same may be amended or otherwise modified in accordance with the terms thereof and hereof.

“*Total Annual Debt Service*” means, for any fiscal year (subject to clause (i) in the definition of Projected Maximum Total Annual Debt Service), total principal becoming due in such period and total interest expenses (including that portion attributable to capital leases) of the Authority in respect of all outstanding Proposition C Indebtedness.

“*Trust Agreement*” means, collectively, the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and the Third Supplemental Subordinate Trust Agreement.

“*Trustee*” means U.S. Bank National Association as successor trustee or its permitted successor as trustee under the Trust Agreement.

“*United States*” means the United States of America.

*Section 1.02. Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Sections 8.01(b) hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the Authority or the Lender may by notice to the other party hereto, require that the Lender and the Authority negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Authority shall be the same as if such change had not been made. No delay by the Authority or the Lender in

requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.02, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

*Section 1.03. Interpretation.* The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (i) the singular includes the plural, and the plural the singular; (ii) words importing any gender include the other gender; (iii) references to statutes are to be construed as including all statutory provisions consolidating and amending, and all regulations promulgated pursuant to, such statutes; (iv) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible font; (v) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; (vi) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (vii) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (viii) section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; (ix) references to Persons include their respective permitted successors and assigns; and (x) in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding.” All references to “funds” herein shall include all accounts and subaccounts therein unless the context clearly requires otherwise.

*Section 1.04. Times of Day.* Unless otherwise specified, all references herein to times of day shall be references to California time (daylight or standard, as applicable).

*Section 1.05. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference.*

(a) Nothing in this Agreement shall be deemed to amend, or relieve the Authority of its obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the Authority to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the Authority nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.05, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this

Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

*Section 1.06. Effectiveness.* The Original Credit Agreement shall be superseded and replaced by this Agreement at the time (the “*Effective Time*”) on the Effective Date when each of the conditions set forth in Section 2.04(a) hereof shall be satisfied or waived by the Lender. Thereafter, all references made to the Original Credit Agreement in any instrument or document shall, from and after the Effective Time, be deemed to be a reference to this Agreement.

## ARTICLE II

### FACILITIES; APPLICATION AND ISSUANCE OF THE LOANS; PAYMENTS

*Section 2.01. Revolving Credit Commitments.* Subject to the terms and conditions hereof, the Lender, by its acceptance hereof, agrees to make a loan or loans in U.S. Dollars to the Authority from time to time on a revolving basis up to the amount of the Available Commitment, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of Tax-Exempt Loans and Taxable Loans at any time outstanding shall not exceed the Available Commitment in effect at such time. As provided in Section 2.03(c) hereof, the Authority may elect that any such Revolving Loan be either a Tax-Exempt LIBOR Revolving Loan or a Tax-Exempt SIFMA Revolving Loan pursuant to the Tax-Exempt Loan Commitment or a Taxable Revolving Loan pursuant to the Taxable Loan Commitment. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof.

*Section 2.02. Application.* The Authority hereby applies to the Lender for, and authorizes and instructs the Lender to issue for its account, the Commitment in an initial amount equal to the Initial Commitment Amount.

*Section 2.03. Making of Advances; Use of Proceeds.*

(a) Subject to the terms and conditions of this Agreement, the Lender agrees to make Advances from time to time on any Business Day, commencing on the Effective Date and ending on the Termination Date, in amounts not to exceed at any time outstanding the Available Commitment; provided, that the Lender shall not be required to make more than three Advances during any calendar month. Each Advance requested shall be in a minimum principal amount of \$1,000,000 or any integral multiples of \$250,000 in excess thereof. Each Advance shall be made solely for the purpose of providing funds to pay Costs of a Project, costs of issuance in connection with this Agreement or any other purpose permitted under the Act and/or the Trust Agreement; provided that in no event shall any of the proceeds of a Tax-Exempt Loan be used to pay or prepay a Taxable Loan, unless the Authority receives an Approving Opinion of Bond

Counsel, which shall also be addressed to the Lender or upon which the Lender is entitled to rely. The aggregate amount of all Advances made on any Advance Date shall not exceed the applicable Available Commitment (calculated without giving effect to any Advances made on such date) at 9:00 am (California time) on such date. The aggregate amount of all Advances bearing interest at a Tax-Exempt Rate made on any Advance Date shall not exceed the applicable Tax-Exempt Loan Commitment (calculated without giving effect to any Advances made on such date) at 9:00 am (California time) on such date. The aggregate amount of all Advances bearing interest at a Taxable LIBOR Rate made on any Advance Date shall not exceed the applicable Taxable Loan Commitment (calculated without giving effect to any Advances made on such date) at 9:00 am (California time) on such date.

(b) *Reborrowing.* Within the limits of this Section 2.03, the Authority may borrow, repay pursuant to Section 3.04 hereof and reborrow under this Section 2.03. Upon any prepayment of the related Revolving Loan, the related Available Commitment shall be reinstated as set forth in the definition thereof.

(c) *Method of Borrowing.* Upon receipt of a Request for Advance by the Lender not later than 9:00 a.m. California time on the Business Day which is three London Business Days' immediately prior to the day of the proposed borrowing, the Lender, subject to the terms and conditions of this Agreement, shall be required to make an Advance by 12:30 p.m. California time on such day of the proposed borrowing for the account of the Authority in an amount equal to the amount of the requested borrowing. Notwithstanding the foregoing, in the event such Request for Advance is received by the Lender after 9:00 a.m. California time on the Business Day which is three London Business Days immediately prior to the day of the proposed borrowing, the Lender shall be required to make the related Advance by 12:30 p.m. California time on the fourth London Business Day after receipt of the related Request for Advance. Any Request for Advance shall be signed by a Designated Representative and shall specify whether the requested Advance shall be a Tax-Exempt LIBOR Revolving Loan, a Tax-Exempt SIFMA Revolving Loan or a Taxable Revolving Loan. Pursuant to Section 3.03 hereof, the Lender shall determine the initial Tax-Exempt LIBOR Rate, Tax-Exempt SIFMA Rate or Taxable LIBOR Rate, as applicable, for the Advance two London Business Days prior to the related Advance Date. Each Advance shall be made by the Lender by wire transfer of immediately available funds to the Trustee (on behalf of the Authority) in accordance with written instructions provided by the Authority. If, after examination, the Lender shall have determined that a Request for Advance does not conform to the terms and conditions hereof, then the Lender shall use its best efforts to give notice to the Authority to the effect that documentation was not in accordance with the terms and conditions hereof and stating the reasons therefor. The Authority may attempt to correct any such nonconforming Request for Advance, if, and to the extent that, the Authority is entitled (without regard to the provisions of this sentence) and able to do so.

#### *Section 2.04. Conditions Precedent.*

(a) *Conditions Precedent to Effective Date.* The obligations of the Lender to extend the Original Commitment Expiration Date, amend and restate the Original Credit



Agreement and to make the Commitment available hereunder shall be subject to the fulfillment of each of the following conditions precedent on or before the Effective Date in a manner satisfactory to the Lender:

(i) The Lender shall have received the following documents, each dated and in form and substance as is satisfactory to the Lender:

(A) copies of the resolution(s) of the Board of Directors of the Authority approving the execution and delivery of this Agreement, the Notes and the Third Supplemental Subordinate Trust Agreement certified by the Board Secretary of the Authority as being true and complete and in full force and effect on the Effective Date;

(B) certified copies of all approvals, authorizations and consents of any trustee, or holder of any indebtedness or obligation of the Authority or any Governmental Authority necessary for the Authority to enter into each of the Related Documents and the transactions contemplated herein and therein;

(C) the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2015 and a copy of the most recent budget of the Authority (such requirement to be satisfied if such information is available on the Authority's website); and

(D) a certificate of an Authorized Representative of the Authority dated the Effective Date certifying as to the authority, incumbency and specimen signatures of the Designated Representatives authorized to sign this Agreement, the Third Supplemental Subordinate Trust Agreement and the Notes and any other documents to be delivered by it hereunder and who will be authorized to represent the Authority in connection with this Agreement, upon which the Lender may rely until it receives a new such certificate;

(E) an executed original or certified copy, as applicable, of each of the Related Documents;

(F) the original executed Notes;

(G) an IRS Form W-9 duly completed by the Authority; and

(H) evidence that a CUSIP number has been obtained and reserved from S&P's CUSIP Service for each of the Tax-Exempt LIBOR Note, the Tax-Exempt SIFMA Note and the Taxable Note.

(ii) The Lender shall have received a written description of all actions, suits or proceedings pending or threatened against the Authority 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 on the Authority's ability to perform is obligation under this Agreement and the other Related Documents, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Lender may reasonably request. There shall not have occurred any change or any development involving a prospective change in the financial or operating condition of the Authority or its ability to pay the Obligations from that set forth in the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2015 provided to the Lender, that in the judgment of the Lender is material or adverse to the Lender. No law, regulation, ruling or other action of the United States, the State of California or the State of New York or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Authority or the Lender from fulfilling its respective obligations under this Agreement and the other Related Documents.

(iii) The Lender shall have received an opinion addressed to the Lender and dated the Effective Date from Authority Counsel (subject to such general assumptions and exclusions as required by Authority Counsel), in form and substance reasonably satisfactory to the Lender and its counsel, which provides for, among other opinions, the following: (A) the Authority is a county transportation commission duly organized and validly existing under the laws of the State, (B) the execution, delivery and performance by the Authority of this Agreement, the Notes and the other Related Documents are within the Authority's powers, have been duly authorized by all necessary action, and require no action by or in respect of, or filing with, any governmental body, agency or official that has not been accomplished, (C) this Agreement, the Notes and the other Related Documents have been duly authorized, executed and delivered and are valid, binding and enforceable against the Authority, and (D) such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(iv) The following statements shall be true and correct on the Effective Date, and the Lender shall have received a certificate signed by a Designated Representative, dated the Effective Date, certifying that:

(A) the representations and warranties of the Authority contained in each of the Related Documents and each certificate, letter, other writing or instrument delivered by the Authority to the Lender pursuant hereto or thereto are true and correct on and as of the Effective Date as though made on and as of such date; (B) no Default or Event of Default has occurred and is continuing or would result from the Authority's execution and delivery of this Agreement, the Notes or the Third Supplemental Subordinate Trust Agreement or the acceptance of the Commitment by the Authority; (C) the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2015, including the balance sheet as of such date of said period, all examined and reported on by Crowe Horwath LLP, as heretofore delivered to the Lender correctly and fairly present the financial condition of the Authority as of said date and the results of the

operations of the Authority for such period, have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto; (D) since the release of the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2015, no material adverse change has occurred in the financial condition of the Authority prior to the Effective Date, and on and prior to the Effective Date no material transactions or obligations (not in the ordinary course of business) shall have been entered into by the Authority, other than as previously advised in writing to the Lender; (E) the acceptance of the Commitment by the Authority pursuant to this Agreement is an arm's length commercial transaction between the Authority and the Lender; (F) the Authority has consulted with its own respective legal and financial advisors in connection with the acceptance of the Commitment by the Authority pursuant to this Agreement; (G) the Lender has not acted as a fiduciary in favor of the Authority with respect to the Notes or the acceptance of the Commitment by the Authority; and (H) to the best knowledge of the Authority, the underlying unenhanced long-term ratings assigned to the Senior Lien Bonds by Moody's and S&P have not been reduced, withdrawn or suspended since the dated date of the Rating Documentation.

(v) The Lender shall have received an opinion addressed to the Lender and dated the Effective Date of Bond Counsel as to the due authorization, execution and delivery of this Agreement, the Notes, and the Third Supplemental Subordinate Trust Agreement, and as to the validity and enforceability with respect to the Authority of this Agreement, the Notes, the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and the Third Supplemental Subordinate Trust Agreement, the exclusion of interest on the Tax-Exempt Loans from gross income for federal income tax purposes of the Lender, the pledge of Net Pledged Revenues securing the Notes and the Obligations constituting a valid pledge, and such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(vi) All necessary action on the part of the Authority shall have been taken as required for the assignment and pledge of a lien on the Net Pledged Revenues for the benefit of the Lender as described in Section 5.01 hereof.

(vii) All other legal matters pertaining to the execution and delivery of this Agreement, the Notes and the Third Supplemental Subordinate Trust Agreement shall be satisfactory to the Lender and its counsel. The Lender shall have received evidence satisfactory to the Lender that all conditions precedent to the issuance of the Notes as Subordinate Obligations pursuant to Section 2.09 of the Subordinate Trust Agreement have been satisfied.

(viii) The Lender shall have received evidence from Moody's and S&P confirming that the underlying unenhanced long-term rating assigned to the

Senior Lien Bonds by Moody's is "Aa2" (or its equivalent), and "AA+" (or its equivalent) by S&P (referred to herein as the "*Rating Documentation*").

(ix) On or prior to the Effective Date, (A) the Lender shall have received reimbursement of the Lender's fees and expenses (including the legal fees and expenses of Chapman and Cutler LLP) and any other fees incurred in connection with the transaction contemplated by this Agreement due on the Effective Date, and (B) all amounts due and owing under the Original Credit Agreement shall have been paid in full to the Lender.

(x) Neither the Tax-Exempt Notes nor the Taxable Note shall be (A) assigned a separate rating by any Rating Agency or (B) registered with The Depository Trust Company or any other securities depository. No offering document or official statement shall be prepared with respect to the Tax-Exempt Notes or the Taxable Note.

(xi) The Lender shall have received such other documents, certificates, opinions, approvals and filings with respect to this Agreement, the Notes and the other Related Documents as the Lender may reasonably request.

(b) *Conditions Precedent to Each Advance.* The obligation of the Lender to make an Advance on any date is subject to the conditions precedent that on the date of such Advance:

(i) The Lender shall have received a Request for Advance as provided in Section 2.03(c) hereof specifying whether such Advance will be a Tax-Exempt LIBOR Revolving Loan, a Tax-Exempt SIFMA Revolving Loan or a Taxable Revolving Loan;

(ii) All representations and warranties of the Authority as set forth in Article VII hereof shall be true and correct as though made on the date of such Request for Advance and on the date of the proposed Advance and no Default or Event of Default shall have occurred and be continuing;

(iii) The Lender shall have received satisfactory evidence that all representations and certifications of the Authority that the Lender deems necessary to maintain the tax-exempt status of the interest on any Tax-Exempt Loan have been delivered and are true and correct;

(iv) No Material Adverse Change shall have occurred;

(v) The Lender shall be satisfied that the opinion of Bond Counsel delivered pursuant to Section 2.04(a)(v)(A) hereof remains in full force and effect or the Lender shall have received an opinion from Bond Counsel dated the date of such Advance as to the exclusion of interest on the Tax-Exempt Loans from gross income for federal income tax purposes, in form and substance satisfactory to the Lender;

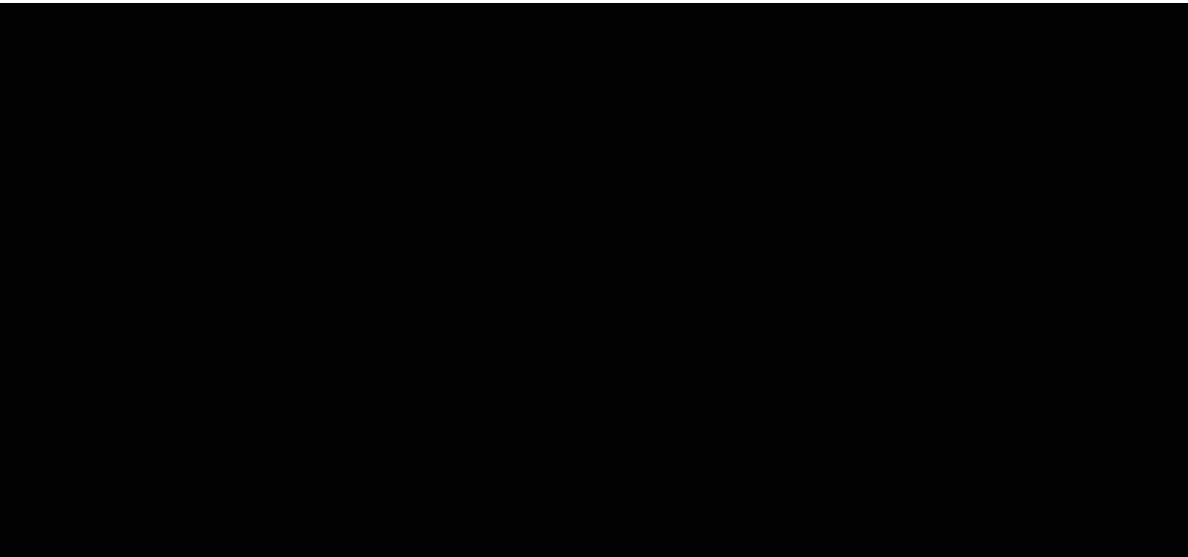
(vi) With respect to an Advance for a Tax-Exempt Revolving Loan, the Lender shall have received evidence that an IRS Form 8038-G has been duly completed by the Authority and signed by the Authority; and

(vii) The Commitment and the obligation of the Lender to make an Advance hereunder shall not have terminated pursuant to Section 10.2 hereof or pursuant to Section 2.07 hereof. Unless the Authority shall have otherwise previously advised the Lender in writing, delivery to the Lender of a Request for Advance shall be deemed to constitute a representation and warranty by the Authority that on the date of such Request for Advance and on the date of the proposed Advance each of the foregoing conditions has been satisfied and that all representations and warranties of the Authority as set forth in Article VII hereof is true and correct as though made on the date of such Request for Advance and on the date of the proposed Advance and no Default or Event of Default shall have occurred and be continuing on the date of such Request for Advance or on the date of the proposed Advance.

*Section 2.05. Interest Rate Determinations.* The Lender shall promptly notify the Authority and the Trustee of the interest rate applicable to any Loan upon determination of such interest rate; provided, however, that the failure by the Lender to provide notice of the applicable interest rate shall not relieve the Authority of its obligation to make payment of amounts as and when due hereunder. At any time that a Term Loan is outstanding, the Lender shall notify the Authority and the Trustee of any change in the Lender's Prime Rate used in determining the Base Rate promptly following the establishment of such change; provided, however, that the failure by the Lender to provide notice of such change shall not relieve the Authority of its obligation to make payment of amounts as and when due hereunder. Each determination by the Lender of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

*Section 2.06. Fees.*

(a) *Commitment Fees.* The Authority agrees to pay to the Lender a nonrefundable annual fee (the "*Commitment Fee*") initially accruing at a rate of [REDACTED] per annum multiplied by the Available Commitment for each day in the related fee period, which is subject to maintenance of the current Authority Rating. In the event of a change in the Authority Rating, the Commitment Fee shall be calculated based on the Commitment Fee Rate set forth in the schedule below for each day in the related fee period multiplied by the Available Commitment for each day in the related fee period:



Any change in the Commitment Fee resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. The Commitment Fee shall be payable quarterly in arrears on the first Business Day of each April, July, October and January of each calendar year (except that the first Commitment Fee due under this Agreement shall be payable on July 1, 2016) and on the Commitment Expiration Date, or such earlier date on which the Commitment may be terminated in accordance with the terms of this Agreement. The Commitment Fee shall be calculated on the basis of 360-day year and actual days elapsed. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a “global” rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced below “Baa3,” “BBB-” or “BBB-” by any of Moody’s, S&P or Fitch, respectively, or upon the occurrence of and during the continuance of an Event of Default, in each such case the Commitment Fee Rate shall increase automatically to [REDACTED] per annum above the Commitment Fee Rate set forth in Level VII, without notice to the Authority. The Authority acknowledges that as of the Effective Date the Commitment Fee Rate is that specified above for Level 1.

(b) *Termination or Reduction Fee.* The Authority shall pay to the Lender a Reduction Fee or Termination Fee, as applicable, in connection with each permanent reduction or termination of the Available Commitment or Commitment pursuant to Section 2.07 hereof prior to the first anniversary of the Effective Date, in an amount equal to the Reduction Fee or Termination Fee, as applicable, payable on the date of such termination or each such reduction.

(c) *Amendment, Consent or Waiver Fee.* Upon each amendment hereof, consent or waiver hereunder or under any Related Document, the Authority shall pay or

cause to be paid attorneys' fees and expenses, if any, incurred by the Lender in processing such amendment, consent or waiver and a fee in a minimum amount of [REDACTED].

(d) *Costs, Expenses and Taxes.* The Authority will promptly pay on demand (i) the reasonable fees, costs and expenses of the Lender incurred in connection with the preparation, negotiation, execution and delivery of this Agreement, the Notes and the other Related Documents, (ii) the fees and disbursements of Chapman and Cutler LLP, special counsel to the Lender, incurred in connection with the preparation, execution, filing and administration and delivery of this Agreement and the other Related Documents, (iii) the fees and disbursements of counsel or other reasonably required consultants to the Lender with respect to advising the Lender as to the rights and responsibilities under this Agreement and the other Related Documents after the occurrence of any Default or alleged Default hereunder, or an Event of Default, (iv) all costs and expenses, if any, in connection with any waiver or amendment of, or the giving of any approval or consent under, or any response thereto or the enforcement of this Agreement, the Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Lender or other reasonably required consultants and (v) any amounts advanced by or on behalf of the Lender to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate. In addition, the Authority shall pay any and all stamp taxes, transfer taxes, documentary taxes, 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 security contemplated by the Related Documents (other than taxes based on the net income of the Lender) and agrees to indemnify and hold the Lender 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, including interest and penalties thereon; provided, however, that the Authority may reasonably contest any such taxes or fees with the prior written consent of the Lender, which consent, if an Event of Default does not then exist, shall not be unreasonably withheld. In addition, the Authority agrees to pay, after the occurrence of a Default, alleged Default or an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Lender in enforcing any obligations or in collecting any payments due from the Authority hereunder by reason of such Default, alleged Default or Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any collection, insolvency, bankruptcy proceedings or other enforcement proceedings resulting therefrom.

(e) If the Authority shall fail to pay any amount payable under this Section 2.06 as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate. The obligations of the Authority under this Section 2.06 shall survive the termination of this Agreement.

*Section 2.07. Reduction and Termination.*

(a) Subject to the provisions of Section 2.06(b) hereof, the Available Commitment shall be reduced from time to time as requested by the Authority within three (3) days of the Authority's written notice to the Lender requesting such reduction in the form of Exhibit E hereto; provided, that (i) each such reduction amount shall be in an amount equal to \$1,000,000 or an integral multiple thereof, and (ii) any reduction in the Available Commitment shall not be effective until the Lender delivers to the Authority a notice in the form attached hereto as Exhibit F reflecting such reduction.

(b) Subject to the provisions of Section 2.06(b) hereof, the Authority may at any time and at its sole option terminate the Commitment upon three (3) Business Days' prior written notice to the Lender. As a condition to any such termination, the Authority shall pay or cause to be paid all Obligations owed to the Lender (other than Term Loans which shall be payable pursuant to the terms of Section 4.05 hereof).

*Section 2.08. Extension of Commitment Expiration Date.* The Authority may request an extension of the Commitment Expiration Date in writing in the form of Exhibit C hereto at any time prior to the then current Commitment Expiration Date. The Lender will make reasonable efforts to respond to such request within sixty (60) days (or, if the request for extension of the Commitment Expiration Date is less than sixty (60) days prior to the Commitment Expiration Date, as promptly as possible and in any event prior to the then current Commitment Expiration Date) after receipt of all information necessary, in the Lender's judgment, to permit the Lender to make an informed credit decision. If the Lender fails to definitively respond to such request within such sixty (60) day period, or such shorter time period as described above, the Lender shall be deemed to have refused to grant the extension requested. The Lender may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Lender shall have consented thereto in writing in the form of Exhibit G hereto or otherwise. The Lender's consent, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Lender (which may include, but shall not be limited to the delivery of a "no adverse effect opinion" of Bond Counsel to the Lender with respect to the tax-exempt status of the Tax-Exempt Loans).

*Section 2.09. Funding Indemnity.* In the event the Lender shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Lender to make any Advance, Revolving Loan or Term Loan or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Lender) as a result of any optional payment or prepayment of any Advance, Revolving Loan or Term Loan on a date other than a Rate Reset Date for any reason, whether before or after default, then upon the demand of the Lender, the Authority shall pay to the Lender a payment or prepayment premium, as applicable in such amount as will reimburse the Lender for such loss, cost, or expense. If the Lender requests such payment or prepayment premium, as applicable, it shall provide to the Authority a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such payment or prepayment premium, as applicable in reasonable detail and such certificate shall be conclusive if reasonably determined.



*Section 2.10. Payments.* All payments to be made by the Authority shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Authority hereunder shall be made to the Lender at the Lender's Office in Dollars and in immediately available funds not later than 12:00 noon, California time, on the date specified herein. All payments received by the Lender after 12:00 noon, California time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Authority shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. Notwithstanding anything herein to the contrary, where this Agreement provides for payment by the Authority to the Lender for any amount, the Authority may satisfy such obligation by causing the Trustee to pay such amount directly to the Lender from Net Pledged Revenues under the Trust Agreement.

### **ARTICLE III**

#### **REVOLVING LOANS**

*Section 3.01. Making of Revolving Loans.* Each Advance shall constitute a loan made by the Lender to the Authority on the date of such Advance (individually, a "*Revolving Loan*" and collectively, the "*Revolving Loans*"). Each Revolving Loan shall constitute a Subordinate Obligation under the Subordinate Trust Agreement.

*Section 3.02. Revolving Loans Evidenced by Notes.*

(a) The Tax-Exempt LIBOR Revolving Loans shall be evidenced by a promissory note of the Authority to the Lender in substantially the form set forth in Exhibit A-1 hereto (as amended or supplemented from time to time, the "*Tax-Exempt LIBOR Note*") to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All Tax-Exempt LIBOR Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the Tax-Exempt LIBOR Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Authority hereunder or under the Tax-Exempt LIBOR Note in respect of unpaid principal and interest on any Tax-Exempt LIBOR Revolving Loan. Each entry on the schedule to the Tax-Exempt LIBOR Note with respect to a Tax-Exempt LIBOR Revolving Loan shall reflect the applicable principal amount and the applicable interest rate.

(b) The Tax-Exempt SIFMA Revolving Loans shall be evidenced by a promissory note of the Authority to the Lender in substantially the form set forth in Exhibit A-2 hereto (as amended or supplemented from time to time, the "*Tax-Exempt SIFMA Note*") to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All Tax-Exempt SIFMA Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the

Lender on the schedule (or a continuation thereof) attached to the Tax-Exempt SIFMA Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Authority hereunder or under the Tax-Exempt SIFMA Note in respect of unpaid principal and interest on any Tax-Exempt SIFMA Revolving Loan. Each entry on the schedule to the Tax-Exempt SIFMA Note with respect to a Tax-Exempt SIFMA Revolving Loan shall reflect the applicable principal amount and the applicable interest rate.

(c) The Taxable Revolving Loans shall be evidenced by a promissory note of the Authority to the Lender in substantially the form set forth in Exhibit A-3 hereto (as amended or supplemented from time to time, the “*Taxable Note*”) to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All Taxable Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the Taxable Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Authority hereunder or under the Taxable Note in respect of unpaid principal and interest on any Taxable Revolving Loan. Each entry on the schedule to the Taxable Note with respect to a Taxable Revolving Loan schedule shall reflect the applicable principal amount and the applicable interest rate.

*Section 3.03. Interest on Revolving Loans; Computation Date.* Each Loan made or maintained by the Lender shall bear interest during each Interest Period it is outstanding (with respect to the Tax-Exempt LIBOR Rate and the Taxable LIBOR Rate, computed on the basis of a year of 360 days and actual days elapsed, and with respect to the Tax-Exempt SIFMA Rate, computed on the basis of a year of 365 or 366 days, as applicable, and actual days elapsed) on the unpaid principal amount thereof at a rate per annum equal to the Tax-Exempt LIBOR Rate, the Tax-Exempt SIFMA Rate or Taxable LIBOR Rate, as applicable, for such Interest Period. The Tax-Exempt LIBOR Rate, the Tax-Exempt SIFMA Rate and the Taxable LIBOR Rate, as applicable, for each Advance relating to a Loan shall be determined by the Lender on the applicable Computation Date and such applicable Tax-Exempt LIBOR Rate, Tax-Exempt SIFMA Rate or Taxable LIBOR Rate shall be effective on the immediately succeeding Rate Reset Date; provided that, the initial Tax-Exempt LIBOR Rate or Taxable LIBOR Rate, as applicable, for a particular Advance relating to a Loan shall be determined by the Lender two London Business Days prior to the related Advance Date, and the initial Tax-Exempt SIFMA Rate for a particular Advance relating to a Loan shall be determined by the Lender on the Wednesday immediately preceding the related Advance Date (if such date is not a Business Day, such date of determination shall be the immediately preceding Business Day); provided that, the next succeeding Tax-Exempt LIBOR Rate, Tax-Exempt SIFMA Rate or Taxable LIBOR Rate, as applicable, for such Advance shall be determined by the Lender on the applicable Computation Date immediately succeeding the Advance Date. Interest on each Loan shall be payable by the Authority on each Interest Payment Date and on the Revolving Loan Maturity Date.

*Section 3.04. Repayment of Revolving Loans.* The principal of each Revolving Loan shall be repaid in full on the Revolving Loan Maturity Date; provided, that if the conditions to

the making of the Term Loan set forth in Section 4.02 hereof are satisfied on the Revolving Loan Maturity Date, the principal of all Revolving Loans shall be paid from the proceeds of the applicable Term Loan.

*Section 3.05. Prepayment of Revolving Loans.* The Authority may prepay any Loan, in whole or in part, on an Interest Payment Date, provided at least three (3) days' written notice is provided by the Authority to the Lender. Each such notice of optional prepayment shall be irrevocable and shall bind the Authority to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement.

## **ARTICLE IV**

### **THE TERM LOAN**

*Section 4.01. Term Loan.* The Authority shall have the option to convert (a) the unpaid principal amount of any Taxable Revolving Loan to a Taxable Term Loan, and (b) the unpaid principal amount of any Tax-Exempt Revolving Loan to a Tax-Exempt Term Loan, in each case on the Revolving Loan Maturity Date, if the conditions set forth in Section 4.02 hereof are satisfied on the Revolving Loan Maturity Date. Each Term Loan shall constitute a Subordinate Obligation under the Subordinate Trust Agreement.

*Section 4.02. Conditions Precedent to Term Loan.* The obligation of the Lender to convert the principal amount owed for all Revolving Loans to a Taxable Term Loan or a Tax-Exempt Term Loan, as applicable, shall be subject to the fulfillment of each of the following conditions precedent on or before the Revolving Loan Maturity Date in a manner satisfactory to the Lender:

(a) The following statements shall be true and correct on the Conversion Date, and the Lender shall have received a certificate incorporating by reference the definitions of the capitalized terms defined in this Agreement, signed by a Designated Representative and dated the Conversion Date, stating that:

(i) the representations and warranties of the Authority contained herein and in each of the other Related Documents and each certificate, letter, other writing or instrument delivered by the Authority to the Lender pursuant hereto or thereto are true and correct on and as of the Conversion Date as though made on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing as of such Conversion Date or would result from converting the Revolving Loans to a Term Loan as requested; and

(b) In the case of the conversion to a Tax-Exempt Term Loan, (A)(i) the Lender shall be satisfied that the opinion of Bond Counsel delivered pursuant to Section 2.04(a)(v) hereof remains in full force and effect with respect to such Tax-Exempt Term Loan or (ii) the Lender shall have received an opinion from Bond Counsel dated the date of such Tax-Exempt Term Loan as to the exclusion of interest on the Tax-Exempt Term

Loan from gross income for federal income tax purposes, in form and substance satisfactory to the Lender and (B) the Lender shall have received an opinion of Bond Counsel in form and substance satisfactory to the Lender that such conversion will not adversely affect the tax exempt status of the interest on the Tax-Exempt Loans.

*Section 4.03. Term Loans Evidenced by Notes.*

(a) The principal amount of each Tax-Exempt Term Loan shall be evidenced by the applicable Tax-Exempt Note. Each Tax-Exempt Term Loan made by the Lender and all payments and prepayments on the account of the principal and interest of each Tax-Exempt Term Loan shall be recorded by the Lender on the schedule attached to the applicable Tax-Exempt Note; provided, however, that the failure of the Lender to make any such endorsement or any error therein shall not affect the obligations of the Authority hereunder or under the applicable Tax-Exempt Note in respect of unpaid principal and interest on each Tax-Exempt Term Loan.

(b) The principal amount of each Taxable Term Loan shall be evidenced by the Taxable Note. Each Taxable Term Loan made by the Lender and all payments and prepayments on the account of the principal and interest of each Taxable Term Loan shall be recorded by the Lender on the schedule attached to the Taxable Note; provided, however, that the failure of the Lender to make any such endorsement or any error therein shall not affect the obligations of the Authority hereunder or under the Taxable Note in respect of unpaid principal and interest on each Taxable Term Loan.

*Section 4.04. Interest on Term Loan.* A Taxable Term Loan shall bear interest from the Conversion Date to the date such Taxable Term Loan is paid in full therefor at a rate per annum equal to the Lender Rate as determined by the Lender pursuant to Section 2.05 hereof. A Tax-Exempt Term Loan shall bear interest from the Conversion Date to the date such Tax-Exempt Term Loan is paid in full at a rate per annum equal to the Lender Rate as determined by the Lender pursuant to Section 2.05 hereof. Interest on each Term Loan shall be paid to the Lender monthly in arrears on each Interest Payment Date. Interest on each Term Loan shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

*Section 4.05. Repayment of Term Loan.* The principal of each Term Loan shall be paid in installments payable on each Amortization Payment Date (each such payment, an “*Amortization Payment*”), with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan to be paid in full on the Amortization End Date (the period commencing on the Conversion Date and ending on the Amortization End Date is herein referred to as the “*Amortization Period*”). Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. The Authority acknowledges that the foregoing payment schedule may result in a final payment substantially higher than the preceding payments. Subject to Section 10.02(b) hereof, upon an Event of Default, the Lender may cause a mandatory redemption of the Notes by delivering a written notice to the Trustee and the Authority that an Event of Default has occurred and is continuing and instructing the Trustee and the Authority that the Notes are subject to mandatory redemption.

*Section 4.06. Prepayment of Term Loan.* The Authority may prepay each Term Loan, in whole or in part, on any Business Day, without cost, penalty or premium, provided at least three (3) days' written notice is provided by the Authority to the Lender. Each such notice of optional prepayment shall be irrevocable and shall bind the Authority to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement.

## **ARTICLE V**

### **SECURITY AND PLEDGE**

*Section 5.01. Security and Pledge.*

(a) The Authority hereby grants to the Lender a Lien on and pledge of Net Pledged Revenues to secure the payment of all Reimbursement Obligations and the Notes. The pledge of the Net Pledged Revenues for Reimbursement Obligations and the Notes pursuant to this Section 5.01(a) is a valid and binding obligation of the Authority, on a pari passu basis with the holders of all other Subordinate Obligations. No filing, registration, recording or publication of this Agreement or the Trust Agreement or any other instrument nor any prior separation or physical delivery of the Net Pledged Revenues is required to establish the pledge provided for hereunder or under the Trust Agreement or to perfect, protect or maintain the Lien created thereby on the Net Pledged Revenues to secure the payment of Reimbursement Obligations and the payment of principal of and interest on the Notes.

(b) The Authority hereby grants to the Lender a Lien on and pledge of the Net Pledged Revenues to secure all Obligations of the Authority under this Agreement (other than Reimbursement Obligations and the payment of principal of and interest on the Notes) which such Lien on and pledge of the Net Pledged Revenues shall be junior and subordinate in all respects to the Liens on, security interests in and the pledges of the Net Pledged Revenues set forth in the Trust Agreement and this Agreement, as applicable, for the equal and proportionate benefit of and security of the Reimbursement Obligations, the Notes and all Subordinate Obligations. No filing, registration, recording or publication of this Agreement or the Trust Agreement or any other instrument nor any prior separation or physical delivery of the Net Pledged Revenues is required to establish the pledge provided for under this Agreement or the Trust Agreement or to perfect, protect or maintain the Lien created thereby on the Net Pledged Revenues to secure the Obligations hereunder.

(c) Neither the faith and the credit nor the taxing power of the County of Los Angeles, the State or any political subdivision or any public agency, other than the Authority to the extent of the Net Pledged Revenues, is pledged to the payment of the Obligations and the principal of and interest on the Notes. The Obligations and the Notes and the interest thereon is junior and subordinate in all respects to the Senior Lien Bonds and the funding of reserves for the Senior Lien Bonds as to lien on and source and security for payment from the Pledged Revenues.

## ARTICLE VI

### LIABILITY, INDEMNITY AND PAYMENT

*Section 6.01. Liability of the Authority.* The Authority and the Lender agree that the obligation of the Authority to pay the Obligations are contractual obligations of the Authority payable solely from the Net Pledged Revenues and shall not be affected by, and the Lender shall not be responsible for, among other things, (i) the validity, genuineness or enforceability of this Agreement, the Notes or documents, notices or endorsements relating thereto (even if this Agreement or any documents, notices endorsements relating thereto should in fact prove to be in any and all respects invalid, fraudulent or forged), (ii) the use to which the amounts disbursed by the Lender may be put, or (iii) any other circumstances or happenings whatsoever, whether or not similar to any of the foregoing.

*Section 6.02. Indemnification by the Authority.*

(a) In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Authority hereby agrees (to the extent permitted by law) to indemnify and hold harmless the Lender and each Participant and their respective officers, directors and agents (each, an “Indemnitee”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the “Liabilities”) by reason of or in connection with (i) the execution and delivery or transfer of, or payment or failure to pay under, any Related Document; (ii) the making of any Advances or any Loans; (iii) the use of the proceeds of the Notes, Advances or Loans; (iv) any breach by the Authority of any warranty, covenant, term or condition in, or the occurrence of any default under any of the Related Documents, together with all reasonable expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default; (v) any action or proceeding relating to a court order, injunction or other process or decree restraining or seeking to restrain the Lender from paying any amount under this Agreement (other than actions or proceedings instituted by or on behalf of the Lender); or (vi) any investigation, litigation or other proceeding (whether or not the Lender or any Participant is a party thereto) related to the entering into and/or each performance of any of the Related Document or the use of the proceeds of any Advance or any Loan under this Agreement; provided that the Authority shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee as determined by a court of competent jurisdiction in a final nonappealable judgment. If any proceeding shall be brought or threatened against an Indemnitee by reason of or in connection with the events described in clause (i), (ii), (iii), (iv), (v) or (vi) as a condition of indemnity hereunder each Indemnitee shall promptly notify the Authority in writing and the Authority shall assume the defense thereof, including the employment of counsel satisfactory to such Indemnitee and the payment of all reasonable costs of litigation. Notwithstanding the preceding sentence, each Indemnitee shall have the right to employ its own counsel and to determine its own defense of such action in

any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (x) the employment of such counsel shall have been authorized in writing by the Authority, or (y) the Authority, after due notice of the action, shall not have employed counsel satisfactory to such Indemnitee to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnitee shall be borne by the Authority. The Authority shall not be liable for any settlement of any such action effected without its consent. Nothing under this Section 6.02 is intended to limit the Authority's payment of the Obligations.

(b) Notwithstanding anything to the contrary contained in this Section 6.02, (i) the Authority shall have no obligation to indemnify the Lender for damages that the Authority proves were caused solely out of the gross negligence or willful misconduct of the Lender, as determined by a court of competent jurisdiction, and (ii) the Authority shall have a claim against the Lender, and the Lender shall be liable to the Authority, to the extent of any direct, as opposed to consequential, damages suffered by the Authority which the Authority proves were caused solely by the Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction.

(c) The obligations of the Authority under this Section 6.02 shall survive the payment of the Notes, the Loans and all other Obligations and the termination of this Agreement.

*Section 6.03. Increased Costs.*

(a) If the Lender shall determine that any Change in Law now existing or hereafter adopted shall:

(i) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, or other acquisitions of funds by, the Lender, any Participant or any Noteholder;

(ii) subject the Lender, any Participant or any Noteholder to any Tax (except for Taxes on the overall net income or share capital of the Lender, such Participant or such Noteholder) of any kind whatsoever with respect to this Agreement, the Notes, the Advances, the Revolving Loans or the Term Loans or change the basis of taxation of payments to the Lender, such Participant or such Noteholder in respect thereof (except for Indemnified Taxes or Miscellaneous Taxes covered by Section 6.04 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Lender, such Participant or such Noteholder);

(iii) impose upon the Lender, any Participant or any Noteholder any other condition, cost or expense with respect to this Agreement, the Notes, the Advances, the Revolving Loans, or the Term Loans; and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose

any expense (including loss of margin) upon the Lender, such Participant or such Noteholder with respect to this Agreement, the Notes, the Advances, the Revolving Loans or the Term Loans (or in the case of any capital or liquidity adequacy or similar requirement, to have the effect of reducing the rate of return on the Lender's, any Participant's or any Noteholder's capital),

then the Lender shall from time to time notify, or cause to be notified, the Authority of the amount determined in good faith by the Lender, such Participant or such Noteholder, as applicable (which determination shall be conclusive absent manifest error) to be necessary to compensate the Lender, such Participant or such Noteholder, as applicable, for such increase, reduction or imposition.

(b) *Capital or Liquidity Requirements.* If the Lender, any Participant or any Noteholder determines that any Change in Law affecting the Lender, such Participant or such Noteholder, as applicable, or any of their parent or holding companies, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Lender, such Participant or such Noteholder, or any of their parent or holding companies, holding, if any, as a consequence of this Agreement, or making, maintenance or funding of, any Loan hereunder, to a level below that which the Lender, such Participant or such Noteholder, or their respective parent or holding companies could have achieved but for such Change in Law (taking into consideration the Lender's, such Participant's or such Noteholder's policies and the policies of their parent or holding companies with respect to capital or liquidity adequacy, as applicable), then from time to time upon written request of the Lender as set forth in clause (c) of this Section, the Authority shall promptly pay to the Lender, such Participant or such Noteholder, as the case may be, such additional amount or amounts as will compensate the Lender, such Participant or such Noteholder, or their parent or holding companies, as applicable, for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Lender, any Participant or any Noteholder setting forth the amount or amounts necessary to compensate the Lender, such Participant or such Noteholder, or their parent or holding companies, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Authority, shall be conclusive absent manifest error. The Authority shall pay the Lender, such Participant or such Noteholder, as the case may be, the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Lender, such Participant or such Noteholder to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's, such Participant's or such Noteholder's right to demand such compensation.

(e) (i) In the event a Taxable Date occurs, the Authority hereby agrees to pay to the Lender, any Participant or the Noteholder on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender, such Participant or the Noteholder, as applicable, on any Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans during the



period for which interest on such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans, as applicable, is includable in the gross income of the Lender, such Participant or the Noteholder, as applicable, if such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans had borne interest at the Taxable Rate, beginning on the Taxable Date (the “*Taxable Period*”), and (B) the amount of interest actually paid to the Lender, such Participant or the Noteholder, as applicable, during the Taxable Period, and (2) provided that the Lender, such Participant or the Noteholder, as applicable, reports to the Authority the amount of income from all such events within 270 days of receipt of notification of a Determination of Taxability, an amount equal to any interest, penalties or charges owed by the Lender, any Participant or a Noteholder, as applicable, as a result of interest on the Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans becoming includable in the gross income of the Lender, such Participant or such Noteholder, as applicable, together with any and all reasonable attorneys’ fees, court costs, or other out of pocket costs incurred by the Lender, such Participant or such Noteholder, as applicable, in connection therewith.

(ii) Subject to the provisions of clauses (iii) and (iv) below, the Lender shall afford the Authority the opportunity, at the Authority’s sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans to be includable in the gross income of the Lender, any Participant or the Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on the Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(iii) As a condition precedent to the exercise by the Authority of its right to contest set forth in clause (ii) above, the Authority shall, on demand, immediately reimburse the Lender, such Participant or the Noteholder, as applicable, for any and all expenses (including reasonable attorneys’ fees for services that may be required or desirable) that may be incurred by the Lender, such Participant or the Noteholder, as applicable, in connection with any such contest, and shall, on demand, immediately reimburse the Lender, such Participant or the Noteholder, as applicable, for any and all penalties or other charges payable by the Lender, such Participant or the Noteholder, as applicable, for failure to include such interest in its gross income; and

(iv) The obligations of the Authority under this Section 6.03 shall survive the termination of the Commitment and this Agreement.

#### *Section 6.04. Taxes.*

(a) *Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.* Any and all payments by or on account of any obligation of the Authority hereunder or under the Notes shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Miscellaneous Taxes; provided that if the

Authority shall be required by Applicable Law to deduct any Indemnified Taxes (including any Miscellaneous Taxes) from such payments, then (i) to the fullest extent permitted by Applicable Law, the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender, such Participant or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority shall make such deductions and (iii) the Authority shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Miscellaneous Taxes by the Authority.* Without limiting the provisions of paragraph (a) above, the Authority shall timely pay any Miscellaneous Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Indemnification by the Authority.* The Authority, to the fullest extent permitted by law, shall indemnify and reimburse the Lender, each Participant and each Noteholder, within thirty (30) days after demand therefor, for the full amount of any Indemnified Taxes or Miscellaneous Taxes (including Indemnified Taxes or Miscellaneous Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Lender, such Participant or such Noteholder and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Miscellaneous Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate stating the amount of such payment or liability delivered to the Authority by the Lender shall be conclusive absent manifest error. In addition, the Authority shall indemnify and pay the Lender, any Participant and the other Noteholder, within ten (10) days after demand therefor, for any additional amounts that the Lender, any Participant or any Noteholder is required to pay as a result of any failure of the Authority to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Lender, any Participant and the other holders of a Note, as applicable, pursuant to clause (d), documentation evidencing the payment of Taxes.

Prior to claiming compensation pursuant to this subsection (c), the Lender, the Participant or the holder of the Note, as applicable, will use reasonable efforts to investigate the alternatives (if any) for avoiding the need for, or the reduction of the amount of, such compensation, and the Lender, the Participant or the holder of the Note, as applicable, shall take all reasonable steps to so avoid the need for, or reduce the amount of such compensation, provided that, none of the Lender, the Participant or the holder of the Note shall be obligated to take any steps that are adverse to its business or operations or inconsistent with its policies. The Lender, the Participant and the holder of the Note, as applicable, agrees to repay the Authority 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 Authority pursuant to this subsection (c) received by the Lender, the Participant or the holder of the Note, as applicable, for Taxes or Other Taxes that were paid by the Authority pursuant to this subsection (c).

(d) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes or Miscellaneous Taxes by the Authority to a Governmental Authority, the Authority shall deliver to the Lender, such Participant or such holder of the Note, as applicable, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender, such Participant or such holder of the Note, as applicable.

(e) *Treatment of Certain Refunds.* If the Lender, any Participant or any Noteholder determines, in its sole discretion, that it has received a refund of any Taxes or Miscellaneous Taxes as to which it has been indemnified pursuant to this Section (including additional amounts paid by the Authority pursuant to this Section), it shall pay to the Authority an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section with respect to the Taxes or Miscellaneous Taxes giving rise to such refund), net of all out of pocket expenses of the Lender, such Participant or such Noteholder, as applicable, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Authority, upon the request of the Lender, such Participant or such holder of the Note, as applicable, agrees to repay the amount paid over pursuant to this Section (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender, such Participant or such holder of the Note, as applicable, in the event the Lender, such Participant or such holder of the Note, as applicable, is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the Lender, such Participant or such holder of the Note, as applicable, be required to pay any amount to the Authority pursuant to this paragraph (e) the payment of which would place the Lender, such Participant or such holder of the Note, as applicable, in a less favorable net after Tax position than the Lender, such Participant or such holder of the Note, as applicable, would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Lender, such Participant or such Noteholder, as applicable, to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Authority or any other Person.

(f) *Survival.* Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations of the Authority contained in this Section shall survive the termination of this Agreement and the payment in full of the Notes and the Obligations of the Authority thereunder and hereunder.

(g) *Status of Lenders; Tax Documentation.*

(i) If the Lender, a Participant or a holder of the Note is entitled to an exemption from or reduction of withholding Taxes with respect to payments made hereunder or under any Related Document, the Lender, such Participant or such holder of the Note, as applicable, shall deliver to the Authority at the time or times reasonably requested by the Authority, such properly completed and executed documentation reasonably requested by the Authority or as will permit

such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, such Participant or such holder of the Note if reasonably requested by the Authority, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Authority as will enable the Authority to determine whether or not the Lender, such Participant or such holder of the Note is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 6.04(g)(ii) below) shall not be required if, in the Lender's, such Participant's or such Noteholder's reasonable judgment, such completion, execution or submission would subject the Lender, such Participant or such holder of the Note to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Lender, such Participant or such holder of the Note.

(ii) Without limiting the generality of the foregoing, if the Authority is resident for tax purposes in the United States, the Lender, such Participant or such holder of the Note shall deliver to the Authority (and from time to time thereafter upon the reasonable request of the Authority), executed originals of IRS Form W9 certifying that the Lender, such Participant or such holder of the Note, as applicable, is exempt from U.S. federal backup withholding tax.

*Section 6.05. Calculation of Interest and Fees; Maximum Interest Rate; Default Rate.*

(a) Interest on Tax-Exempt Loans, Tax-Exempt Term Loans, Taxable Loans, Taxable Term Loans and fees payable hereunder shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

(b) Any and all amounts remaining unpaid when due under this Agreement shall bear interest at the Default Rate until repaid and shall be payable upon demand. Any such amounts which constitute interest remaining unpaid when due shall be added to principal, and such interest shall, in turn, bear interest at the Default Rate until repaid and shall be payable upon demand. Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the Default Rate, which shall be payable by the Authority to the Lender upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed.

(c) In the event that the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the "*Excess Interest Amount*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Authority shall pay to the Lender, with respect to amounts then payable to the Lender that are required to accrue interest hereunder, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Lender, to equal the Maximum

Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest Amount is fully paid to the Lender. Notwithstanding the foregoing, on the date on which no principal amount with respect to the Loans remains unpaid, the Authority shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

(d) All amounts paid pursuant to this Agreement shall be non-refundable and shall be paid in immediately available funds.

*Section 6.06. Liability of the Lender.* Neither the Lender nor any of its officers, directors, employees, representatives or agents shall be liable or responsible for (i) the use which may be made of any Advances, any Loans or this Agreement or for any acts, omissions, errors, interruptions, delays in transmission, dispatch or delivery of any message or advice, however transmitted, of the Lender in connection with this Agreement, any Advances, any Loans or the Notes, (ii) any action, inaction or omission which may be taken by the Lender in connection with this Agreement, any Advances, any Loans or the Notes, (iii) the validity, sufficiency or genuineness of documents, or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iv) payment by the Lender against presentation of documents which do not comply with the terms of this Agreement or a Request for Advance, including failure of any documents to bear any reference or adequate reference to this Agreement, or (v) any other circumstances whatsoever in making or failing to make payment under this Agreement or pursuant to a Request for Advance, except for acts or events described in the immediately preceding clauses (i) through (v), to the extent, but only to the extent, of any direct, as opposed to special, indirect, consequential or punitive, damages (the right to receive special, indirect, consequential or punitive damages being hereby waived) suffered by it which the Authority proves were caused by (y) the Lender's willful misconduct or gross negligence in determining whether documents presented under this Agreement comply with the terms of this Agreement or (z) the Lender's failure to pay hereunder after the presentation to it of a Request for Advance strictly complying with the terms and conditions of this Agreement. The Authority further agrees that any action taken or omitted by the Lender under or in connection with this Agreement or the related draft or documents, if done without willful misconduct or gross negligence, shall be effective against the Authority as to the rights, duties and obligations of the Lender and shall not place the Lender under any liability to the Authority. In furtherance and not in limitation of the foregoing, the Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

*Section 6.07. Obligations Unconditional.* The Authority's obligation to repay the Revolving Loans and the Term Loans and all of its other Obligations under this Agreement shall be absolute and unconditional under any and all circumstances, including without limitation: (a) any lack of validity or enforceability of this Agreement, the Notes or any of the other Related Documents; (b) any amendment or waiver of or any consent to departure from all or any of the Related Documents; (c) the existence of any claim, set off, defense or other right which the Authority may have at any time against the Lender or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or (d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; and irrespective of any setoff,

counterclaim or defense to payment which the Authority may have against the Lender, any Participant, or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the proceeds of Advances hereunder, and irrespective of the legality, validity, regularity or enforceability of this Agreement, the Notes or any or all other Related Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Lender explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, this Agreement, the Notes or any or all other Related Documents or any exchange, release, or nonperfection of any collateral securing the obligations of the Authority hereunder; provided, however, that nothing contained in this Section 6.07 shall abrogate or otherwise affect the rights of the Authority pursuant to Section 6.06 hereof.

## **ARTICLE VII**

### **REPRESENTATIONS AND WARRANTIES**

In order to induce the Lender to extend the Original Commitment Expiration Date and enter into this Agreement, the Authority makes the following representations and warranties to the Lender:

*Section 7.01. Organization, Powers, Etc.* The Authority (i) is a public entity established pursuant to the laws of the State validly organized and existing under and by virtue of the laws of the State, (ii) has full power and authority to own its properties and carry on its business as now conducted, (iii) has (or, if already executed or adopted, had at the time of execution or adoption) full power and authority to execute (or adopt, if applicable), deliver and perform its obligations under this Agreement and the other Related Documents, to borrow hereunder and to execute, deliver and perform its obligations under the Notes and to repay the Obligations and (iv) may only contest the validity or enforceability of any provision of, or deny that the Authority has any liability or obligation under, the Act, Ordinance No. 49, this Agreement, the Notes or any other Related Document by an act of its governing body.

*Section 7.02. Authorization, Absence of Conflicts, Etc.* The execution (or adoption, if applicable), delivery and performance of this Agreement, the Notes and the other Related Documents (i) have been duly authorized by the Authority, (ii) do not and will not, to any material extent, conflict with, or result in violation of any applicable provision of law, including the Act and Ordinance No. 49, 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 Senior Lien Trust Agreement or the Trust Agreement or any other resolution, agreement or instrument to which the Authority is a party or by which the Authority or any of its property is bound.

*Section 7.03. Governmental Consent or Approval.* The execution (or adoption, if applicable), delivery and performance of this Agreement, the 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 7.04. Binding Obligations.* This Agreement, the Notes and the other Related Documents are legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial discretion and principles of equity relating to or affecting creditors' rights or contractual obligations generally or limitations on remedies against public entities in the State.

*Section 7.05. Litigation.* There is no action or investigation pending or, to the knowledge of the Authority, threatened, against the Authority before any court or administrative agency which questions the validity of any act or the validity of any proceeding taken by the Authority in connection with the execution and delivery of this Agreement, the Notes or the other Related Documents, or wherein an unfavorable decision, ruling or finding would in any way adversely affect (A) the validity or enforceability of this Agreement, the Notes or the other Related Documents, (B) the validity, enforceability or perfection of the pledge of and lien on the Net Pledged Revenues or on the amounts held in funds, accounts and subaccounts under the Trust Agreement, (C) the status of the Authority as a public entity created and validly existing under the laws of the State or (D) the exemption of interest on the Tax-Exempt Revolving Loans or the Tax-Exempt Term Loans from the gross income of the recipients thereof for Federal income tax purposes. To the knowledge of the Authority there is no action pending or threatened, which questions the validity of the Act, Ordinance No. 49 or the Proposition C Sales Tax nor is there any pending initiative or referendum qualified for the ballot which would seek to amend, annul, modify or replace the Act or Ordinance No. 49 or to diminish or reallocate the Proposition C Sales Tax.

*Section 7.06. Financial Condition.* All of the Authority's financial statements that have been furnished to the Lender have been prepared in conformity with GAAP (except as noted therein) and are comprised of a balance sheet and a statement of revenues and expenditures and changes in fund balances. All of such financial statements accurately present, in all material respects, the financial condition of the Authority, including the Pledged Revenues and Net Pledged Revenues as of the dates thereof, and there has been no material adverse changes in the business or affairs of the Authority or of the Pledged Revenues or the Net Pledged Revenues since the date the last such report was so furnished to the Lender.

*Section 7.07. Tax- Exempt Status of Tax-Exempt Loans.* The Authority has not taken any action and knows of no action that any other Person has taken which would cause interest on the Tax-Exempt Revolving Loans or the Tax-Exempt Term Loans to be included in the gross income of the recipients thereof for Federal income tax purposes.

*Section 7.08. Related Documents.* Each of the Related Documents is in full force and effect. Except as previously disclosed in writing to the Lender prior to the Effective Date, no event of default and no event which, with the giving of notice, the passage of time or both, would constitute an event of default, presently exists under any of the Related Documents. Except as previously disclosed in writing to the Lender prior to the Effective Date, neither the Authority nor any other party thereto has waived or deferred performance of any material obligation under any Related Document.

*Section 7.09. Incorporation of Representations and Warranties.* The Authority hereby makes to the Lender the same representations and warranties as are set forth by the Authority in each Related Document, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference for the benefit of the Lender with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to any Related Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Lender.

*Section 7.10. Margin Regulations.* The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of the Advances, the Loans or the Notes or any amounts furnished by the Lender pursuant to a Request for Advance 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 7.11. No Event of Default.* No Event of Default or Default has occurred and is continuing.

*Section 7.12. The Notes.* The Notes will be duly issued and shall constitute Subordinate Obligations under the Trust Agreement and will be entitled to the benefits thereof.

*Section 7.13. Security; Pledge of Net Pledged Revenues Securing Obligations.* The Reimbursement Obligations and the Notes are secured by a first lien on and pledge of Net Pledged Revenues pursuant to Section 4.01 of the Subordinate Trust Agreement. The pledge of the Net Pledged Revenues under the Trust Agreement securing the payment of the Reimbursement Obligations and the principal of and interest on the Notes is a valid and binding obligation of the Authority, on a pari passu basis with the holders of all Subordinate Obligations, subject to any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial decisions and principles of equity relating to or affecting creditors' rights or contractual obligations generally or limitations of remedies against public entities in the State. All other Obligations (other than Reimbursement Obligations and the payment of principal of and interest on the Notes) of the Authority under this Agreement are secured by a Lien on Net Pledged Revenues subordinate in all respects to the Reimbursement Obligations and the Notes. No filing, registration, recording or publication of the Trust Agreement or any other instrument nor any prior separation or physical delivery of the Net Pledged Revenues is required to establish the pledge provided for under the Trust Agreement or to perfect, protect or maintain the Lien created thereby on the Net Pledged Revenues and amounts held under the Trust Agreement in funds, accounts or subaccounts to secure the Reimbursement Obligations, the Notes and the other Obligations. As of the Effective Date, there is no indebtedness of the Authority payable from or secured by the Pledged Revenues or amounts held in funds, accounts or subaccounts established and maintained pursuant to the Senior Lien Trust Agreement or any portion thereof on a basis that is the senior to the Reimbursement Obligations and the Notes other than the Senior Lien Bonds and the Senior Parity Debt existing as of the Effective Date. As of the Effective Date, there is no indebtedness of the Authority payable from or secured by the Net Pledged Revenues or amounts held in funds, accounts or subaccounts under the Trust Agreement or any portion thereof on a basis that is on a parity with the Obligations other than the



Subordinate Obligations (including the Reimbursement Obligations and the Notes) existing as of the Effective Date. The Reimbursement Obligations and the Notes constitute (i) “*Subordinate Obligations*” for purposes of the Subordinate Trust Agreement and (ii) Revolving Obligations for purposes of the Second Supplemental Subordinate Trust Agreement.

*Section 7.14. Sovereign Immunity.* The Authority is subject to claims and to suit for damages in connection with its obligations under this Agreement and the other Related Documents pursuant to and in accordance with the laws of the State applicable to public entities such as the Authority; provided, however, that a claimant shall be required to comply with the provisions of the Tort Claims Act set forth in California Government Code Section 810 et seq. in tort or contract suits, actions or proceedings brought against the Authority.

*Section 7.15. Accurate Information.* All information, reports and other papers and data with respect to the Authority furnished to the Lender, at the time the same were so furnished, were accurate in all material respects. Any financial, budget and other projections furnished to the Lender 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 7.16. Pari Passu.* Under the laws of the State, the obligation of the Authority under this Agreement to pay interest at the Taxable LIBOR Rate, Tax-Exempt LIBOR Rate, the Tax-Exempt SIFMA Rate, the Lender Rate, the Default Rate or the Taxable Rate as set forth herein constitutes a charge and lien on the Net Pledged Revenues equal to and on a parity with the charge and lien upon the Net Pledged Revenues for the payment of the Reimbursement Obligations and the principal of and interest on the Notes and all other Subordinate Obligations under the Trust Agreement, and subordinate only to the Senior Lien Bonds and the Senior Parity Debt.

*Section 7.17. Maximum Rate.* The terms of the Related Documents (including the Notes) regarding the calculation of interest and fees do not violate any applicable usury laws.

*Section 7.18. No Proposed Legal Changes.*

(a) To the best knowledge of the Authority, there is no proposed amendment to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any proposition or referendum (or proposed proposition or referendum) or other ballot initiative or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have a Material Adverse Effect.

(b) There is no amendment to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any proposition or referendum (or proposed proposition or referendum) or other ballot initiative or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have a Material Adverse Effect.

*Section 7.19. Valid Lien.* The Authority's irrevocable pledge of the Net Pledged Revenues and amounts hereunder and under the Trust Agreement and in the funds, accounts and subaccounts established and maintained under the Trust Agreement to and for the payment of the Obligations of the Authority under this Agreement and for the payment of the Reimbursement Obligations and the Notes is valid and binding and no further acts, instruments, approvals or consents are necessary for the creation, validity or perfection thereof. The provisions of the Trust Agreement constitute a contract between the Authority and the Lender subject to the provisions of the Trust Agreement, and the Lender, may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Authority as a result of issuing the Notes.

*Section 7.20. ERISA; Plans; Employee Benefit Plans.* The Authority is not subject to ERISA and maintains no Plans.

*Section 7.21. Solvency.* After giving effect to the issuance of the Notes and the other obligations contemplated by this Agreement, the Authority is solvent, having assets of a fair value which exceeds the amount required to pay its debts (including contingent, subordinated, unmatured and unliquidated liabilities) as they become absolute and matured, and the Authority is able to and anticipates that it will be able to meet its debts as they mature and has adequate capital to conduct its business in which it is engaged.

*Section 7.22. Environmental Laws.* The Authority and its Property (i) have not become subject to any Environmental Liability nor does it know of any basis for any Environmental Liability, (ii) have not received notice to the effect that any of the Authority's Property or its operations are not in compliance with any of the requirements of any Environmental Laws or any applicable federal, state or local health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, and (iii) to the best of the knowledge of the Authority, is in compliance with all Environmental Laws and has obtained and maintains or complies with any permit, license or other approval required under any Environmental Law, in each of (i), (ii) and (iii) above, except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

*Section 7.23. No Existing Right to Accelerate.* As of the Original Effective Date and as of the Effective Date, other than in accordance with the terms of the Trust Agreement or as a result of an "event of default" thereunder or upon the occurrence of an event of default or an event of termination set forth in a Bank Agreement similar to those set forth in Section 10.01(a), (b), (c), (d), (e), (f), (g), (h) or (u) hereof, no Person (including, without limitation, a credit facility provider or a liquidity provider, either of which provides credit enhancement or liquidity support to any Senior Lien Bonds or Subordinate Obligations or any Person under a Bank Agreement) had or has a right under any indenture or any supplemental indenture relating to any such Senior Lien Bonds, Parity or Senior Debt or Subordinate Obligations or any other document or agreement relating to any Senior Lien Bonds, Parity or Senior Debt or Subordinate Obligations or any Bank Agreement, to direct the Trustee or any other Person to declare or cause the principal of and interest on any such Senior Lien Bonds, Parity or Senior Debt or Subordinate Obligations to be due and payable upon less than 270 days' prior written notice.

*Section 7.24. Anti-Terrorism Laws.* Neither the Authority nor any of Affiliates thereof is in violation of any Laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

- (a) neither the Authority nor any Affiliate thereof is any of the following:
  - (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (iii) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
  - (iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or
  - (v) a Person that is named as a “*pecially designated national and blocked person*” on the most current list published by the Office of Foreign Asset Control (“*OFAC*”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list; and

(b) to the best of the Authority’s knowledge neither the Authority nor any Affiliate thereof (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

*Section 7.25. Investment Policy.* The Authority does not have an investment policy or other similar document pertaining to investments, except for the investment policy relating to the investment of monies that are held in its treasury representing funds released from the liens granted under the Senior Lien Trust Agreement and the Trust Agreement.

*Section 7.26. Binding Effect.* This Agreement, the Trust Agreement and the other Related Documents constitute legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally, by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law and by limitations on legal remedies against public agencies in the State. The Notes will be duly issued, executed and delivered in conformity with the Act and the Trust Agreement, and constitute legal, valid and

binding special, limited obligations of the Authority, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and entitled to the benefit and security of the Trust Agreement.

## ARTICLE VIII

### AFFIRMATIVE COVENANTS OF THE AUTHORITY

*Section 8.01. Affirmative Covenants of the Authority.* So long as the Commitment is outstanding and until all Obligations shall have been paid in full, the Authority hereby covenants and agrees, that:

(a) *Notice of Default.* As promptly as practical after the date the Authority shall have obtained knowledge of the occurrence of a Default or an Event of Default or a breach of this Agreement or any other Related Document, the Authority will provide notice of the same to the Lender and, in each such case the Authority will provide to the Lender the written statement of the Authority setting forth the details of each such event and the action which the Authority proposes to take with respect thereto.

(b) (i) *Annual Reports.* Within two hundred forty (240) days after the end of each Fiscal Year of the Authority, the Authority will provide to the Lender audited financial statements consisting of a balance sheet and a statement of revenues, expenditures and changes in fund balances of the Authority, including the Pledged Revenues and Net Pledged 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 accompanied by an unqualified opinion of a nationally recognized independent certified public accounting firm stating that they have been prepared in accordance with GAAP and accompanied by a certification from the Chief Executive Officer of the Authority, the Executive Director, Finance and Budget of the Authority, or the Treasurer of the Authority addressed to the Lender stating that neither a Default nor 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 Authority proposes to take with respect thereto.

(ii) *Quarterly Statements.* As soon as available, and in any event within fifteen (15) days after the end of each March 31 (such quarterly period to include each day from and including January 1<sup>st</sup> of each year to and including March 31<sup>st</sup> of each year), July 1 (such quarterly period to include each day from and including April 1<sup>st</sup> of each year to and including July 1<sup>st</sup> of each year), September 30 (such quarterly period to include each day from and including July 1<sup>st</sup> of each year to and including September 30<sup>th</sup> of each year) and January 1 (such quarterly period to include each day from and including October 1<sup>st</sup> of each

year to and including January 1<sup>st</sup> of each year), the Authority shall provide to the Lender a statement of (A) the amount of all Proposition C Sales Tax received by the Authority or the Senior Lien Trustee or the Trustee, on behalf of the Authority, during such fiscal quarter and all such amounts that are available to make debt service payments on the Senior Lien Bonds, the Senior Parity Debt and the Subordinate Obligations, (B) the amount of all Proposition C Sales Tax received by the Authority or the Senior Lien Trustee or the Trustee, on behalf of the Authority, during the twelve (12) months ended as of the end of such fiscal quarter and all such amounts that are available to make debt service payments on the Senior Lien Bonds, the Senior Parity Debt and the Subordinate Obligations (such amounts available to make debt service payments, the “*Annual Historical Proposition C Sales Tax Receipts*”), (C) the amount of all payments of principal and interest on the Senior Lien Bonds, the Senior Parity Debt and the Subordinate Obligations (the “*Annual Historical Proposition C Debt Service Payments*”) during the twelve (12) months ended as of the end of each January 1, March 31, July 1 and September 30, (D) a projection by the Authority of the amount of principal and interest coming due on the Senior Lien Bonds, the Senior Parity Debt and the Subordinate Obligations for the five (5) years after the end of each January 1, March 31, July 1 and September 30 (with respect to any Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations bearing interest at variable rates of interest or with respect to which other payments may be made subject to the occurrence of contingencies, the Authority may provide for such assumptions as the Authority determines are reasonable under the circumstances), and (E) a calculation (the “*Calculation Ratio*”) showing the ratio (the “*Historical Ratio*”) that the Annual Historical Proposition C Sales Tax Receipts bear to the Annual Historical Proposition C Debt Service Payments after the end of each January 1, March 31, July 1 and September 30, all in reasonable detail. The foregoing statement delivered to the Lender within fifteen (15) days after the end of each July 1 and September 30 shall also be accompanied by a certification from the Chief Executive Officer of the Authority, the Executive Director, Finance and Budget of the Authority, or the Treasurer of the Authority addressed to the Lender stating that neither a Default nor an Event of Default has occurred which was continuing at the end of such quarterly period or on the date of his certification, or, if such an event has occurred and was continuing at the end of such quarterly period or on the date of his certification, indicating the nature of such event and the action which the Authority proposes to take with respect thereto.

(c) *Offering Circulars and Material Event Notices.* Within ten (10) days after the issuance by the Authority of any securities payable from Pledged Revenues senior to the Notes and the Reimbursement Obligations or from Net Pledged Revenues on a parity with the Notes and the Reimbursement Obligations, with respect to which a final official statement or other offering circular has been prepared by the Authority, the Authority will provide to the Lender notice of such issuance and a copy of such official statement or offering circular (or a link to EMMA with respect to such official statement or offering circular).

(d) *Notice of Adverse Change.* The Authority will notify the Lender as soon as possible after the Executive Director, Finance and Budget of the Authority or the Treasurer of the Authority acquires knowledge of the occurrence of (i) the filing of a complaint against the Authority in any court or administrative agency, where the amount claimed is in excess of Fifteen Million Dollars (\$15,000,000) and which is payable from Pledged Revenues or Net Pledged Revenues, (ii) the filing of any action which could lead to an initiative or referendum which could annul, amend, modify or replace the Act or Ordinance No. 49 or which could lead to the diminution or reallocation of the Proposition C Sales Tax, (iii) any action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened wherein an unfavorable decision, ruling or finding could have a Material Adverse Effect or (iv) any other event which, in the reasonable judgment of the Authority, is likely to have a Material Adverse Effect.

(e) *Additional Senior Lien Debt.* As soon as available, but in any event within ten (10) days after the issuance and delivery of any additional Senior Lien Bonds, deliver to the Lender a copy of the certificate that is required to be delivered to the Senior Lien Trustee pursuant to Section 2.12 of the Senior Lien Trust Agreement.

(f) *Other Information.* The Authority will provide to the Lender such other information respecting the business affairs, financial condition and/or operations of the Authority, as the Lender may from time to time reasonably request.

(g) *Inspections; Discussion.* The Authority will permit the Lender or its representatives, at any reasonable time during normal business hours and from time to time at the request of the Lender to the extent that the Authority is not legally precluded from permitting access thereto: to visit and inspect the properties of the Authority; to examine and make copies of and take abstracts from the records and books of account of the Authority; and to discuss the affairs, finances and accounts of the Authority with the appropriate officers of the Authority; provided that, if required by the Authority, as a condition to the Lender being permitted by the Authority to make or conduct any such visit, inspection, examination or discussion, the Lender shall certify to the Authority that the same is being made or conducted solely in order to assist the Lender in evaluating its position under this Agreement or the other Related Documents.

(h) *Further Assurances.* The Authority shall take any and all actions necessary or reasonably requested by the Lender to (i) perfect and protect, any lien, pledge or security interest or other right or interest given, or purported to be given to the Lender or any other Person under or in connection with this Agreement or the other Related Documents, (ii) enable the Lender to exercise or enforce its rights under or in connection with this Agreement and the other Related Documents or (iii) enable the Lender or any Noteholder to assign or pledge a Note to any Federal Reserve Bank.

(i) *Taxes and Liabilities.* The Authority shall 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; provided that the Authority shall have the right to defer payment or performance of obligations to Persons other than the Lender 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) *Trustee.* The Authority, without the prior written consent of the Lender, which consent shall not be unreasonably withheld, conditioned or delayed, shall not take any action or refrain from taking any action that results in a change of the Trustee. Any Trustee shall have capital of not less than \$500,000,000, and any such Trustee or its respective parent organization shall have an underlying rating from Moody's and S&P of at least "A2" (or its equivalent) and "A" (or its equivalent), respectively.

(k) *Incorporation of Covenants.* The covenants of the Authority set forth in each of the Related Documents to which the Authority is a party are hereby incorporated by reference in this Agreement for the benefit of the Lender. 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 Lender and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Lender. No amendment to such covenants (or the defined terms relating thereto) made pursuant to the Related Documents, which could reasonably be expected to have a Material Adverse Effect, shall be effective to amend such incorporated covenants without the prior written consent of the Lender. So long as (i) the Commitment has not been reduced to zero or terminated pursuant to the terms of this Agreement or (ii) any Obligations remain outstanding, the Authority shall continue to comply with the covenants and undertakings set forth in the Senior Lien Trust Agreement and the Trust Agreement, notwithstanding anything therein limiting such compliance to when a "*Bond*" (as defined in the Senior Lien Trust Agreement) or a Subordinate Obligation, as applicable, remains outstanding thereunder.

(l) *Waiver of Sovereign Immunity.* The Authority hereby agrees not to assert the defense of any future right of sovereign immunity in any legal proceeding to enforce or collect upon the obligations of the Authority under this Agreement or any other Related Document or the transactions contemplated hereby or thereby.

(m) *Credit Facilities.* (i) In the event that the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which such Bank Agreement provides such Person with additional or more restrictive covenants (including without limitation financial covenants (except any covenants with respect to any fees payable by the Authority hereunder)) and/or additional or more restrictive events of default (collectively, the "*Additional Rights*") than are provided to the Lender in this Agreement, then, upon the occurrence of an event of default (without regard to a waiver of such event of default) under such agreement (or amendment thereto) caused by such Additional Rights, such

Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such Additional Rights; provided, however, that such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such Additional Rights only from and after the occurrence of an event of default under the related Bank Agreement caused by the Additional Rights or a failure by the Authority to comply with such Additional Rights. The Authority shall promptly, upon the occurrence of an event of default (without regard to a waiver of such event of default) under the related Bank Agreement caused by such Additional Rights or a failure by the Authority to comply with such Additional Rights, enter into an amendment to this Agreement to include such Additional Rights, provided that the Lender shall maintain the benefit of such Additional Rights even if the Authority fails to provide such amendment. If the Authority shall amend the related Bank Agreement such that it no longer provides for such Additional Rights, then, without the consent of the Lender, this Agreement shall automatically no longer contain the related Additional Rights and the Lender shall no longer have the benefits of any of the related Additional Rights.

(ii) In the event that (A) the Authority shall enter into or otherwise consent to any Bank Agreement, which such Bank Agreement provides for any term or provision which permits any outstanding advance, loan or drawing to be amortized over a period shorter than the Amortization Period set forth in Section 4.05 hereof (such shorter amortization period, the “*Shorter Amortization Period*”) and (B) the Calculation Ratio delivered with respect to the end of the immediately preceding fiscal quarter pursuant to Section 8.01(b)(ii)(E) hereof shows an Historical Ratio of 130% or less, then until the Authority delivers a Calculation Ratio showing the Historical Ratio to be greater than 130%, this Agreement shall automatically be deemed to be amended such that the Amortization Period set forth in Section 4.05 hereof shall be such Shorter Amortization Period. Upon the occurrence of the conditions set forth in the immediately preceding sentence, the Authority shall promptly enter into an amendment to this Agreement such that the Amortization Period equals such Shorter Amortization Period, provided that the Amortization Period shall equal the Shorter Amortization Period regardless of whether this Agreement is amended. If the Authority shall amend the Bank Agreement such that it no longer provides for an amortization of the related advance, loan, drawing or other obligation for a period less than the Amortization Period as of the Effective Date, then, the Authority shall promptly enter into an amendment to this Agreement such that the Amortization Period equals the Amortization Period set forth in Section 4.05 hereof as of the Effective Date, provided that the Amortization Period shall equal the Amortization Period set forth in Section 4.05 hereof as of the Effective Date regardless of whether this Agreement is amended.

(n) *Right to Accelerate.* In the event the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which Bank Agreement includes the right to accelerate the payment of the principal of or interest on any series of Senior Lien Bonds or Subordinate Obligations upon the occurrence and continuation of an event



of default or event of termination under such Bank Agreement, or such Bank Agreement includes the right to accelerate the payment of the principal of or interest on any series of Senior Lien Bonds or Subordinate Obligations upon the occurrence and continuation of an event of default or event of termination under such Bank Agreement within a shorter period than is available to the Lender under this Agreement (herein referred to as “*New Acceleration Provisions*”), then such New Acceleration Provisions shall automatically be deemed incorporated herein and the Lender shall automatically have the benefit of such New Acceleration Provisions. The Authority shall promptly, upon the occurrence of the Authority entering into any Bank Agreement (or amendment thereto) which provides for New Acceleration Provisions, enter into an amendment to this Agreement to include such New Acceleration Provisions; provided that the Lender shall maintain the benefit of such New Acceleration Provisions even if the Authority fails to provide such amendment. The release, termination or other discharge of such Bank Agreement that provides for such New Acceleration Provisions shall be effective to amend, release, terminate or discharge (as applicable) such provisions as incorporated by reference herein without the consent of the Lender.

(o) *Receipt and Deposit of Pledged Revenues.* The Authority shall use its best efforts to assure that the Board of Equalization pays the Pledged Tax directly to the Senior Lien Trustee on a monthly basis; and if at any time any Pledged Tax are paid to the Authority by the Board of Equalization instead of being paid directly to the Senior Lien Trustee, immediately upon receipt, the Authority shall transfer such Pledged Tax to the Senior Lien Trustee for credit to the Revenue Fund held under the Senior Lien Trust Agreement; and during such time as such Pledged Tax is held by the Authority (prior to transfer to the Senior Lien Trustee), such Pledged Tax will be impressed with a trust and held for bondholders under the Senior Lien Trust Agreement and, to the extent such amounts exceed amounts required to be deposited in the funds held under the Senior Lien Trust Agreement, in trust for the holders of the Subordinate Obligations including, without limitation, the Lender.

(p) *Maintenance of Ratings.* The Authority shall at all times maintain long-term unenhanced ratings on Senior Parity Debt by any two Nationally Recognized Statistical Rating Organizations (as defined under the Securities Exchange Act of 1934, as amended) approved by the Lender. As of the Effective Date, the Authority maintains long-term unenhanced ratings on the Senior Parity Debt from Moody’s and S&P. Such Nationally Recognized Statistical Rating Organizations are approved by the Lender (unless and until the Lender notifies the Authority in writing that it no longer approves of Moody’s or S&P).

(q) *Maintenance of Existence.* The Authority shall maintain its existence as a public entity duly established and existing under the laws of the State.

## ARTICLE IX

### NEGATIVE COVENANTS OF THE AUTHORITY

*Section 9.01. Negative Covenants of the Authority.* So long as the Commitment is outstanding and available to the Authority and until all of the Obligations shall have been paid in full, the Authority hereby covenants and agrees that it will not:

(a) *Compliance With Laws, Etc.* The Authority shall not violate any laws, rules, regulations, or governmental orders to which it is subject and of which it is aware after diligent inquiry, which violation involves a reasonable likelihood of materially and adversely affecting its financial condition.

(b) *Amendments.* The Authority shall not modify, amend or supplement, or give any consent to any modification, amendment or supplement or make any waiver with respect to, any provision of any Related Document without the prior written consent of the Lender; provided, however, that nothing contained in this Section 9.01(b) shall require the consent of the Lender to the execution and delivery of supplements to the Senior Lien Trust Agreement or the Trust Agreement that are made solely for the purpose of specifying the terms of additional Debt issued in accordance with the terms thereof and of Section 9.01(d) hereof. Without the prior written consent of the Lender, the Authority shall not consent or agree to any rescission of or amendment to the Act or Ordinance No. 49 which would reduce the amount of the Pledged Revenues or impair the obligations of the Authority hereunder or with respect to the Reimbursement Obligations or the Notes or which would in any manner materially impair or materially adversely affect the obligations of the Authority or the rights, interests, security or remedies of the Lender with respect to the Net Pledged Revenues or the security provided by the Trust Agreement.

(c) *Liens, Etc.* The Authority shall not create or suffer to exist any Lien upon or with respect to any of the funds or accounts created under the Trust Agreement except those Liens specifically permitted under the Trust Agreement; provided, however, that, unless otherwise consented to in advance in writing by the Lender, in no event will the Authority permit any Lien upon the Pledged Revenues or Net Pledged Revenues securing any termination payment pursuant to any Swap Contract to be on parity with or senior to the Lien on Net Pledged Revenues securing the Reimbursement Obligations and the Notes.

(d) *Additional Debt.*

(i) The Authority shall not issue any Debt secured by a lien on Pledged Revenues which is senior to the lien securing the Senior Lien Bonds and Senior Parity Debt.

(ii) In addition to the requirements set forth in Section 2.09 of the Senior Lien Trust Agreement and Section 2.09 of the Subordinate Trust Agreement, the Authority shall not issue any additional Senior Lien Bonds,

Senior Parity Debt or Subordinate Obligations until there shall first be delivered to the Senior Lien Trustee or the Trustee, as applicable, a certificate prepared by a Consultant showing that the Pledged Tax collected for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations, as applicable, was at least equal to 125% of the Projected Maximum Total Annual Debt Service for all Senior Lien Bonds, Senior Parity Debt and Subordinate Obligations which will be outstanding immediately after the issuance of the proposed Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations.

(iii) Notwithstanding the foregoing, in the event that the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which such Bank Agreement provides such Person with a covenant that restricts the issuance of additional Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations based upon satisfaction of a condition precedent that the Pledged Tax collected for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations be a greater percentage than 125% (any such greater percentage referred to herein as a “*More Stringent Additional Debt Percentage*”) of the Projected Maximum Total Annual Debt Service for all Senior Lien Bonds, Senior Parity Debt and Subordinate Obligations which will be Outstanding immediately after the issuance of the proposed Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations, as applicable, then the percentage set forth in (d)(ii) shall be deemed to be amended and replaced with the More Stringent Additional Debt Percentage on the issuance of any additional Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations for so long as such Bank Agreement remains in effect.

(iv) The Authority shall deliver to the Lender the certificate set forth in (d)(ii) above concurrently when the same is delivered to the Senior Lien Trustee or the Trustee, as applicable.

(v) The Authority shall not issue or authorize the issuance of any Debt secured by a Lien on Pledged Revenues subordinate to a Lien thereon securing the Notes and the obligations of the Authority hereunder (“*Second Subordinate Debt*”) unless the Authority provides the Lender a certificate prepared by a Consultant showing that the Pledged Revenues collected for any 12 consecutive months out of the preceding 18 consecutive months immediately preceding the issuance of such Debt was at least equal to 100% of Projected Maximum Total Annual Debt Service for all Senior Lien Bonds, Senior Parity Debt and Subordinate Lien Obligations and such Debt which will be outstanding after the issuance of such Debt. Additionally, upon the issuance of any such Second Subordinate Debt, the Authority shall provide the Lender with a copy of the certificate of the Authority and the certificate of the Consultant required to be delivered to the Gateway Trustee by Section 2.13 of the Gateway Trust Agreement, certifying that Proposition C Sales Taxes collected by the Authority during a 12 consecutive month period out of the 18 consecutive months

immediately preceding the issuance of the Authority's Second Subordinate Debt are at least equal to 100% of Maximum Annual Debt Service on all Bonds, Parity Debt and all other securities or other indebtedness secured by the Proposition C Sales Tax which will be Outstanding immediately after the issuance of such Second Subordinate Debt. Terms used in the preceding sentence and not otherwise defined in this Agreement shall have the meanings set forth in the Gateway Trust Agreement.

(e) *Exempt Status.* The Authority shall not take any action or omit to take any action or permit any Person to take any action or omit to take any action, that if taken or omitted, would adversely affect the excludability of interest on the Tax-Exempt Revolving Loans or the Tax-Exempt Term Loans from the gross income of the Lender, any Participant or any Noteholder for Federal income tax purposes.

(f) *Federal Reserve Board Regulations.* The Authority shall not use any portion of the proceeds of any Advances, any Loans or the Notes for the purpose of carrying or purchasing any Margin Stock.

(g) *Use of Lender's Name.* Except as may be required by law (including, but limited to, federal and state securities laws), the Authority shall not use the Lender's name in any published materials (other than the Authority's staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Lender (which consent shall not be unreasonably withheld); provided that, without the prior written consent of the Lender, the Authority may identify the Lender as a party to this Agreement, the stated amount of the Commitment, the expiration date of the Commitment and that the Authority's obligations under this Agreement are secured by Net Pledged Revenues, in offering documents with respect to the Senior Lien Bonds and the Subordinate Obligations, so long as no other information relating to this Agreement or the Lender is disclosed in such offering documents without the prior written consent of the Lender.

(h) *Consolidation, Merger, Etc.* The Authority shall not dissolve or otherwise dispose of all or substantially all of the assets of the Authority or consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into the Authority; provided, however, that the Authority may consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into the Authority if each of the following conditions shall have been fulfilled:

(i) such merger or consolidation shall be with or into another governmental entity which shall assume in writing, reasonably satisfactory in form and substance to the Lender, or by operation of law the due and punctual performance and observance of all of the covenants, agreements and conditions of this Agreement and the other Related Documents;

(ii) such merger or consolidation shall not adversely affect or impair to any extent or in any manner (1) the Pledged Revenues or the Net Pledged Revenues, (2) the availability of the Pledged Revenues or the Net Pledged

Revenues for the payment and security of the obligations of the Authority under this Agreement, or (3) the pledge or security afforded by the Senior Lien Trust Agreement and the Subordinate Trust Agreement to the Senior Lien Bonds and the Subordinate Obligations, and the Authority shall have furnished to the Lender, for the benefit of the Lender, an opinion of its Bond Counsel, satisfactory in form and substance to the Lender, to such effect; and

(iii) the Authority shall have given the Lender not less than 60 days' prior written notice of such merger or consolidation and furnished to the Lender all such information concerning such merger or consolidation as shall have been reasonably requested by the Lender.

## ARTICLE X

### DEFAULTS AND REMEDIES

*Section 10.01. Events of Default.* The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of law) shall be an “*Event of Default*” hereunder:

(a) The Authority shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding up, dissolution, composition or other similar relief with respect to itself or its indebtedness under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (ii) consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (iii) make a general assignment for the benefit of creditors, (iv) admit, in writing, its inability to pay its indebtedness as it becomes due, (v) become insolvent within the meaning of Section 101(32) of the Bankruptcy Code, or (vi) take any official action to authorize any of the foregoing; or

(b) Any of the following shall occur with respect to the Authority (i) an involuntary case or other proceeding shall be commenced against the Authority seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall not be dismissed within ninety (90) days; or (ii) an order for relief shall be entered against the Authority under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other state or federal laws concerning insolvency or of similar purpose; or (iii) there shall be commenced against the Authority any case, proceeding or other action seeking issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within ninety (90) days from the entry thereof; or (iv) the Authority shall

take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Authority shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as the same becomes due or (vi) a debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of the Authority shall be declared or imposed pursuant to a finding or ruling by the Authority, the United States of America, the State, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over the Authority; or

(c) Any Governmental Authority of competent jurisdiction shall declare a financial emergency or similar declaration with respect to the Authority and shall appoint or designate, with respect to the Authority, an entity such as an organization, a board, a commission, an authority, an agency or any other similar body to manage the affairs and operations of the Authority and such appointed entity has the authority to intercept or direct all or substantially all of the Proposition C Sales Tax; or

(d) The dissolution or termination of the existence of the Authority shall occur; or

(e) The Authority shall (i) default on the payment of the principal of or interest on any Senior Lien Bonds or other Parity and Senior Debt (whether by scheduled maturity, required redemption, required prepayment or acceleration or otherwise), beyond the period of grace, if any, provided in the instrument or agreement under which such Senior Lien Bonds or other Parity and Senior Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Senior Lien Bonds or other Parity and Senior Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Senior Lien Bonds or other Parity and Senior Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption, mandatory tender or mandatory prepayment of such Senior Lien Bonds or other Parity and Senior Debt; or

(f) The Authority shall fail to pay any Reimbursement Obligations or the principal of or interest on any Note when and as due; or

(g) Any Invalidity Event shall occur; or

(h) The occurrence of any event of default under Section 8.01(a), 8.01(b), 8.01(c), 8.01(e), 8.01(f) or 8.01(g) of the Subordinate Trust Agreement (which is not waived pursuant to the terms thereof); or

(i) Any default or other event shall occur under any indenture, agreement or other instrument pursuant to which any Senior Lien Bonds or other Parity and Senior Debt were issued and such default or other event shall continue for a period of time

sufficient to permit the acceleration of the maturity or mandatory tender for purchase (resulting in the same being due and payable on the purchase date) or mandatory redemption or mandatory prepayment of such Senior Lien Bonds or other Parity and Senior Debt prior to maturity (whether or not any such Senior Lien Bonds or other Parity and Senior Debt are in fact accelerated or subject to mandatory tender for purchase or mandatory redemption or mandatory prepayment); or

(j) The Authority shall fail to pay any Obligation when due (other than as provided in Section 10.01(f) hereof) and such failure shall continue for five (5) days after the Authority has received written notice from the Lender that any such amount was not paid when and as due; or

(k) Any material representation or warranty made by or on behalf of the Authority in this Agreement (including, without limitation, representation and warranties incorporated herein by reference) or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered; or

(l) The Authority shall default in the due performance or observance of any of the covenants set forth in Section 8.01(g), (j), (l), (o), (p) or (q) hereof or Section 9.01(b), (c), (d), (e), (f), (g) or (h) hereof; or

(m) The Authority shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document (other than defaults specifically addressed in this Section 10.01) and such default shall remain unremedied for a period of thirty (30) days after written notice thereof shall have been received by the Authority from the Lender; or

(n) The existence of one or more final, non-appealable judgments, attachments or levies against the Authority for the payment of money payable out of Pledged Revenues ranking senior to or on parity with the Subordinate Obligations, the operation or result of which, individually or in the aggregate, equals or exceed \$15,000,000, and such judgment, attachment or levy shall remain unpaid or the lien created thereby shall remain unsatisfied, undischarged or unbonded (by property other than any of the Pledged Revenues) for a period of sixty (60) days; or

(o) Any Incipient Invalidity Event shall occur; or

(p) Any of Moody's, Fitch (if Fitch is then rating Debt of the Authority) or S&P either (i) withdraw or suspend the long-term unenhanced underlying rating of any Senior Lien Bonds, Senior Parity Debt or Parity and Senior Debt for credit related reasons, or (ii) reduce the long-term underlying rating of any Senior Lien Bonds, Senior Parity Debt, or Parity and Senior Debt below the Ratings Threshold; or

(q) The occurrence of any event of default under the Senior Lien Trust Agreement or the Trust Agreement (other than as specified in Section 10.01(h) hereof) (which is not waived pursuant to the terms thereof) or any event of default or termination

under any other Related Document (which is not waived pursuant to the terms thereof) which is not otherwise described in this Section 10.01; or

(r) Any Lien created by this Agreement or the Trust Agreement or any other Related Document in favor of, or for the benefit of, the Lender shall at any time or for any reason (except as expressly permitted to be released by the terms of such governing document) not constitute a valid Lien; or

(s) Any other material provision of this Agreement or any other Related Document (other than a provision described in the definitions of Invalidity Event or Incipient Invalidity Event) shall at any time for any reason cease to be valid and binding on the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Authority; or

(t) The Authority shall issue any Senior Lien Bonds, Senior Parity Debt or Subordinate Obligations and the Pledged Taxes collected for any 12 consecutive months out of the 18 consecutive months immediately preceding such issuance was less than 125% of Projected Maximum Total Annual Debt Service for all Senior Lien Bonds, Senior Parity Debt and Subordinate Obligations which are outstanding after such issuance; or

(u) There shall be a failure on the part of the Board of Equalization (or any successor to the functions of the Board of Equalization) to collect the Proposition C Sales Tax, or the Proposition C Sales Tax shall be repealed or reduced in percentage or the basis on which the tax is imposed or computed is modified and such repeal, modification or reduction has not been enjoined or stayed by a court of law or equity, in any such case, with the effect of lowering Pledged Revenues to less than 125% of the debt service on all outstanding Senior Lien Bonds, Senior Parity Debt and Subordinate Obligations, or the Authority diverts or attempts to divert the Pledged Tax for any use prior to the deposit of the Pledged Tax into the funds and accounts held by the Senior Lien Trustee or the Trustee, or there is created a lien on or a charge against the Net Pledged Revenues or the funds and accounts held by Trustee for the benefit of all the owners of Subordinate Obligations and the Lender, which lien or charge is prior to or on a parity with that granted to secure the Subordinate Obligations, except to the extent permitted by the Trust Agreement; or

(v) As of any January 1, March 31, July 1 or September 30, the ratio of (i) Annual Historical Proposition C Sales Tax Receipts to (ii) Annual Historical Proposition C Debt Service Payments (excluding any termination payment under any Swap Contract paid by the Authority during such Fiscal Year and any principal maturities of commercial paper notes issued under the Subordinate Trust Agreement and maturing during such Fiscal Year if such principal maturities are paid with the proceeds of (x) "rollover" commercial paper notes issued pursuant to the Subordinate Trust Agreement during such Fiscal Year or (y) a draw under a credit or liquidity facility) (such ratio and any ratio of



similar effect are referred to herein as a “*Historical Debt Service Coverage Ratio*”) shall be less than 1.30 to 1.00. In the event the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which Bank Agreement provides such Person with a covenant that requires the Authority to maintain a Historical Debt Service Coverage Ratio greater than 1.30 to 1.00 (such greater Historical Debt Service Coverage Ratio herein referred to as the “*Modified Minimum Historical Debt Service Coverage Ratio*”), or that it will constitute an event of default under such Bank Agreement if such Historical Debt Service Ratio as of any stated date of determination provided for in such Bank Agreement is less than the Modified Minimum Historical Debt Service Coverage Ratio, then so long as such Bank Agreement remains in effect, it shall be an Event of Default hereunder if as of any January 1, March 31, July 1 or September 30, the Historical Debt Service Coverage Ratio is less than the Modified Minimum Historical Debt Service Coverage Ratio.

*Section 10.02. Rights and Remedies upon Default.* Upon the occurrence of an Event of Default hereunder, the Lender may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) (i) by written notice to the Authority, declare the outstanding amount of the Obligations under this Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(ii) deliver a written notice to the Trustee and the Authority that an Event of Default has occurred and is continuing and direct the Trustee and the Authority, as applicable, to cause a mandatory redemption of the Notes or take such other remedial action as is provided for in the Trust Agreement;

(iii) by written notice to the Authority, reduce the Available Commitment to zero and thereafter the Lender will have no further obligation to make Advances hereunder and/or terminate the Commitment;

(iv) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Authority under the Related Documents, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to the Lender in the Related Documents;

(v) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; provided, however, that the Lender shall have no obligation to effect such a cure; and

(vi) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in clause (ii) of this Section 10.02(a)) and as otherwise available at law and at equity.

(b) Notwithstanding the provisions of Section 10.02(a)(i) or 10.02(a)(ii), (x) the Lender shall not declare the outstanding amount of the Obligations under this Agreement to be immediately due and payable or cause a mandatory redemption of the Notes as described in Section 10.02(a)(i) or 10.02(a)(ii) until seven (7) days after the occurrence of an Event of Default specified in Section 10.01(a), 10.01(b), 10.01(c), 10.01(d), 10.01(e), 10.01(f), 10.01(g) or 10.01(h) hereof and (y) the Lender shall notify the Authority of mandatory redemption of the Notes at least two hundred seventy (270) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (x). Notwithstanding the foregoing sentence of this Section 10.02(b), if any other holder or credit enhancer of Debt or any counterparty under any Swap Contract related thereto causes any such Debt or other obligations of the Authority to become immediately due and payable, the Lender may immediately, without notice, avail itself of the remedies set forth in Section 10.02(a) hereof and/or declare or cause to be declared the unpaid principal amount of all outstanding Notes, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

*Section 10.03. No Waiver.* No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No delay or omission by the Lender in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Lender or to be acquiescence therein. No express or implied waiver by the Lender of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

*Section 10.04. Discontinuance of Proceedings.* In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the Authority and the Lender shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked.

## ARTICLE XI

### MISCELLANEOUS

*Section 11.01. Evidence of Debt.* The Lender shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each Advance, each Revolving Loan and each Term Loan made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or

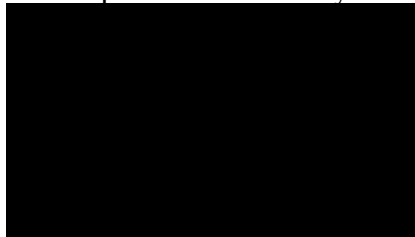
proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded.

*Section 11.02. Amendments and Waivers.* No amendment or waiver of any provision of this Agreement nor consent to any departure by the parties hereto shall in any event be effective unless the same shall be in writing and signed by such parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

*Section 11.03. Addresses for Notices.* Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be mailed by first class mail, registered or certified, return receipt requested, or express mail, postage prepaid, or sent by telex, telegram, telecopy or other similar form of rapid transmission confirmed by mailing (by first class mail, registered or certified, return receipt requested, or express mail, postage prepaid) written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth below, or as to each party at such other address or numbers as shall be designated by such party in a written notice to the other parties.

The Authority:

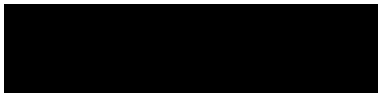
Los Angeles County Metropolitan  
Transportation Authority



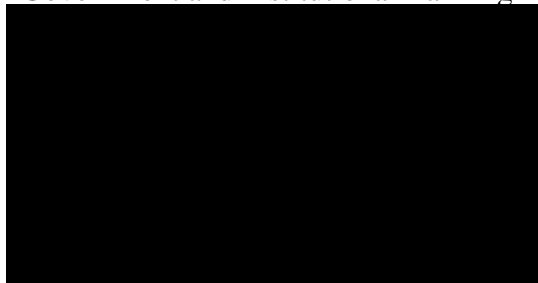
The Lender:

*With respect to Credit Matters:*

Wire Instructions:

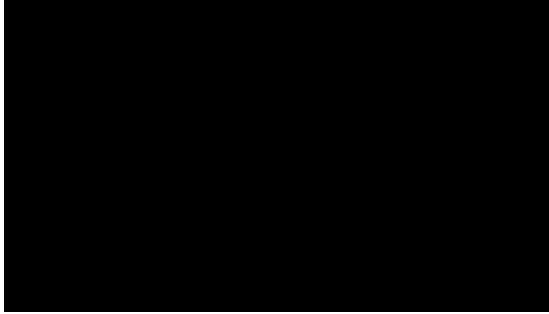


Wells Fargo Bank, National Association  
Government and Institutional Banking



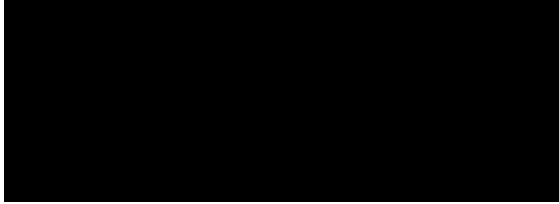
*With respect to Operational Matters:*

Wells Fargo Bank, National Association

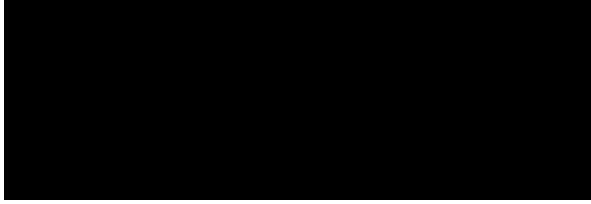


*With copies to:*

Wells Fargo Municipal Capital Strategies, LLC



Wells Fargo Municipal Capital Strategies, LLC



The Trustee:

U.S. Bank National Association



*Section 11.04. Survival of This Agreement.* All covenants, agreements, representations and warranties made in this Agreement shall survive the extension by the Lender of the Commitment and shall continue in full force and effect so long as the Commitment shall be unexpired or any sums drawn or due thereunder or any other obligations shall be outstanding and unpaid, regardless of any investigation made by any Person and so long as any amount payable hereunder remains unpaid. The agreement of the Authority to indemnify the Lender and each Indemnatee under Section 6.02 hereof shall continue in full force and effect notwithstanding a

termination of the Commitment or the fulfillment of all Obligations. The obligations of the Authority under Sections 6.03 and 2.06(d) hereof shall also continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. Whenever in this Agreement the Lender is referred to, such reference shall be deemed to include the successors and assigns of the Lender and all covenants, promises and agreements by or on behalf of the Authority which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lender. The rights and duties of the Authority may not be assigned or transferred without the prior written consent of the Lender, and all obligations of the Authority hereunder shall continue in full force and effect notwithstanding any assignment by the Authority of any of its rights or obligations under any of the Related Documents or any entering into, or consent by the Authority to, any supplement or amendment to, or termination of, any of the Related Documents.

*Section 11.05. Severability.* Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 11.06. Governing Law; Waiver of Jury Trial; Jurisdiction and Venue.*

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

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

(c) EACH OF PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA AND ANY COURT IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH CALIFORNIA STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. THE PARTIES AGREE THAT A FINAL NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE AND AGREE NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THE RELATED DOCUMENTS OR THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS.

(d) In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

*Section 11.07. Successors and Assigns.*

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the Authority, its successors, transferees and assigns and shall inure to the benefit of the holders of the Notes and their respective permitted successors, transferees and assigns. The Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, Wells Fargo Bank, National Association may not assign its obligations to fund Advances and Loans pursuant to the terms of this Agreement without the prior written consent of the Authority (such consent not to be unreasonably withheld). Each Noteholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Note(s) and the other Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Noteholder to a Lender Transferee.* Without limitation of the foregoing generality, the Lender may at any time sell or otherwise transfer to one or more transferees all or a portion of the Note(s) to a Person that is (i) a Lender Affiliate or (ii) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “*qualified institutional buyers*” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Lender Transferee*”). From and after the date of such sale or transfer, Wells Fargo Bank, National Association (and its successors) shall continue to have all of the rights of the Lender hereunder and under the other Related Documents as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Lender hereunder, (B) any such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall be in a minimum amount of \$250,000, (C) the Authority and the Trustee shall be required to deal only with the Lender with respect to any matters under this Agreement and (D) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Lender shall be entitled to enforce the provisions of this Agreement against the Authority. Additionally, each Lender Transferee of all or a portion of the Note(s) shall be deemed to have acknowledged, represented, warranted and agreed with the Authority to all of the provisions set forth in the “*Noteholder Representations*” attached to the Notes. The Lender shall endeavor to provide written notice of such sale or transfer to the Authority and the Trustee for purposes of Section 2.04 of the Subordinate Trust Agreement. Upon the request of the Authority, the Lender shall provide the addresses and related information with respect to the Lender Transferee to the Authority.

Anything herein to the contrary notwithstanding, including without limitation Section 6.03 hereof, if any Lender Transferee shall incur increased costs or capital adequacy requirements as contemplated by Section 6.03 hereof, and such increased costs or capital adequacy requirements are greater than those that the Lender would have incurred had it not sold or otherwise transferred all or a portion of the Note(s) to such Lender Transferee provided for in this Section 11.07(b), then the Authority shall not be obligated to pay to such Lender Transferee any portion of the cost greater than that which the Authority would have paid under the provisions of Section 6.03 hereof had the Lender not sold or otherwise transferred all or a portion of the Note(s) to a Lender Transferee.

(c) *Sales and Transfers by Noteholder to a Non-Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or a portion of the Note(s) to one or more transferees which are not Lender Transferees but each of which constitutes (i) a “*qualified institutional buyer*” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “*Non-Lender Transferee*”), if written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have

been given to the Authority, the Trustee and the Lender (if different than the Noteholder) by such selling Noteholder and Non-Lender Transferee; provided, however, that (x) in any such case the Authority and the Trustee shall be required to deal only with the Lender with respect to any matters under this Agreement and (y) any such sale or transfer shall be in a minimum amount of \$250,000. Additionally, each Non-Lender Transferee of all or a portion of the Note(s) shall be deemed to have acknowledged, represented, warranted and agreed with the Authority to all of the provisions set forth in the “Noteholder Representations” attached to the Notes. The Lender shall endeavor to provide written notice of such sale or transfer to the Authority and the Trustee for purposes of Section 2.04 of the Subordinate Trust Agreement.

From and after the date the Authority and the Trustee have received written notice, (A) the Non-Lender Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder (other than its obligation to fund Advances and Loans, as more fully set forth in paragraph (a) of this Section 11.07) hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Lender Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Lender Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents (other than its obligation to fund Advances and Loans, as more fully set forth in paragraph (a) of this Section 11.07); provided, however, that in any such case the Authority and the Trustee shall be required to deal only with the Lender with respect to any matters under this Agreement.

Anything herein to the contrary notwithstanding, including without limitation Section 6.03 hereof, if any Non-Lender Transferee shall incur increased costs or capital adequacy requirements as contemplated by Section 6.03 hereof, and such increased costs or capital adequacy requirements are greater than those that the Lender would have incurred had all or a portion of the Note(s) not been sold or otherwise transferred to such Non-Lender Transferee provided for in this Section 11.07(c), then the Authority shall not be obligated to pay to such Non-Lender Transferee any portion of the cost greater than that which the Authority would have paid under the provisions of Section 6.03 hereof had all or a portion of the Note(s) not been sold or otherwise transferred to such Lender Transferee.

(d) *Participations.* The Lender shall have the right to grant participations in all or a portion of the Lender’s interest in the Notes, this Agreement and the other Related Documents to one or more other banking institutions; provided, however, that (i) no such participation by any such participant shall in any way affect the obligations of the Lender hereunder and (ii) the Authority and the Trustee shall be required to deal only with the Lender, with respect to any matters under this Agreement, the Notes and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the Authority.



Anything herein to the contrary notwithstanding, including without limitation Section 6.03 hereof, if any Participant shall incur increased costs or capital adequacy requirements as contemplated by Section 6.03 hereof, and such increased costs or capital adequacy requirements are greater than those that the Lender would have incurred had it not granted a participation interest as provided for in this Section 11.07(d), then the Authority shall not be obligated to pay to such Participant any portion of the cost greater than that which the Authority would have paid under the provisions of Section 6.03 hereof had the Lender not granted such participation interest.

(e) *Certain Pledges.* The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Notes, this Agreement and the other Related Documents to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

*Section 11.08. No Setoff.* Notwithstanding anything to the contrary contained herein, the Lender, any Participant and any Noteholder hereby agrees that it will not assert any of its statutory or common law rights of setoff as the depository bank of the Authority in connection with the collection or repayment of any of the Obligations or any other obligation of the Authority owing to the Lender, any Participant or any Noteholder under this Agreement or the other Related Documents.

*Section 11.09. Headings.* Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

*Section 11.10. Counterparts.* This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, taken together, shall constitute but one and the same Agreement. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

*Section 11.11. Patriot Act.* The Lender hereby notifies the Authority that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Lender to identify the Authority in accordance with the Patriot Act. The Authority hereby agrees that it shall promptly provide such information upon request by the Lender.

The Authority 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 Department 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 Authority or from otherwise conducting business with the Authority and (b) to ensure that the proceeds of the Drawings and Liquidity Advances 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 11.12. Arm's Length Transaction.* The transaction described in this Agreement is an arm's length, commercial transaction between the Authority and the Bank in which: (a) the Bank is acting solely as a principal (i.e., as a lender) and for its own interest; (b) the Bank is not acting as a municipal advisor or financial advisor to the Authority; (c) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Authority with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Authority on other matters); (d) the only obligations the Bank has to the Authority with respect to this transaction are set forth in this Agreement; and (e) the Bank is not recommending that the Authority take an action with respect to the transaction described in this Agreement and the other Related Documents, and before taking any action with respect to the this transaction, the Authority should discuss the information contained herein with the Authority's own legal, accounting, tax, financial and other advisors, as the Authority deems appropriate.

*Section 11.13. 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 Authority acknowledges and agrees, that: (a) the Authority has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (b) the Authority is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Revolving Credit Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY



WELLS FARGO BANK, NATIONAL  
ASSOCIATION

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

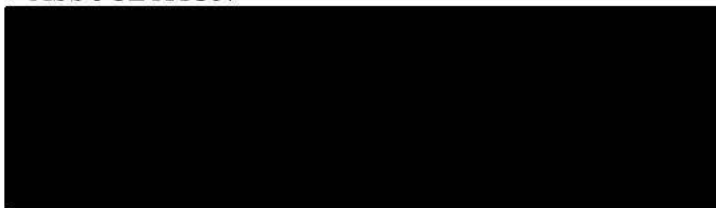
*[Signature page to Amended and Restated  
Revolving Credit Agreement]*

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Revolving Credit Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By \_\_\_\_\_  


WELLS FARGO BANK, NATIONAL  
ASSOCIATION



*[Signature page to Amended and Restated  
Revolving Credit Agreement]*

**EXHIBIT A-1**

**[FORM OF TAX-EXEMPT LIBOR NOTE]**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.07 OF THE HEREIN DEFINED AGREEMENT AND IN THE "NOTEHOLDER REPRESENTATIONS" ATTACHED HERETO.

**Los Angeles County Metropolitan Transportation Authority  
Subordinate Proposition C Sales Tax Revenue Revolving Obligations  
Tax-Exempt LIBOR Note**

Dated: March 29, 2016

CUSIP NO. 54466H CK0

For value received, the Los Angeles County Metropolitan Transportation Authority (the "Authority") promises to pay to the order of Wells Fargo Bank, National Association, and its successors and assigns (the "Lender"), located at [REDACTED] the aggregate unpaid principal amount of all Tax-Exempt LIBOR Revolving Loans and Tax-Exempt LIBOR Term Loans made by the Lender from time to time pursuant to the Amended and Restated Revolving Credit Agreement, dated as of March 1, 2016 (together with any amendments or supplements thereto, the "Agreement"), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Tax-Exempt LIBOR Revolving Loans and Tax-Exempt LIBOR Term Loans on the dates and at the rates provided for in the Agreement. All payments of principal and interest shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is the Tax-Exempt LIBOR Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Tax-Exempt LIBOR Revolving Loans and Tax-Exempt LIBOR Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Subordinate Trust Agreement, dated as of June 1, 1993 (the “*Subordinate Trust Agreement*”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “*Trustee*”), as amended from time to time in accordance with the terms thereof, and that certain Second Supplemental Subordinate Trust Agreement dated as of April 1, 2013, as amended (the “*Second Supplemental Subordinate Trust Agreement*,” and together with the Subordinate Trust Agreement, the “*Trust Agreement*”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Trust Agreement.

This Note is payable solely from the Net Pledged Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Net Pledged Revenues.

NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE COUNTY OF LOS ANGELES, THE STATE OR ANY POLITICAL SUBDIVISION OR ANY PUBLIC AGENCY, OTHER THAN THE AUTHORITY TO THE EXTENT OF THE NET PLEDGED REVENUES, IS PLEDGED TO THE PAYMENT OF THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN BONDS AND THE FUNDING OF RESERVES FOR THE SENIOR LIEN BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE PLEDGED REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

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

**CERTIFICATE OF AUTHENTICATION**

This Note is a Subordinate Obligation, as defined in the Trust Agreement, and a Revolving Obligation, as defined in the Second Supplemental Subordinate Trust Agreement.

Date of Authentication: March 29, 2016

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Signatory

## NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:
  - (a) a Lender Transferee, such Noteholder is either (i) a Lender Affiliate or (ii) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act; or
  - (b) a Non-Lender Transferee, such Noteholder is (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, as of the date of transfer, of not less than \$5,000,000,000.
2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.
3. The Noteholder is able to bear the economic risks of an investment in this Note.
4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.
5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.
6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.
7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer



or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

**TRANSACTIONS**

**ON**

**Los Angeles County Metropolitan Transportation Authority  
Subordinate Proposition C Sales Tax Revenue Revolving Obligations  
Tax-Exempt LIBOR Note**

<u>Date</u>	<u>Tax-Exempt Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Date to Which Interest Paid</u>	<u>Notations Made by:</u>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Please insert Social Security or

Taxpayer Identification Number of Transferee

\_\_\_\_\_  
/ \_\_\_\_\_ /

\_\_\_\_\_  
(Please print or typewrite name and address, including zip code, of Transferee)

\_\_\_\_\_  
the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

\_\_\_\_\_  
NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

**EXHIBIT A-2**

**[FORM OF TAX-EXEMPT SIFMA NOTE]**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.07 OF THE HEREIN DEFINED AGREEMENT AND IN THE "NOTEHOLDER REPRESENTATIONS" ATTACHED HERETO.

**Los Angeles County Metropolitan Transportation Authority  
Subordinate Proposition C Sales Tax Revenue Revolving Obligations  
Tax-Exempt SIFMA Note**

Dated: March 29, 2016

CUSIP NO. 54466H CL8

For value received, the Los Angeles County Metropolitan Transportation Authority (the "Authority") promises to pay to the order of Wells Fargo Bank, National Association, and its successors and assigns (the "Lender"), located at [REDACTED] the aggregate unpaid principal amount of all Tax-Exempt SIFMA Revolving Loans and Tax-Exempt SIFMA Term Loans made by the Lender from time to time pursuant to the Amended and Restated Revolving Credit Agreement, dated as of March 1, 2016 (together with any amendments or supplements thereto, the "Agreement"), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Tax-Exempt SIFMA Revolving Loans and Tax-Exempt SIFMA Term Loans on the dates and at the rates provided for in the Agreement. All payments of principal and interest shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is the Tax-Exempt SIFMA Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Tax-Exempt SIFMA Revolving Loans and Tax-Exempt SIFMA Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Subordinate Trust Agreement, dated as of June 1, 1993 (the “*Subordinate Trust Agreement*”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “*Trustee*”), as amended from time to time in accordance with the terms thereof, and that certain Second Supplemental Subordinate Trust Agreement dated as of April 1, 2013, as amended (the “*Second Supplemental Subordinate Trust Agreement*,” and together with the Subordinate Trust Agreement, the “*Trust Agreement*”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Trust Agreement.

This Note is payable solely from the Net Pledged Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Net Pledged Revenues.

NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE COUNTY OF LOS ANGELES, THE STATE OR ANY POLITICAL SUBDIVISION OR ANY PUBLIC AGENCY, OTHER THAN THE AUTHORITY TO THE EXTENT OF THE NET PLEDGED REVENUES, IS PLEDGED TO THE PAYMENT OF THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN BONDS AND THE FUNDING OF RESERVES FOR THE SENIOR LIEN BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE PLEDGED REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

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

**CERTIFICATE OF AUTHENTICATION**

This Note is a Subordinate Obligation, as defined in the Trust Agreement, and a Revolving Obligation, as defined in the Second Supplemental Subordinate Trust Agreement.

Date of Authentication: March 29, 2016

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Signatory

## NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:
  - (a) a Lender Transferee, such Noteholder is either (i) a Lender Affiliate or (ii) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act; or
  - (b) a Non-Lender Transferee, such Noteholder is (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, as of the date of transfer, of not less than \$5,000,000,000.
2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.
3. The Noteholder is able to bear the economic risks of an investment in this Note.
4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.
5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.
6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.
7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer

or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.



**TRANSACTIONS**

**ON**

**Los Angeles County Metropolitan Transportation Authority  
Subordinate Proposition C Sales Tax Revenue Revolving Obligations  
Tax-Exempt SIFMA Note**

<u>Date</u>	<u>Tax-Exempt Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Date to Which Interest Paid</u>	<u>Notations Made by:</u>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Please insert Social Security or

Taxpayer Identification Number of Transferee

\_\_\_\_\_  
/ \_\_\_\_\_ /

\_\_\_\_\_  
(Please print or typewrite name and address, including zip code, of Transferee)

\_\_\_\_\_  
the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

\_\_\_\_\_  
NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

**EXHIBIT A-3**

**[FORM OF TAXABLE NOTE]**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.07 OF THE HEREIN DEFINED AGREEMENT AND IN THE "NOTEHOLDER REPRESENTATIONS" ATTACHED HERETO.

**Los Angeles County Metropolitan Transportation Authority  
Subordinate Proposition C Sales Tax Revenue Revolving Obligations  
Taxable Note**

Dated: March 29, 2016

CUSIP NO. 54466H CM6

For value received, the Los Angeles County Metropolitan Transportation Authority (the "*Authority*") promises to pay to the order of Wells Fargo Bank, National Association, and its successors and assigns (the "*Lender*"), located at [REDACTED] the aggregate unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans made by the Lender from time to time pursuant to the Amended and Restated Revolving Credit Agreement, dated as of March 1, 2016 (together with any amendments or supplements thereto, the "*Agreement*"), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans on the dates and at the rates provided for in the Agreement. All payments of principal and interest shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

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

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Taxable Revolving Loans and Taxable Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Subordinate Trust Agreement, dated as of June 1, 1993 (the "*Subordinate Trust Agreement*"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "*Trustee*"), as amended from time to time in accordance

with the terms thereof, and that certain Second Supplemental Subordinate Trust Agreement dated as of April 1, 2013, as amended (the “*Second Supplemental Subordinate Trust Agreement*,” and together with the Subordinate Trust Agreement, the “*Trust Agreement*”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Trust Agreement.

This Note is payable solely from the Net Pledged Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Net Pledged Revenues.

NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE COUNTY OF LOS ANGELES, THE STATE OR ANY POLITICAL SUBDIVISION OR ANY PUBLIC AGENCY, OTHER THAN THE AUTHORITY TO THE EXTENT OF THE NET PLEDGED REVENUES, IS PLEDGED TO THE PAYMENT OF THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN BONDS AND THE FUNDING OF RESERVES FOR THE SENIOR LIEN BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE PLEDGED REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

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

**CERTIFICATE OF AUTHENTICATION**

This Note is a Subordinate Obligation, as defined in the Trust Agreement, and a Revolving Obligation, as defined in the Second Supplemental Subordinate Trust Agreement.

Date of Authentication: March 29, 2016

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Signatory

## NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:
  - (a) a Lender Transferee, such Noteholder is either (i) a Lender Affiliate or (ii) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act; or
  - (b) a Non-Lender Transferee, such Noteholder is (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, as of the date of transfer, of not less than \$5,000,000,000.
2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.
3. The Noteholder is able to bear the economic risks of an investment in this Note.
4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.
5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.
6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.
7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer

or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

**TRANSACTIONS**

**ON**

**Los Angeles County Metropolitan Transportation Authority  
Subordinate Proposition C Sales Tax Revenue Revolving Obligations  
Taxable Note**

<u>Date</u>	<u>Taxable Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Date to Which Interest Paid</u>	<u>Notations Made by:</u>
-------------	------------------------------------	----------------------	-------------------------------------	--	-------------------------------



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Please insert Social Security or

Taxpayer Identification Number of Transferee

\_\_\_\_\_  
/ \_\_\_\_\_ /

\_\_\_\_\_  
(Please print or typewrite name and address, including zip code, of Transferee)

\_\_\_\_\_  
the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

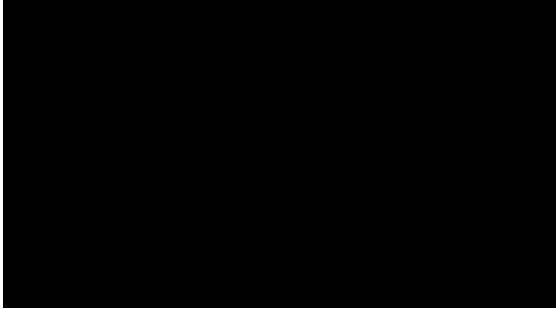
\_\_\_\_\_  
NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

**EXHIBIT B**

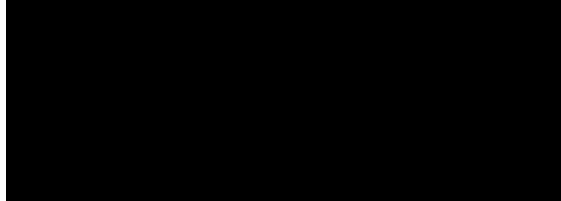
**[FORM OF REQUEST FOR ADVANCE]**

**REQUEST FOR ADVANCE AND REVOLVING LOAN**

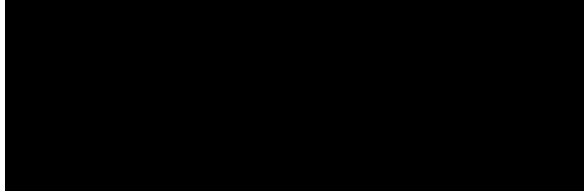
Wells Fargo Bank, National Association



Wells Fargo Municipal Capital Strategies, LLC



Wells Fargo Municipal Capital Strategies, LLC



Ladies and Gentlemen:

The undersigned, a Designated Representative, refers to the Amended and Restated Revolving Credit Agreement, dated as of March 1, 2016 (together with any amendments or supplements thereto, the “*Agreement*”), by and between the Los Angeles County Metropolitan Transportation Authority (the “*Authority*”) and Wells Fargo Bank, National Association (the “*Lender*”) (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.03 of the Agreement, that the Lender make an Advance under the Agreement, and in that connection sets forth below the following information relating to such Advance (the “*Proposed Advance*”):

1. The Business Day of the Proposed Advance is \_\_\_\_\_, 20\_\_ (the “*Advance Date*”), which is at least three London Business after the date hereof.
  
2. The principal amount of the Proposed Advance is \$\_\_\_\_\_, which is not greater than the Available Commitment as of the Advance Date set forth in 1 above.

3. The aggregate amount of the Proposed Advance shall be used solely for the payment of **[Costs of a Project]** or **[costs of issuance in connection with this Agreement]** or **[any other purpose permitted under the Act]**.

4. The Proposed Advance shall be a **[Tax-Exempt LIBOR Revolving Loan]** **[Tax-Exempt SIFMA Revolving Loan]** **[Taxable Revolving Loan]** and the interest rate with respect to the Proposed Advance shall be **[the Tax-Exempt LIBOR Rate]** **[the Tax-Exempt SIFMA Rate]** **[the Taxable LIBOR Rate]**.

5. **[For a Proposed Advance that will bear interest at the Tax-Exempt LIBOR Rate or the Tax-Exempt SIFMA Rate:]** The principal amount of the Proposed Advance set forth in 2 above does not exceed the Tax-Exempt Loan Commitment as of the Advance Date set forth in 1 above.

**[For a Proposed Advance that will bear interest at the Taxable LIBOR Rate:]** The principal amount of the Proposed Advance set forth in 2 above does not exceed the Taxable Loan Commitment as of the Advance Date set forth in 1 above.

6. After giving effect to the Proposed Advance, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed the Available Commitment. After giving effect to the Proposed Advance, the aggregate principal amount of all Tax-Exempt Revolving Loans outstanding under the Agreement will not exceed the Tax-Exempt Loan Commitment as of the Advance Date set forth in 1 above. After giving effect to the Proposed Advance, the aggregate principal amount of all Taxable Revolving Loans outstanding under the Agreement will not exceed the Taxable Loan Commitment as of the Advance Date set forth in 1 above.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Advance Date, before and after giving effect thereto:

(a) the undersigned is a Designated Representative;

(b) the representations and warranties of the Authority set forth in Article VII of the Agreement and in each other Related Document shall be true and correct in all material respects on the date hereof and on such Advance Date as though made on the date hereof and on the date of Advance Date;

(c) no Default or Event of Default shall have occurred and be continuing on such Advance Date; and

(d) no Material Adverse Change shall have occurred on or before such Advance Date.

The Proposed Advance shall be made by the Lender by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Very truly yours,

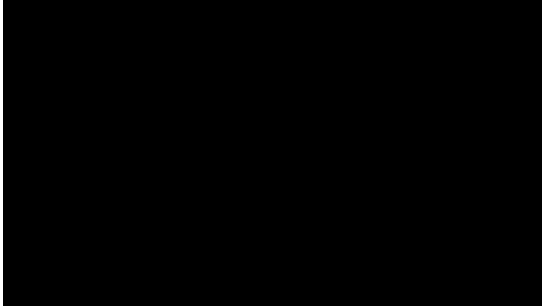
LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

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

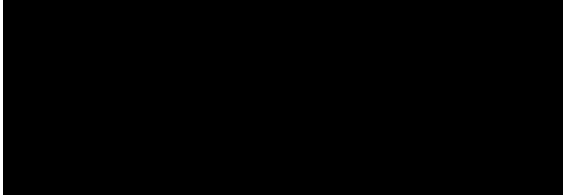
**EXHIBIT C**  
**[FORM OF REQUEST FOR EXTENSION]**  
**REQUEST FOR EXTENSION**

[Date]

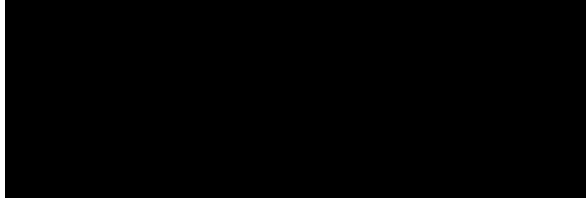
Wells Fargo Bank, National Association



Wells Fargo Municipal Capital Strategies, LLC



Wells Fargo Municipal Capital Strategies, LLC



Ladies and Gentlemen:

Reference is made to the Amended and Restated Revolving Credit Agreement dated as of March 1, 2016 (together with any amendments or supplements thereto, the “*Agreement*”) by and between the undersigned, the Los Angeles County Metropolitan Transportation Authority (the “*Authority*”) and Wells Fargo Bank, National Association (the “*Lender*”). All terms defined in the Agreement are used herein as defined therein.

The Authority hereby requests, pursuant to Section 2.08 of the Agreement, that the Commitment Expiration Date with respect to the Available Commitment as of the date hereof be extended by one year to \_\_\_\_\_, \_\_\_\_\_. Pursuant to such Section 2.08, we have enclosed with this request the following information:

1. A reasonably detailed description of any and all Defaults that have occurred and are continuing;

2. Confirmation that all representations and warranties of the Authority as set forth in Article VII of the Agreement and each Related Document are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing on the date hereof; and

3. Any other pertinent information previously requested by the Lender.

The Lender is asked to notify the Authority of its decision with respect to this request within 60 days of the date of receipt hereof. If the Lender fails to notify the Authority of the Lender's decision within such 60 day period, the Lender shall be deemed to have rejected such request.

Very truly yours,

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

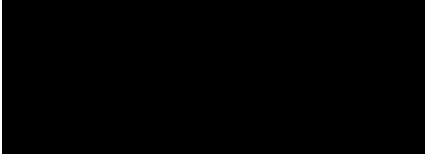
By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**EXHIBIT D**

**[FORM OF NOTICE OF TERMINATION]**

**NOTICE OF TERMINATION**

Los Angeles County Metropolitan Transportation Authority



Ladies and Gentlemen:

We refer to the Amended and Restated Revolving Credit Agreement dated as of March 1, 2016 (together with any amendments or supplements thereto, the “*Agreement*”) by and between the Los Angeles County Metropolitan Transportation Authority (the “*Authority*”) and the undersigned, Wells Fargo Bank, National Association. Any term below which is defined in the Agreement shall have the same meaning when used herein.

We hereby notify you that an Event of Default has occurred under Section 10.01\_\_ of the Agreement. As a result, unless and until you have been advised otherwise by us:

1. The Available Commitment **[has been automatically]/[is hereby]** reduced to \$0.00 and the Lender has no further obligation to make Advances under the Agreement; and
2. The Commitment **[has been automatically]/[is]** terminated and will no longer be reinstated.

IN WITNESS WHEREOF, we have executed and delivered this Notice as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Very truly yours,

WELLS FARGO BANK, NATIONAL  
ASSOCIATION

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

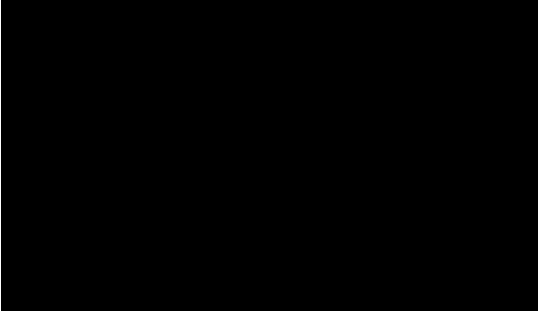
**EXHIBIT E**

**[FORM OF NOTICE OF TERMINATION OR REDUCTION]**

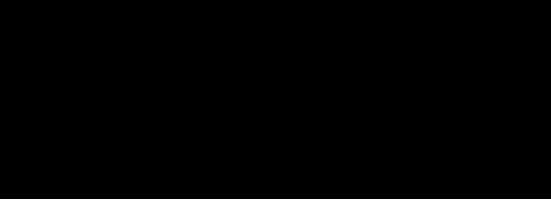
**NOTICE OF TERMINATION OR REDUCTION**

[Date]

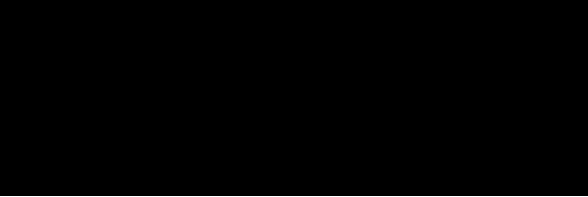
Wells Fargo Bank, National Association



Wells Fargo Municipal Capital Strategies, LLC



Wells Fargo Municipal Capital Strategies, LLC



Re: Amended and Restated Revolving Credit Agreement dated as of March 1, 2016

Ladies and Gentlemen:

The Los Angeles County Metropolitan Transportation Authority (the “*Authority*”), through its undersigned, an Authorized Representative, hereby certifies to Wells Fargo Bank, National Association (the “*Lender*”), with reference to the Amended and Restated Revolving Credit Agreement dated as of March 1, 2016 (together with any amendments or supplements thereto, the “**Agreement**”) by and between the Authority and the Lender (the terms defined therein and not otherwise defined herein being used herein as therein defined):

**[(1) The Authority hereby informs you that the Commitment is terminated in accordance with the Agreement.]**

OR



**[(1) The Authority hereby informs you that the Available Commitment is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on \_\_\_\_\_.]**

IN WITNESS WHEREOF, the Authority has executed and delivered this Notice this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

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

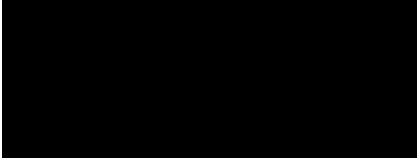
**EXHIBIT F**

**[FORM OF NOTICE OF REDUCTION]**

**NOTICE OF REDUCTION**

[Date]

Los Angeles County Metropolitan Transportation Authority



Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.07(a) of the Amended and Restated Revolving Credit Agreement, dated as of March 1, 2016, by and between the undersigned, the Los Angeles County Metropolitan Transportation Authority (the “*Authority*”) and Wells Fargo Bank, National Association (the “*Lender*”) (the terms defined therein being used herein as therein defined), the Available Commitment is reduced from **[insert amount as of the date of Certificate]** to **[insert new amount]**, such reduction to be effective on \_\_\_\_\_.

Very truly yours,

WELLS FARGO BANK, NATIONAL  
ASSOCIATION

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

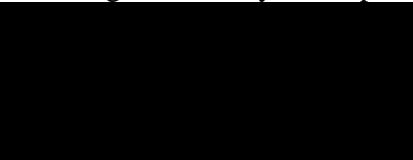
**EXHIBIT G**

**[FORM OF NOTICE OF EXTENSION]**

**NOTICE OF EXTENSION**

[Date]

Los Angeles County Metropolitan Transportation Authority



Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.08 of the Amended and Restated Revolving Credit Agreement, dated as of March 1, 2016 (the “*Agreement*”), by and between the Los Angeles County Metropolitan Transportation Authority (the “*Authority*”) and the undersigned, Wells Fargo Bank, National Association (the “*Lender*”) (the terms defined therein being used herein as therein defined), the Commitment Expiration Date with respect to the Commitment as of the date hereof shall be extended \_\_\_\_ to \_\_\_\_\_, \_\_\_\_\_. Your acknowledgment hereof shall be deemed to be your representation and warranty that all your representations and warranties contained in Article VII of the Agreement and each other Related Document are true and correct and will be true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

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

Acknowledged as of \_\_\_\_\_, \_\_\_\_\_ by

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

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