

Support Material Agenda Item No. 5

General Policy Committee Meeting

**August 14, 2019
9:00 AM**

Location:

San Bernardino County Transportation Authority
First Floor Lobby Board Room
Santa Fe Depot, 1170 W. 3rd Street
San Bernardino, CA 92410

DISCUSSION CALENDAR

Administrative Matters

5. Bank Credit Services Contract Award

The following documents are included in this packet:

- ii. Commercial Paper Indenture*
- iii. Contract No. 20-1002269 US Bank Issuing and Payment Fees*
- iv. Contract No. 19-1002086 Barclays Loan and Interest
Contract No. 20-1002256 Barclays Fee Agreement*
- v. Contract No. 19-1002122 BofA Dealer A
Contract No. 19-1002123 RBC Dealer B*
- vi. Commercial Paper Offering Memorandum*

SUBORDINATE INDENTURE

between

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of September 1, 2019

RELATING TO THE
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
COMMERCIAL PAPER NOTES
(LIMITED TAX BONDS)

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INDENTURE

This SUBORDINATE INDENTURE, dated as of September 1, 2019 (the “Indenture”), between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY, a public entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Authority is a county transportation authority duly organized and existing pursuant to the San Bernardino County Transportation Authority Consolidation Act of 2017, being Chapter 7 of Division 12 of the Public Utilities Code of the State of California (Section 130800 *et seq.*) (as amended from time to time hereafter, the “Authority Act”);

WHEREAS, the Authority is authorized pursuant to the Local Transportation Authority and Improvement Act (as amended from time to time hereafter, the “Transportation Act”), being Chapter 5 of Division 19 of the Public Utilities Code of the State of California (Section 180000 *et seq.*) to, among other things, and with voter approval, levy a retail transactions and use tax in accordance with Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code (as amended from time to time hereafter, the “Sales Tax Law”) and to issue limited tax bonds payable from the proceeds of such tax;

WHEREAS, the Authority adopted Ordinance No. 89-1, named the “Transportation Expenditure Plan and Retail Transactions and Use Tax Ordinance” (as further amended and supplemented, “Ordinance No. 89-1”), on August 2, 1989, pursuant to the provisions of the Transportation Act, which Ordinance No. 89-1 provided for the imposition of a retail transactions and use tax (the “Sales Tax”) applicable in the incorporated and unincorporated territory of the County of San Bernardino (the “County”) in accordance with Chapter 5 of the Transportation Act and the Sales Tax Law at the rate of one-half of one percent (1/2%) for a period not to exceed twenty (20) years;

WHEREAS, by its terms, Ordinance No. 89-1 became effective at the close of the polls on November 7, 1989, the day of the election at which the proposition imposing the Sales Tax was approved by a majority vote of the electors voting on the measure, and the collection of the Sales Tax commenced on April 1, 1990;

WHEREAS, the Authority adopted Ordinance No. 04-01, named “An Ordinance Providing for the Continuation of a One-Half of One Percent Retail Transactions and Use Tax by the San Bernardino County Transportation Authority for Local Transportation Purposes and the Transportation Expenditure Plan” (the “Ordinance”) on June 2, 2004, pursuant to the provisions of the Transportation Act, which Ordinance provides for the continued imposition of the Sales Tax applicable in the incorporated and unincorporated territory of the County in accordance with the provisions of Chapter 5 of the Transportation Act and the Sales Tax Law at the rate of one-half of one percent (1/2%) for a period not to exceed thirty (30) years beginning April 1, 2010;

WHEREAS, the Ordinance became effective at the close of the polls on November 2, 2004, the day of the election at which the proposition providing for the continued imposition of the Sales Tax was approved by more than two-thirds of the electors voting on the measure;

WHEREAS, the Authority is authorized by the Ordinance and the Transportation Act to issue from time to time limited tax bonds authorized by voters concurrently with the approval of the Sales Tax, secured and payable in whole or in part from revenues of the Sales Tax ("Sales Tax Revenues"), in an aggregate principal amount at any one time outstanding not to exceed the estimated proceeds of the Sales Tax, as determined by the San Bernardino County Transportation Authority Expenditure Plan adopted as part of the Ordinance (including any subsequent amendments thereto, the "Expenditure Plan"), for capital outlay expenditures for transportation purposes as set forth in the Ordinance, including to carry out the transportation projects described in the Expenditure Plan;

WHEREAS, the Authority has determined to enter into this Indenture in order to provide for the issuance of certain commercial paper notes (the "Notes"), to establish and declare the terms and conditions upon which the Notes shall be issued and secured and to secure the payment of the principal thereof and premium (if any) and interest thereon;

WHEREAS, it is intended by the Authority that principal and interest payable on the Notes will be obtained from the proceeds of Notes issued for such purpose until Sales Tax Revenues are available or San Bernardino County Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) (the "Bonds") are issued, pursuant to the Indenture, dated as of March 1, 2012, between the Trustee and the Authority, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Indenture delivered pursuant to the provisions thereof (the "Senior Bond Indenture"), to retire the Authority's commercial paper program;

WHEREAS, the Notes will be secured by a subordinate lien on and payable from the Sales Tax Revenues on a subordinate basis with any Senior Lien Debt, including the Authority's outstanding Bonds, issued from time to time pursuant to the Senior Bond Indenture;

WHEREAS, the execution and delivery of this Indenture has in all respects been duly and validly authorized by resolutions duly passed and approved by the Authority; and

WHEREAS, the Authority has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Indenture;

NOW, THEREFORE, THIS SUBORDINATE INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest on all Notes at any time issued, authenticated and delivered hereunder, according to their tenor, and the payment of all amounts owing to any Credit Provider, and to secure the performance and observance of all of the covenants and conditions therein and herein set forth, to declare the terms and conditions

upon and subject to which the Notes are to be issued and received, and in consideration of the premises and of the material covenants herein contained and of the purchase and acceptance of the Notes by the holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does hereby agree and covenant with the Trustee, for the benefit of the respective holders from time to time of the Notes and any Credit Provider as follows:

ARTICLE I

DEFINITIONS: EQUALITY OF SECURITY; CONTENT OF CERTIFICATES AND OPINIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Advance” means each advance of funds from a Credit Facility in accordance with the terms of such Credit Facility.

“Advice” means a notice or a written instrument to the extent required by the Depository executed by the Issuing and Paying Agent for a Series of Notes and delivered to the Depository for such Series of Notes which specifies the amount by which the indebtedness evidenced by the Master Note delivered in connection with such Series of Notes is to be increased or decreased on any particular date, and which includes such other information as may be required pursuant to the systems and procedures of the Depository applicable to implementation of its book-entry program for obligations of the character of such Series of Notes.

“Alternate Credit Facility” means a replacement Credit Facility provided pursuant to the provisions of Section 6.09 hereof.

“Annual Debt Service” means, for any Fiscal Year, the aggregate amount (without duplication) of principal and interest on all Sales Tax Debt becoming due and payable during such Fiscal Year calculated using the principles and assumptions set forth under the definition of Debt Service.

“Assumed Debt Service” means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all Sales Tax Debt if each Excluded Principal Payment were amortized on a substantially level debt service basis or other amortization schedule provided by the Authority for a period commencing on the date of calculation of such Assumed Debt Service and ending on the earlier of (i) the date specified by the Authority not exceeding thirty (30) years from the date of calculation, or (ii) the Sales Tax Expiration Date, such Assumed Debt Service to be calculated on a level debt service basis or other amortization schedule provided by the Authority, based on a fixed interest rate equal to the rate at which the Authority could borrow for such period, as set forth in a certificate of a financial advisor or

investment banker, delivered to the Trustee, who may rely conclusively on such certificate, such certificate to be delivered within thirty (30) days of the date of calculation.

“Auditor-Controller” means the Chief Financial Officer of the Authority.

“Authority” means the San Bernardino County Transportation Authority, a public entity duly established and existing under the Authority Act and the laws of the State of California, and any successor thereto.

“Authority Act” means the San Bernardino County Transportation Authority Consolidation Act of 2017, Chapter 7 of Division 12 of the Public Utilities Code of the State of California (Section 130800 *et seq.*), as such may be amended from time to time hereafter.

“Authorized Representative” means the Executive Director of the Authority, any Deputy Executive Director of the Authority, the Chief Financial Officer of the Authority, or any other employee of the Authority at the time designated to act on behalf of the Authority in a Certificate of the Authority executed by any of the foregoing officers and filed with the Issuing and Paying Agent and the Trustee, which Certificate shall contain such employee’s specimen signature.

“Available Amount” means the initial amount available to be drawn on a Credit Facility as set forth in such Credit Facility or the Credit Agreement entered into in connection with such Credit Facility, as applicable, as such amount may be reduced and/or reinstated pursuant to the terms of such Credit Facility or the Credit Agreement entered into in connection with such Credit Facility, as applicable, and available to be drawn under such Credit Facility.

“Board” means the Board of Directors of the Authority.

“Bond Counsel” means counsel of recognized national standing in the field of obligations the interest of which is excluded from gross income for federal income tax purposes, which is selected by the Authority.

“Bonds” means the San Bernardino County Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) and San Bernardino County Transportation Authority Sales Tax Revenue Notes (Limited Tax Bonds) authorized by, and at any time Outstanding pursuant to, the Senior Bond Indenture.

“Business Day” means, for so long as DTC shall be the Depository for any Series of Notes, any day on which DTC is scheduled to be open for money market instrument settlement services, and is other than: (i) a Saturday, Sunday or day upon which banking institutions in the State or the State of New York are authorized or obligated by law or executive order to be closed; (ii) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed; and (iii) for purposes of payments and other actions relating to a Series of Notes secured by a Credit Facility or Alternate Credit Facility, a day upon which commercial banks are authorized or obligated by law or executive order to be closed in the city in which demands for payment are to be presented pursuant to such Credit Facility or Alternate Credit Facility.

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

“Certificate, Statement, Request, Requisition and Order of the Authority” mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Authority by an Authorized Representative. Any such certificate, statement, request, requisition or order and supporting opinions or representations, if any, included or referenced therein may, but need not, be combined in a single instrument with any other in certificate, statement, request, requisition or order, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.03, each such certificate, statement, request, requisition or order shall include the statements provided for in Section 1.03.

“Certificate Agreement” means the Money Market Certificate Agreement, dated as of September 1, 2019, between the Issuing and Paying Agent and DTC.

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

“Corporate Trust Office” or **“corporate trust office”** means, with respect to the Trustee, the corporate trust office of the Trustee at Los Angeles, California, or such other or additional offices as may be designated in writing by the Trustee to the Authority, and means, with respect to the Issuing and Paying Agent, the corporate trust office of the Issuing and Paying Agent at New York, New York or such other or additional offices as may be designated in writing by the Issuing and Paying Agent to the Authority.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of a Series of Notes, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, travel expenses and costs relating to rating agency meetings and other meetings concerning a Series of Notes, the initial fees, expenses and charges of the Trustee and the Issuing and Paying Agent with respect to such Series of Notes, Bond Counsel and other legal fees and charges, fees and disbursements of consultants and professionals, including fees of the Dealer with respect to such Series of Notes, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Notes, surety, insurance, liquidity and credit enhancements costs, and any other cost, charge or fee in connection with the issuance of a Series of Notes.

“Counterparty” an entity which has entered into an Interest Rate Swap Agreement with the Authority.

“County” means the County of San Bernardino, California.

“Credit Agreement” means an agreement relating to a Credit Facility provided in connection with a Series of Notes, between the Authority and a Credit Provider, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms, and

any similar agreement entered into in connection with an Alternate Credit Facility for such Series of Notes.

“Credit Facility” means any letter of credit, surety bond, loan agreement or other credit agreement, facility, insurance or guarantee arrangement issued by a financial institution, insurance company or association pursuant to which the Issuing and Paying Agent and/or the Trustee, as the case may be, on behalf of the Authority, is entitled to obtain funds to pay the principal of and interest on any Series of Notes or any Alternate Credit Facility substituted therefor in accordance with the provisions hereof.

“Credit Facility Fund” means any fund by that name established and held by an Issuing and Paying Agent pursuant to an Issuing and Paying Agent Agreement entered into by the Authority in connection with a Series of Notes.

“Credit Facility Expiration Date” means the stated expiration date of a Credit Facility, taking into account any extensions of such stated expiration date.

“Credit Provider” means any issuer of a Credit Facility or, as applicable, any agent for the Authority or issuers thereof.

“Credit Provider Loan” means each loan of funds made by a Credit Provider to repay an Advance made in accordance with the terms of a Credit Agreement.

“Credit Provider Note” means the Series A/B Credit Provider Note, and each other promissory note issued from time to time by the Authority to evidence principal and interest obligations relating to unreimbursed drawings, Advances and Credit Provider Loans under or with respect to the related Credit Facility and/or Credit Agreement, as applicable.

“Dealer” means any dealer for a Series of Notes which has been appointed by the Authority and which has entered into a Dealer Agreement with the Authority with respect to such Series of Notes.

“Dealer Agreement” means any agreement entered into by the Authority with a Dealer in connection with a Series of Notes, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms.

“Dealer Note Principal Account” means an account by that name established and held by an Issuing and Paying Agent pursuant to an Issuing and Paying Agent Agreement entered into in connection with a Series of Notes.

“Dealer Series A Note Principal Account” means the account by that name established and held by the Issuing and Paying Agent pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Dealer Series B Note Principal Account” means the account by that name established and held by the Issuing and Paying Agent pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Debt Service,” when used with respect to any Sales Tax Debt, means, as of any date of calculation and with respect to any Fiscal Year, the sum of (1) the interest falling due on such Sales Tax Debt during such Fiscal Year and (2) the principal or Mandatory Sinking Account Payments required with respect to such Sales Tax Debt during such Fiscal Year; computed on the assumption that no portion of such Sales Tax Debt shall cease to be Outstanding during such Fiscal Year except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation:

(i) Excluded Principal Payments (and the interest related thereto provided such interest is being paid from the same source as the Excluded Principal Payments) shall be excluded from such calculation and Assumed Debt Service shall be included in such calculation;

(ii) in determining the principal amount due in each Fiscal 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 Sales Tax Debt, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Sales Tax Debt on the basis of accreted value, and for such purpose, the redemption payment or payment of accreted value shall be deemed a principal payment and interest that is compounded and paid as accreted value shall be deemed due on the scheduled redemption or payment date of such debt;

(iii) if any Sales Tax Debt bears, or if any Sales Tax Debt proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is excluded or expected to be excluded from gross income for federal income tax purposes, the interest rate on such Sales Tax Debt for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the average of the SIFMA Swap Index for the five (5) years preceding such date of calculation;

(iv) if any Sales Tax Debt bears, or if any Sales Tax Debt proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is included or expected to be included in gross income for federal income tax purposes, the interest rate on such Sales Tax Debt shall be calculated at an interest rate equal to 110% of the average Federal Funds Rate during the five (5) years preceding such date of calculation or such higher rate as shall be specified in a Certificate of the Authority, or if the Federal Funds Rate is no longer available, such similar rate as the Authority shall designate in writing to the Trustee;

(v) with respect to any Sales Tax Debt bearing interest, or expected to bear interest, at a variable interest rate for which an Interest Rate Swap Agreement is in place providing for a fixed rate of interest to maturity or for a specific term with respect to such Sales Tax Debt, the interest rate on such Sales Tax Debt shall be assumed to be the synthetic fixed interest rate specified in such Interest Rate Swap Agreement for such term; provided that if, pursuant to a Certificate of the Authority filed with the Trustee, the sum of (i) interest payable on such Sales Tax Debt, plus (ii) amounts payable by the Authority under such Interest Rate Swap Agreement, less (iii) amounts receivable by the Authority under such Interest Rate Swap Agreement, is expected to be greater than the interest payable on the Sales Tax Debt to which such Interest Rate Swap Agreement relates (i.e., if such Interest Rate Swap Agreement is an “off-

market” Interest Rate Swap Agreement), then, in such instance, such excess amounts expected to be payable by the Authority under such Interest Rate Swap Agreement or in connection with such Sales Tax Debt shall be included in the calculation of Annual Debt Service;

(vi) with respect to any Sales Tax Debt bearing interest, or expected to bear interest, at a fixed interest rate for which an Interest Rate Swap Agreement is in place providing for a net variable interest rate with respect to such Sales Tax Debt for a specific term, the interest rate on such Sales Tax Debt shall be assumed to be equal for such term to the sum of (i) the fixed interest rate or rates to be paid on the Sales Tax Debt, minus (ii) the fixed interest rate receivable by the Authority under such Interest Rate Swap Agreement, plus (iii) the average interest rate of the index on which the Interest Rate Swap Agreement is based, as identified in a Certificate of the Authority, or, if not based on an identifiable index, then the SIFMA Swap Index, in each case, over the five (5) years preceding the date of calculation or such higher rate as shall be specified in a Certificate of the Authority;

(vii) if any Sales Tax Debt features an option, on the part of the owners or an obligation under the terms of such Sales Tax Debt, to tender all or a portion of such Sales Tax Debt to the Authority, the Trustee or other fiduciary or agent, and requires that such Sales Tax Debt or portion thereof be purchased if properly presented, then for purposes of determining the amounts of principal and interest due in any Fiscal Year on such Sales Tax Debt, the options or obligations of the owners of such Sales Tax Debt to tender the same for purchase or payment prior to the stated maturity or maturities shall be ignored and not treated as a principal maturity; and

(viii) principal and interest payments on Sales Tax Debt shall be excluded to the extent such payments are to be paid from Revenues then held on deposit by the Trustee or from other amounts on deposit, including Investment Securities and interest to be payable thereon, with the Trustee or other fiduciary in escrow specifically therefor and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Sales Tax Debt, including Investment Securities and interest to be payable thereon, held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest or from pledged Subsidy Payments the Authority expects to receive.

“Defeasance Securities” means: (i) direct, non-callable obligations of the United States Treasury, (ii) direct non-callable and non-prepayable obligations which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons from the above securities which are stripped pursuant to United States Treasury programs, (iv) non-callable and non-prepayable refunded bonds that are obligations of the United States of America; (v) Resolution Funding Corporation (REFCORP) bonds and strips; (vi) non-callable, and non-prepayable fixed rate Israel Notes guaranteed as to principal and interest by the United States of America through the United Agency for International Development (provided that, such notes mature at least four business days before funds are needed for refunded bond debt service payments); (vii) United States State and Local Government Series securities (SLGS); (viii) the following non-callable, non-prepayable obligations of federal government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority,

Farm Credit System, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration; and (ix) any pre-refunded municipal security that is non-callable or has been irrevocably called for redemption, carries a fixed interest rate and matures or is to be redeemed on a date certain and is secured by an escrow containing securities listed in (i) through (viii) above.

“Depository” means DTC or any other qualified securities depository selected as set forth in Section 2.10 hereof.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” means any of the events specified in Section 7.01.

“Excluded Principal Payment” means each payment of principal of the Sales Tax Debt which the Authority determines (in the Certificate of the Authority) that the Authority intends to pay with moneys that are not Revenues (such as commercial paper, balloon indebtedness or bond anticipation notes) but from future debt obligations of the Authority, grants from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of the Authority, upon which determination of the Authority the Trustee may conclusively rely. No such determination shall affect the security for such Notes or the obligation of the Authority to pay such payments from Revenues or amounts on deposit in the bond reserve fund, established under the Senior Bond Indenture, if any. No payment of principal of Notes may be determined to be an Excluded Principal Payment unless it is due on or prior to the Sales Tax Expiration Date.

“Expenditure Plan” means the San Bernardino County Transportation Authority Expenditure Plan, adopted as part of the Ordinance, including any future amendments thereto.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Authority, which designation shall be provided to the Trustee in a Certificate of the Authority.

“Fitch” means Fitch Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission and selected by the Authority.

“Holder” or **“Owner”** or **“Noteholder”** or **“Noteowner”** means, whenever used herein with respect to a Note, the person in whose name such Note is registered.

“Indenture” means this Subordinate Indenture, dated as of September 1, 2019, between the Authority and the Trustee, as originally executed and as it may from time to time be

amended or supplemented by any Supplemental Indenture delivered pursuant to the provisions of Section 9.01 hereof.

“Initial Series of Notes” means the Series A Notes and the Series B Notes.

“Interest Fund” means the fund by that name established pursuant to Section 5.03.

“Interest Rate Swap Agreement” means an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security, however denominated, entered into between the Authority and a Counterparty, in connection with or incidental to, the issuance or carrying of Bonds, including, without limitation, an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security entered into in advance of the issuance of Bonds.

“Investment Securities” means the following:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies and federally sponsored entities set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America;

(ii) any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i);

(iii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation;

(iv) housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that, except with respect to direct obligations of the State, at the time of their purchase such obligations are rated in either of the two highest long-term or highest short-term Rating Categories by both Moody’s and S&P;

(vi) any bonds or other obligations of any state of the United States of America or any political subdivision thereof (1) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are secured as to principal and interest and

redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (i) or (ii) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (3) as to which the principal of and interest on the bonds and obligations of the character described above in clause (i) or (ii) which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (vi) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (1) of this clause (vi), as appropriate, and (4) which have been rated in one of the two highest long-term Rating Categories by Moody's and S&P;

(vii) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by both Moody's and S&P in their respective highest short-term Rating Categories, or, if the term of such indebtedness is longer than three (3) years, rated by both Moody's and S&P in one of their respective two highest long-term Rating Categories, for comparable types of debt obligations;

(viii) demand or time deposits or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee and its affiliates), provided that such certificates of deposit shall be purchased directly from such a bank, trust company or national banking association and shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, (2) continuously and fully secured by such securities and obligations as are described above in clauses (i) through (v), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking, or (3) be issued by an institution the senior debt obligations of which are rated "AA" or higher by S&P or "Aa" or higher by Moody's;

(ix) taxable commercial paper, other than that issued by bank holding companies, or tax-exempt commercial paper rated in the highest Rating Category by both Moody's and S&P;

(x) variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest Rating Category for its short-term rating, if

any, and in either of the two highest Rating Categories for its long-term rating, if any, by both Moody's and S&P, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligation by the Trustee, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in either of the two highest long-term Rating Categories by both Moody's and S&P;

(xi) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee) having a minimum permanent capital of one hundred million dollars (\$100,000,000) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities and obligations described in clauses (i), (ii), (iii) or (iv) above, which shall have a market value (exclusive of accrued interest and valued at least monthly) at least equal to one hundred two percent (102%) of the principal amount of such investment and shall be lodged with the Trustee or other fiduciary, as custodian for the Trustee, by the bank, trust company, national banking association or bond dealer executing such repurchase agreement, and the entity executing each such repurchase agreement required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least monthly) will be an amount equal to one hundred two percent (102%) of the principal amount of each such repurchase agreement and the Trustee shall be entitled to rely on each such undertaking;

(xii) any cash sweep or similar account arrangement of or available to the Trustee, and which may include funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services, the investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (xi) of this definition of Investment Securities and any money market fund, the entire investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (xi) of this definition of Investment Securities; provided that as used in this clause (xii) and clause (xiii) investments will be deemed to satisfy the requirements of clause (xi) if they meet the requirements set forth in clause (xi) ending with the words "clauses (i), (ii), (iii) or (iv) above" and without regard to the remainder of such clause (xi);

(xiii) any investment agreement with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which: (1) has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated in either of the two highest long-term Rating Categories by both Moody's and S&P; or (2) is fully secured by obligations described in items (i), (ii), (iii) or (iv) of the definition of Investment Securities which are (a) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (b) held by the Trustee or other custodian acceptable to the Trustee, (c) subject to a perfected first lien in the Trustee, and (d) free and clear from all third party liens;

(xiv) shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (i) through (xiii) of this definition of Investment Securities and which companies have either the highest rating by both

Moody's and S&P or have an investment advisor registered with the Securities and Exchange Authority with not less than five (5) years' experience investing in such securities and obligations and with assets under management in excess of \$500,000,000;

(xv) shares in a common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended, including the California Asset Management Program (CAMP);

(xvi) bankers' acceptances issued by domestic or foreign banks, which may include the Trustee and its affiliates, that are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by both Moody's and S&P, which purchases may not exceed two hundred seventy (270) days maturity;

(xvii) the pooled investment fund of the County of San Bernardino, California, which is administered in accordance with the investment policy of said County as established by the Treasurer/Tax Collector thereof, as permitted by Section 53601 or Section 53635, as applicable, of the Government Code of the State, copies of which policy are available upon written request to said Treasurer/Tax Collector;

(xviii) the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to this Indenture;

(xix) general obligation bonds of the State;

(xx) financial futures or financial option contracts with an entity the debt securities of which are rated in the highest short-term or one of the two highest long-term rating categories by Fitch, Moody's and S&P;

(xxi) Defeasance Securities; and

(xxii) any investment approved by the Board and consented to by each Credit Provider.

"Issuance Request" means a written request made by the Authority, acting through an Authorized Representative, to the Issuing and Paying Agent for the authentication and delivery of a Note or Notes.

"Issuing and Paying Agent" means U.S. Bank National Association, or any successor or assigns, permitted under the Issuing and Paying Agent Agreement, and/or any other Issuing and Paying Agent which has entered into an Issuing and Paying Agent Agreement with the Authority with respect to the Notes of one or more Series.

"Issuing and Paying Agent Agreement" means, as of the date of execution and delivery of this Indenture, the Issuing and Paying Agent Agreement, dated as of September 1, 2019, between the Authority and the Issuing and Paying Agent, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms, and, as and to the

extent applicable, any other Issuing and Paying Agent Agreement entered into by the Authority with an Issuing and Paying Agent with respect to the Notes of one or more Series, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms, which Issuing and Paying Agent Agreement shall include substantially similar terms and provisions as are set forth in the Issuing and Paying Agent Agreement entered into in connection with the Series A Notes and the Series B Notes.

“Letter of Representations” means, with respect to the Series A Notes, the Certificate Agreement and the Letter of Representations, dated [____], 20[___], executed by the Authority and the Issuing and Paying Agent and delivered to DTC, as initial Depository for the Series A Notes, or any replacement thereof or substitute therefor; means, with respect to the Series B Notes, the Certificate Agreement and the Letter of Representations, dated [____], 20[___], executed by the Issuer and the Issuing and Paying Agent and delivered to DTC, as initial Depository for the Series B Notes, or any replacement thereof or substitute therefor; and means with respect to any other Series of Notes, the documentation delivered to a Depository in connection with such Series of Notes.

“Mandatory Sinking Account Payment” means, with respect to Sales Tax Debt of any Series and maturity, the amount required by the supplemental indenture establishing the terms and provisions of such Sales Tax Debt to be deposited by the Authority in a Sinking Account for the payment of Term Bonds of such Series and maturity.

“Master Note” means a Note substantially in the form attached hereto as Exhibit B.

“Maximum Annual Debt Service” means the maximum amount of Annual Debt Service becoming due and payable on all Senior Lien Debt, Notes and Parity Debt, as appropriate, outstanding during the period from the date of such calculation through the final maturity date of the Senior Lien Debt, Notes and Parity Debt, as appropriate, calculated using utilizing the principles and assumptions set forth under the definition of Debt Service.

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

“Noteholder” or **“Owner”** or **“Holder”** or **“Noteowner”** means, whenever used herein with respect to a Note or any Parity Debt, the person in whose name such Note or Parity Debt, as applicable, is registered.

“Noteowner” or **“Owner”** or **“Holder”** or **“Noteholder”** means, whenever used herein with respect to a Note or Parity Debt, the person in whose name such Note or Parity Debt, as applicable, is registered.

“Note Fund” means a fund by that name established and held by the Issuing and Paying Agent pursuant to the provisions of the Issuing and Paying Agent Agreement entered into

in connection with a Series of Notes and used to pay principal of and interest on such Series of Notes when due.

“Note Interest Account” means an account by that name established by the Issuing and Paying Agent in a Note Fund pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Note Principal Account” means an account by that name established within a Note Fund and held by the Issuing and Paying Agent pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Note Program” means the Authority’s program of issuing Notes from time to time pursuant to this Indenture.

“Notes” means the San Bernardino County Transportation Authority Commercial Paper Notes (Limited Tax Bonds) authorized by, and at any time Outstanding pursuant to, this Indenture.

“Notice of No Issuance” means a notice issued with respect to a Series of Notes pursuant to the provisions of the Credit Agreement entered into in connection with such Series of Notes, which notifies the Authority and the Issuing and Paying Agent that no additional Notes of such Series may be issued.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Ordinance” means Ordinance No. 04-01, named “An Ordinance Providing for the Continuation of a One-Half of One Percent Retail Transactions and Use Tax by the San Bernardino County Transportation Authority for Local Transportation Purposes and the Transportation Expenditure Plan,” adopted by the Authority on June 2, 2004 pursuant to the provisions of the Transportation Act, providing for the continued imposition of a retail transactions and use tax applicable in the incorporated and unincorporated territory of the County in accordance with Chapter 5 of the Transportation Act and the Sales Tax Law, at the rate of one-half of one percent (1/2%) for a period not to exceed thirty (30) years beginning April 1, 2010, which ordinance became effective at the close of the polls on November 2, 2004, the day of the election at which the proposition providing for the continued imposition of the Sales Tax, entitled Measure I, was approved by more than two-thirds of the electors voting on the measure.

“Outstanding” means, when used as of any particular time with reference to Notes, (subject to the provisions of Section 11.10), all Notes theretofore, or thereupon being, authenticated and delivered by the Issuing and Paying Agent under this Indenture and the Issuing and Paying Agent Agreement except: (i) Notes theretofore canceled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation; (ii) Notes with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Notes (or portions of Notes) referred to in Section 11.10; and (iii) Notes for the transfer or exchange of or in lieu of or in substitution for which other Notes shall have been authenticated and delivered by the Issuing and Paying Agent pursuant to this Indenture.

“Owner” or **“Holder”** or **“Noteholder”** or **“Noteowner”** means, whenever used herein with respect to a Note or Parity Debt, the person in whose name such Note or Parity Debt, as applicable, is registered.

“Parity Debt” means all amounts payable with respect to principal and interest under any Credit Agreement or Credit Provider Note and all indebtedness or other obligations of the Authority for borrowed money or with respect to regularly scheduled payments under any Interest Rate Swap Agreement having an equal lien upon the Revenues and therefore payable on parity with the Notes (whether or not any Notes are Outstanding); provided, however, that any payments with respect to an Interest Rate Swap Agreement which represent termination payments or unwinding payments shall constitute Subordinate Obligations and shall not constitute Parity Debt.

“Participant” means any participant in a Securities Depository’s book-entry system.

“Person” means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Fund” means the fund by that name established pursuant to Section 5.04.

“Proceeds Fund” means a fund by that name established and held by the Trustee pursuant to Section 4.01 hereof to hold the proceeds of a Series of Notes or a portion thereof prior to expenditure.

“Project” means capital outlay expenditures for transportation purposes, including, without limitation, the carrying out of transportation projects described in the Expenditure Plan, the construction, maintenance, improvement and operation of local streets, roads, and highways, state highways and freeways, and public transit systems including rail, and related purposes permitted by the Ordinance, including planning, environmental reviews, engineering and design costs and related right-of-way acquisition and also including, without limitation, administrative, engineering, inspection, legal, fiscal agent, financial consultant and other fees, bond and other reserve funds, working capital, bond or note interest estimated to accrue during the construction period and for a period of not to exceed three years thereafter, and expenses for all proceedings for the authorization, issuance and sale of Notes or Bonds.

“Rating Agency” means Fitch, Moody’s and S&P, but, in each instance, only so long as each such Rating Agency then maintains a rating on the Notes or a Series of Notes, as applicable.

“Rating Category” means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Rebate Fund” means the fund by that name established pursuant to Section 6.06.

“Rebate Requirement” means the Rebate Requirement defined in the Tax Certificate delivered in connection with a Series of Notes.

“Revenue Fund” means the fund of that name established pursuant to Section 5.01(b).

“Revenues” means during any fiscal period the sum of the following amounts for such fiscal period:

- (1) all Sales Tax Revenues; and
- (2) all Swap Revenues; and
- (3) any additional revenues or assets of the Authority to be included in the definition of Revenues in accordance with the provisions set forth in Section 3.02 of the Senior Bond Indenture, as supplemented, and Section 3.03 of this Indenture, together with a Supplemental Indenture, as applicable.

“S&P” means S&P Global Ratings, a subsidiary of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term “S&P” shall be deemed to refer to any other nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission and selected by the Authority.

“Sales Tax” means the retail transactions and use applicable in the incorporated and unincorporated territory of the County and imposed pursuant to the provisions of the Transportation Act, the Ordinance and Chapter 5 of the Sales Tax Law, at the rate of one-half of one percent (1/2%) to and including a date not to exceed the Sales Tax Expiration Date.

“Sales Tax Debt” means all outstanding Notes, Parity Debt and Senior Lien Debt secured by the Sales Tax.

“Sales Tax Expiration Date” means the date the Sales Tax is scheduled to expire. As of the date of this Indenture, the Sales Tax Expiration Date is March 31, 2040.

“Sales Tax Law” means Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.

“Sales Tax Revenues” means the amounts collected on account of the retail transactions and use tax imposed in the County pursuant to the Transportation Act and the Ordinance on and after April 1, 2010, after deducting amounts payable by the Authority to the CDTFA for costs and expenses for its services in connection with the retail transactions and use taxes collected pursuant to the Transportation Act.

“Securities Depository” means The Depository Trust Company, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depository, or no such depositories, as the Authority may designate in a Request of the Authority delivered to the Trustee.

“Senior Bond Indenture” means the Indenture, dated as of March 1, 2012, between the Trustee and the Authority, as originally executed or as it may from time to time be supplemented or amended by any supplemental indenture delivered pursuant to the provisions thereof.

“Senior Lien Bonds” means the San Bernardino County Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), 2012 Series A and 2014 Series A and any additional bonds issued pursuant to the Senior Bond Indenture.

“Senior Lien Debt” means all indebtedness or other obligations of the Authority having a lien upon the Revenues which is senior to that of the Notes and any Parity Debt, including, without limitation, the Senior Lien Bonds.

“Senior Lien Trustee” means the financial institution designated as trustee under the Senior Bond Indenture, currently U.S Bank National Association, or its successor as trustee under such indenture.

“Series” means, whenever used herein with respect to Notes, all of the Notes designated as being of the same series, regardless of variations in maturity, interest rate and other provisions.

“Series A/B Advance” means each advance of funds from the Series A/B Credit Facility in accordance with the terms thereof for the payment of the Series A Notes or the Series B Notes.

“Series A/B Credit Agreement” means, as of the date of execution and delivery of this Indenture, the Reimbursement Agreement dated as of September 1, 2019, by and between the Series A/B Credit Provider and the Authority, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms, and any similar agreement entered into in connection with delivery of an Alternate Credit Facility for the Series A Notes or the Series B Notes.

“Series A/B Credit Facility” means, as of the date of execution and delivery of this Indenture, that certain Irrevocable Direct Pay Letter of Credit issued by the Series A/B Credit Provider pursuant to the Series A/B Credit Facility supporting the Series A Notes and the Series B Notes, for the benefit of Issuing and Paying Agent, and any Alternate Credit Facility for the Series A Notes or the Series B Notes substituted therefor in accordance with the provisions set forth in Section 6.09 hereof.

“Series A/B Credit Facility Fund” means the fund by that name established and held by the Issuing and Paying Agent pursuant to Section 7 of the Issuing and Paying Agent Agreement.

“Series A/B Credit Provider” means Barclays Bank PLC, or the issuer or issuers of any Alternate Credit Facility for the Series A Notes or the Series B Notes.

“Series A/B Credit Provider Loan” means each loan of funds made by the Series A/B Credit Provider to repay a Series A/B Advance in accordance with the terms of the Series A/B Credit Agreement.

“Series A/B Credit Provider Note” means that certain revolving note, dated the date of the Series A/B Credit Facility, issued by the Authority to the Series A/B Credit Provider evidencing all unpaid drawings under the Series A/B Credit Facility and all outstanding principal of, and interest on, Series A/B Advances and Series A/B Credit Provider Loans.

“Series A Dealer” means BofA Securities, Inc., or any successor or assign, permitted under the Series A Dealer Agreement, or any other Dealer for the Series A Notes which has entered into a Dealer Agreement with the Authority.

“Series A Dealer Agreement” means, as of the date of execution and delivery of this Indenture, the Dealer Agreement, dated as of September 1, 2019, between the Authority and the Series A Dealer, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms, or any other Series A Dealer Agreement entered into by the Authority with a Series A Dealer with respect to the Series A Notes.

“Series A Master Note” means the Master Note delivered in connection with the Series A Notes.

“Series A Note Fund” means the fund by that name established and held by the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement.

“Series A Note Interest Account” means an account by that name established within the Series A Note Fund and held by the Issuing and Paying Agent pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Series A Note Principal Account” means an account by that name established within the Series A Note Fund and held by the Issuing and Paying Agent pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Series A Notes” means the San Bernardino County Transportation Authority Commercial Paper Notes, Series A, authorized by, and at any time Outstanding pursuant hereto.

“Series B Dealer” means RBC Capital Markets, LLC, or any successor or assign, permitted under the Series B Dealer Agreement, or any other Dealer for the Series B Notes which has entered into a Dealer Agreement with the Authority.

“Series B Dealer Agreement” means, as of the date of execution and delivery of this Indenture, the Dealer Agreement, dated as of September 1, 2019, between the Authority and the Series B Dealer, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms, or any other Series B Dealer Agreement entered into by the Authority with a Series B Dealer with respect to the Series B Notes.

“Series B Master Note” means the Master Note delivered in connection with the Series B Notes.

“Series B Note Fund” means the fund by that name established and held by the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement.

“Series B Note Interest Account” means an account by that name established within the Series B Note Fund and held by the Issuing and Paying Agent pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Series B Note Principal Account” means an account by that name established within the Series B Note Fund and held by the Issuing and Paying Agent pursuant to Section 6 of the Issuing and Paying Agent Agreement.

“Series B Notes” means the San Bernardino County Transportation Authority Commercial Paper Notes, Series B, authorized by, and at any time Outstanding pursuant hereto.

“Series Proceeds Fund” means the fund by that name established and held by the Authority pursuant to Section 4.01 hereof.

“SIFMA Swap Index” means Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date such index was published by the Securities Industry and Financial Markets Association or any successor thereto, or in the event such index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, such comparable replacement index as shall be published by the Securities Industry and Financial Markets Association or any successor thereto. In the event that such comparable replacement index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, an alternative index shall be selected by the Authority.

“State” means the State of California.

“Subordinate Obligations” means any obligations of the Authority secured by and payable from Revenues on a basis which is subordinate to the Notes and Parity Debt, including, without limitation, Credit Provider fees, Dealer fees, and fees, expenses and termination payments on Interest Rate Swap Agreement entered into in connection with Senior Lien Debt, Notes or Parity Debt.

“Subordinate Obligations Fund” means the fund by that name to be established and held by the Trustee pursuant to Section 5.05.

“Subsidy Payments” means payments to be made by the United States Treasury to the Trustee, for credit to the accounts held by the Trustee on behalf of the Authority, with respect to the interest due on a Series of Bonds that qualify for one or more direct subsidy payments or other form of credits or payments pursuant to the Code, including, without limitation, pursuant to Section 54AA or Section 6431 of the Code or any successor to either such provision.

“Supplemental Indenture” means any supplement to this Indenture hereafter duly authorized, executed and delivered by the Authority and the Trustee, supplementing, modifying or amending this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Swap Revenues” means all regularly-scheduled amounts (but not termination payments) owed or paid to the Authority by any Counterparty under any Interest Rate Swap Agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by the Authority to such Counterparty under such Interest Rate Swap Agreement.

“Tax Certificate” means the Master Tax Certificate delivered by the Authority in connection with the Initial Series of Notes, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms, including, without limitation, as amended or supplemented in connection with a new commercial paper program as described therein, or the Master Tax Certificate delivered by the Authority in connection with the issuance of any additional Series of Notes.

“Term Bonds” means Sales Tax Debt payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Sales Tax Debt on or before their specified maturity date or dates.

“Transportation Act” means the Local Transportation Authority and Improvement Act, Chapter 5 of Division 19 of the Public Utilities Code of the State of California (Section 180200 *et seq.*), as such may be amended from time to time hereafter.

“Trustee” means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, or its successor, as Trustee under this Indenture, as provided in Section 8.01.

“Variable Rate Indebtedness” means any indebtedness, including Bonds, Parity Obligations and Subordinate Obligations, the interest rate on which is not fixed at the time of incurrence of such indebtedness, and has not at some subsequent date been fixed, at a single numerical rate or rates for the entire term of the indebtedness.

SECTION 1.02. Equality of Security. In consideration of the acceptance of the Notes by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, and the Owners from time to time of all Notes authorized, issued and delivered hereunder and then Outstanding to secure the full and final payment of the interest on and principal of all Notes which may from time to time be authorized, issued and delivered hereunder and to secure all Parity Debt owed to any Credit Provider, subject to the agreements, conditions, covenants and provisions contained herein, and all agreements and covenants set forth herein to be performed by or on behalf of the Authority or the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners of the Notes, without distinction, preference, priority as to security or otherwise of any of the Notes over any of the other Notes by reason of the number or date thereof or the time of authorization, sale, issuance or delivery thereof or for any cause whatsoever, except as expressly provided therein or herein.

SECTION 1.03. Content of Certificates and Opinions. Every Certificate of the Authority or opinion provided for in this Indenture with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such Certificate of the Authority or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the Certificate of the Authority or opinion is based; (3) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the Certificate of the Authority or opinion to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such Certificate of the Authority or opinion made or given by an Authorized Representative of the Authority may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, a financial advisor, an investment banker or an independent consultant, unless such Authorized Representative of the Authority knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, a financial advisor, an investment banker or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an officer of the Authority, unless such counsel, accountant, financial advisor, investment banker or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same Authorized Representative of the Authority, or the same counsel or accountant or financial advisor or investment banker or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, accountants, financial advisors, investment bankers or independent consultants may certify to different matters, respectively.

ARTICLE II

THE NOTES

SECTION 2.01. Authorization of Notes. (a) Notes may be issued hereunder, in registered form, from time to time in order to obtain moneys to carry out the purposes authorized by this Indenture. The maximum principal amount of Notes which may be issued hereunder is not limited; subject, however, to any limitations contained in the Transportation Act and to the right of the Authority, which is hereby reserved, to limit the aggregate principal amount of Notes which may be issued and Outstanding at any one time hereunder. The Notes authorized to be issued under this Indenture are designated generally as the "San Bernardino County Transportation Authority Commercial Paper Notes (Limited Tax Bonds)," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Notes.

(b) A Series of Notes entitled “Series A” is hereby authorized to be issued. The Series A Notes shall be issued from time to time as provided herein to finance and refinance the costs of the Project and Costs of Issuance incurred in connection therewith. Proceeds of the Series A Notes may also be used to pay principal of and interest on maturing Series A Notes, to reimburse each Series A/B Credit Provider for Series A/B Advances and Series A/B Credit Provider Loans used to pay maturing Series A Notes and to pay fees and expenses related to the Notes. Such authorization specifically includes the authorization to issue and reissue Series A Notes for such purposes. The aggregate principal amount of Series A Notes that may be Outstanding hereunder at any one time shall not exceed fifty million dollars (\$50,000,000); provided, however, that in the event the Issuing and Paying Agent shall have made a draw on the Series A/B Credit Facility pursuant to the terms of the Series A/B Credit Agreement to pay principal of, or, if provided pursuant to the terms of such Series A/B Credit Agreement, principal of and interest on, the Series A Notes which the Authority shall not have repaid, the aggregate principal amount of the Series A Notes Outstanding at any one time shall not exceed fifty million dollars (\$50,000,000) less the aggregate principal amount of such draw used to pay the principal of Series A Notes at maturity and provided further that the interest to accrue to maturity on the Outstanding Notes shall not exceed the interest portion of the Available Amount.

(c) A Series of Notes entitled “Series B” is hereby authorized to be issued. The Series B Notes shall be issued from time to time as provided herein to finance and refinance the costs of the Project and Costs of Issuance incurred in connection therewith. Proceeds of the Series B Notes may also be used to pay principal of and interest on maturing Series B Notes, to reimburse each Series A/B Credit Provider for Series A/B Advances and Series A/B Credit Provider Loans used to pay maturing Series B Notes and to pay fees and expenses related to the Notes. Such authorization specifically includes the authorization to issue and reissue Series B Notes for such purposes. The aggregate principal amount of Series B Notes that may be Outstanding hereunder at any one time shall not exceed fifty million dollars (\$50,000,000); provided, however, that in the event the Issuing and Paying Agent shall have made a draw on the Series A/B Credit Facility pursuant to the terms of the Series A/B Credit Agreement to pay principal of, or, if provided pursuant to the terms of such Series A/B Credit Agreement, principal of and interest on, the Series B Notes which the Authority shall not have repaid, the aggregate principal amount of the Series B Notes Outstanding at any one time shall not exceed fifty million dollars (\$50,000,000) less the aggregate principal amount of such draw used to pay the principal of Series B Notes at maturity and provided further that the interest to accrue to maturity on the Outstanding Notes shall not exceed the interest portion of the Available Amount.

SECTION 2.02. Terms of the Notes. (a) The Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form, registered as designated by the applicable Dealer, subject to the provisions regarding delivery of Notes in book-entry form set forth in Section 2.10 hereof; shall be issued in denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof; and interest on the Notes shall be separately stated by rate and amount on the face of each Note. Notes shall bear interest from their respective dates, payable on their respective maturity dates.

(b) The Notes: (i) shall bear interest payable at maturity at a rate not to exceed twelve percent (12%) per annum calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed; (ii) shall mature on a Business Day not more than two hundred

seventy (270) days after their respective dates of issuance, but in no event later than five (5) days prior to the applicable Credit Facility Expiration Date, or beyond the Sales Tax Expiration Date, or beyond thirty (30) years from the date of initial issuance of Notes of such Series, as provided in the Tax Certificate, delivered in connection with Notes of such Series; and (iii) except in the case of a Series of Notes the interest with respect to which is not expected to be excluded from gross income for federal income tax purposes under the Code, shall be sold at a price of not less than one hundred percent (100%) of the principal amount thereof. The stated interest rate, maturity date and other terms of each Note, so long as not inconsistent with the terms of this Indenture, shall be as set forth in the Issuance Request required to be delivered pursuant to Section 3.01 hereof directing the issuance of such Note.

(c) The Notes shall not be subject to prepayment or redemption prior to maturity.

(d) Within each Series, Notes shall be numbered consecutively from No. 1 upward. The Issuing and Paying Agent may make additional provisions for numbering, including additional prefixes and suffixes, as it may deem appropriate.

(e) The principal of and the interest on the Notes shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of and the interest on the Notes, if any, shall be payable at the Corporate Trust Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Notes have become due and payable, provided that such Notes are presented and surrendered on a timely basis. Upon presentation of such a Note to the Issuing and Paying Agent no later than 2:00 p.m. New York City time on a Business Day, payment for such Note shall be made by such Issuing and Paying Agent in immediately available funds on such Business Day. If a Note is presented for payment after 2:00 p.m. New York City time on a Business Day, payment therefor shall be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions set forth in this Section 2.02: (i) in the event that a Series of Notes is issued in the form of a Master Note or Master Notes in book-entry form, Notes of such Series shall be payable at maturity without the necessity of physical presentation or surrender in accordance with the procedures of the Depository for such Series of Notes; and (ii) in the event that the Authority determines to issue a taxable Series of Notes, the terms of such taxable Series of Notes shall be set forth in the Supplemental Indenture creating such taxable Series of Notes.

SECTION 2.03. Form of Notes. The Series A Notes and the Series B Notes shall be in the form set forth in Exhibit A hereto. The Notes of any other Series shall be in such form or forms as may be specified in the Supplemental Indenture creating such Series.

Notwithstanding the foregoing, the Authority may deliver the Notes of any Series, including the Series A Notes and the Series B Notes, in the form of a Master Note, representing all Notes of such Series to be issued from time to time, each maturing no later than the date determined pursuant to Section 2.02(b)(ii). Each Master Note may be replaced by a new Master

Note having a later maturity date, if applicable, so long as the maturity date thereof does not extend beyond the date determined pursuant to Section 2.02(b)(ii), as the same may be extended from time to time. Each Master Note shall evidence indebtedness of the Authority as set forth in the Advices delivered in connection with such Master Note. Each Advice shall comply with the limitations on Notes set forth in Section 2.01 and Section 2.02. The aggregate indebtedness evidenced by any Master Note shall at all times equal or be less than the amount available to be drawn under the Credit Facility then in effect with respect to the Series of Notes to which the Master Note relates. References herein to Notes when a Master Note has been issued therefor shall refer to the indebtedness under the Master Note or the Advices delivered with respect thereto.

SECTION 2.04. Execution of Notes. The Notes shall be executed in the name and on behalf of the Authority by the facsimile or manual signature of the President of the Board or any Vice President of the Board and shall be countersigned by the facsimile or manual signature of the Auditor-Controller of the Authority, and shall have the official seal of the Authority attached or affixed thereto in manual or facsimile form. In case any of the officers who shall have signed or countersigned any of the Notes shall cease to be such officer or officers of the Authority before the Notes so signed or countersigned shall have been authenticated or delivered by the Issuing and Paying Agent or issued by the Authority, such Notes may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and countersigned the same had continued to be such officers of the Authority.

SECTION 2.05. Authentication of Notes. (a) Each Note shall be authenticated by manual signature of the Issuing and Paying Agent who shall, pursuant to the provisions hereof, authenticate and deliver Notes in accordance with the terms of an Issuance Request delivered pursuant to Section 3.01 hereof.

(b) Notwithstanding anything contained herein or in the Issuing and Paying Agent Agreement to the contrary, the Issuing and Paying Agent shall not authenticate: (i) any Series A Note except in compliance with the provisions set forth in Section 5(e) and Section 5(f) of the Issuing and Paying Agent Agreement; and (ii) any Series B Note except in compliance with the provisions set forth in Section 5(g) and Section 5(h) of the Issuing and Paying Agent Agreement.

(c) Notwithstanding anything contained herein or in the Issuing and Paying Agent Agreement to the contrary, the Issuing and Paying Agent shall not: (i) authenticate any Note of any other Series unless the requirements regarding authentication of such Series of Notes set forth in the Supplemental Indenture creating such Series of Notes shall have been met; and (ii) except in compliance with the provisions set forth in Section 5(i) and Section 5(j) of the Issuing and Paying Agent Agreement.

(d) Only such of the Notes as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto or as set forth in the Supplemental Indenture creating such Series of Notes, manually executed by the Issuing and Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of authentication when manually executed by the Issuing and Paying Agent shall be

conclusive evidence that the Notes so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. Transfer of Notes. Any Note may, in accordance with its terms, be transferred, upon the register required to be kept pursuant to the provisions of Section 2.08, by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Issuing and Paying Agent. Whenever any Note or Notes shall be surrendered for transfer, the Authority shall execute and the Issuing and Paying Agent shall authenticate and deliver a new Note or Notes, of the same Series, maturity and interest rate and for a like aggregate principal amount. The Issuing and Paying Agent shall require the Owner of the Note requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

SECTION 2.07. Exchange of Notes. Notes may be exchanged at the Corporate Trust Office of the Issuing and Paying Agent for a like aggregate principal amount of Notes of other authorized denominations of the same Series, maturity and interest rate. The Issuing and Paying Agent shall require the Owner of the Note requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

SECTION 2.08. Registration of Notes. The Issuing and Paying Agent will keep or cause to be kept at its Corporate Trust Office sufficient books for the registration and transfer of Notes, which shall at all times be open to inspection during normal business hours by the Authority upon reasonable prior notice, and upon presentation for such purpose, the Issuing and Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Notes, as hereinbefore provided.

SECTION 2.09. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated, the Authority, at the expense of the Holder of said Note, shall execute and deliver a new Note of like tenor, Series And number in exchange and substitution for the Note so mutilated, but only upon surrender to the Issuing and Paying Agent of the Note so mutilated. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Issuing and Paying Agent and, if such evidence be satisfactory to the Authority and the Issuing and Paying Agent and indemnity satisfactory to the Authority and the Issuing and Paying Agent shall be given, the Authority, at the expense of the Owner, shall execute and deliver a new Note of like tenor and Series in lieu of and in substitution for the Note so lost, destroyed or stolen. Neither the Authority nor the Issuing and Paying Agent shall be required to treat both the original Note and any replacement Note as being Outstanding for the purpose of determining the principal amount of Notes which may be issued hereunder, but both the original and the replacement Note shall be treated as one and the same.

SECTION 2.10. Special Provisions Regarding Book-Entry Only System for Notes. (a) Except as may otherwise be provided in a Supplemental Indenture establishing the terms and provisions of an additional Series of Notes, and except as otherwise provided in subsections (b) and (c) of this Section 2.10, each Series of Notes shall be initially issued in book-entry form and shall be registered in the name of Cede & Co., as nominee for DTC, or in the

name of such other nominee as the Depository for such Series of Notes shall request pursuant to the Letter of Representations delivered in connection with such Series of Notes. Payment of the interest on any Note registered in the name of Cede & Co. or any other nominee (hereinafter referred to as a “Nominee”) shall be made in the manner and at the address indicated in or pursuant to the Letter of Representations delivered in connection with such Series of Notes.

(b) Each Series of Notes shall be initially issued in the form of a separate single authenticated fully registered Master Note. Upon initial issuance, except as otherwise provided in subsection (a) of this Section 2.10, the ownership of Notes of all Series shall be registered in the registration records maintained by the Issuing and Paying Agent pursuant to Section 2.08 hereof in the name of the Nominee for such Series of Notes. The Authority and the Issuing and Paying Agent may treat each Depository as the sole and exclusive owner of the Notes registered in its name or the name of its Nominee for the purposes of payment of the principal of and interest on the Series of Notes to which such Note belongs, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Notes, obtaining any consent or other action to be taken by Owners of the Notes and for all other purposes whatsoever; and neither the Authority nor the Issuing and Paying Agent shall be affected by any notice to the contrary. Neither the Authority nor the Issuing and Paying Agent shall have any responsibility or obligation to any participant in a Depository (hereinafter referred to as a “Participant”), any person claiming a beneficial ownership interest in the Notes under or through a Depository or any Participant, or any other person which is not shown on the registration records as being an Owner, including, but not limited to, any responsibility or obligation with respect to (i) the accuracy of any records maintained by any Depository or any Participant, (ii) the payment by any Depository or any Participant of any amount in respect of the principal of, or interest on the Notes, (iii) the delivery of any notice which is permitted or required to be given to Owners of Notes hereunder, (iv) any consent given or other action taken by any Depository as Owner of Notes, or (v) any other purpose. The Issuing and Paying Agent shall pay all principal of, and interest on the Notes only at the times, to the accounts, at the addresses and otherwise in accordance with the Letter of Representations, and all such payments shall be valid and effective to satisfy fully and discharge the Authority’s obligations with respect to the principal of, and interest on the Notes to the extent of the sum or sums so paid. Upon delivery by any Depository to the Issuing and Paying Agent of written notice to the effect that any Depository has determined to substitute a new nominee in place of its then existing Nominee, the Notes will be transferable to such new nominee in accordance with subsection (e) of this Section 2.10.

(c) In the event that the Authority determines that it is in the best interests of the beneficial owners of the Notes of any Series that they be able to obtain note certificates, the Issuing and Paying Agent shall, upon the Request of the Authority, so notify each Depository, whereupon pursuant to the Letter of Representations, each Depository shall notify the Participants of the availability of note certificates. In such event, the Notes will be transferable in accordance with subsection (e) of this Section 2.10. Any Depository may determine to discontinue providing its services with respect to the Notes at any time by giving written notice of such discontinuance to the Authority and the Issuing and Paying Agent and discharging its responsibilities with respect thereto under applicable law. In such event, the Notes will be transferable in accordance with subsection (e) of this Section 2.10. Whenever any Depository requests the Authority and any Issuing and Paying Agent to do so, the Issuing and Paying Agent

and the Authority will cooperate with such Depository in taking appropriate action after reasonable notice to arrange for another depository to maintain custody of all certificates evidencing the Notes then Outstanding. In such event, the Notes will be transferable to such depository in accordance with subsection (e) of this Section 2.10, and thereafter, all references in this Indenture to such depository or its Nominee shall be deemed to refer to such securities depository and its nominee, as appropriate.

(d) In connection with any successor nominee for DTC or any other Depository or any successor to DTC or any other Depository, the Issuing and Paying Agent is hereby authorized and requested to enter into arrangements comparable to those entered into with DTC in connection with the Initial Series of Notes, and the Issuing and Paying Agent shall have the same rights and immunities with respect to its actions thereunder as it has with respect to its actions under this Indenture.

(e) In the event that any transfer or exchange of Notes is authorized under subsection (b) or (c) of this Section 2.10, such transfer or exchange shall be accomplished upon receipt by the Issuing and Paying Agent from the registered owner thereof of the Notes to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.06 and 2.07 hereof. In the event note certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as holder of all the Notes, another securities depository as holder of all the Notes, or the nominee of such successor securities depository, the provisions of Sections 2.02, 2.06 and 2.07 hereof shall also apply to, among other things, the registration, exchange and transfer of the Notes and the method of payment of principal of and interest on the Notes.

(f) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series of Notes are issued in the form of a Master Note, all payments with respect to principal of and interest on such Notes and all notices with respect to such Notes shall be made and given, respectively, as provided in the Letter of Representations delivered in connection with such Series of Notes or as otherwise instructed in writing by the Depository.

ARTICLE III

ISSUE AND SALE OF NOTES; APPLICATION OF PROCEEDS; ADDITIONAL NOTES; PARITY DEBT

SECTION 3.01. Issuance and Sale of Notes. (a) Except as otherwise provided in Section 2.10 with respect to issuance of a Series of Notes in book-entry form, whenever an Authorized Representative determines that the Authority shall sell or issue Notes, such Authorized Representative shall deliver an Issuance Request to the Issuing and Paying Agent and the Trustee prescribing the terms of such Notes and the sale or issuance thereof in accordance with Section 2.02, and representing: (i) that all action on the part of the Authority necessary for the valid issuance of the Notes then to be issued has been taken and has not been rescinded or revoked; (ii) that all provisions of State and federal law necessary for the valid issuance of such Notes and (except in the case of a Series of Notes, the interest with respect to which is not expected to be excluded from gross income for federal income tax purposes) necessary to provide that interest thereon is excludable from gross income for purposes of federal income

taxes and is exempt from State of California personal income taxes have been complied with; (iii) that interest on the Notes is excludable from gross income for purposes of federal income taxes and is exempt from State of California personal income taxes, provided, that such representation need not be provided in the case of a Series of Notes, the interest with respect to which is not expected to be excluded from gross income for federal income tax purposes; and (iv) that such Notes in the hands of the Owners thereof will be valid and binding limited obligations of the Authority enforceable according to their terms. Each such Issuance Request shall also certify or constitute a representation and warranty that as of the date of such Issuance Request:

(1) no Event of Default under Section 7.01 has occurred and is continuing as of the date of such Issuance Request;

(2) the Authority is in compliance with the covenants set forth in Article VI hereof, including, without limitation, the tax covenants contained in Section 6.06 and 6.07, and is in compliance with the covenants set forth in Section 1.8.2 of the Tax Certificate, as of the date of such Issuance Request, except in the case of a Series of Notes the interest with respect to which is not expected to be excluded from gross income for federal income tax purposes under the Code; and

(3) no Notice of No Issuance has been received from the related Credit Provider.

Upon receipt of an Issuance Request, the Issuing and Paying Agent shall authenticate and deliver the Notes to the applicable Dealer for the consideration and in the manner hereinafter and in the Issuing and Paying Agent Agreement provided, but only if the Issuing and Paying Agent shall have received such Issuance Request no later than 12:30 p.m. New York City time on the Business Day on which such Notes are to be delivered. If an Issuance Request is received after 12:30 p.m. New York City time on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Notes until the next succeeding Business Day.

(b) Upon receipt of an Issuance Request which shall be transmitted by the Authority in accordance with the provisions set forth in the Issuing and Paying Agent Agreement, the Issuing and Paying Agent shall, by 2:00 p.m. New York City time on such day, complete each Note then to be delivered as to principal amount, date of issue, registered owner (which shall be registered in accordance with the instructions for registration provided by the applicable Dealer), maturity date, interest rate and interest amount specified in such Issuance Request, authenticate each such Note and deliver it to the applicable Dealer. Such Dealer shall, by 2:15 p.m. New York City time on such day, pursuant to the provisions set forth in the Dealer Agreement, pay to the Issuing and Paying Agent, in immediately available funds, the aggregate purchase price for such Notes.

(c) Notwithstanding any other provision of this Indenture or the Issuing and Paying Agent Agreement to the contrary, no such Notes shall be delivered by the Issuing and Paying Agent if the delivery of such Notes would result in violation of any of the prohibitions respecting authentication of Notes set forth in Section 2.05. If the Issuing and Paying Agent is

unable to comply with an Issuance Request due to a failure to comply with the conditions set forth in Section 2.05, the Issuing and Paying Agent shall promptly notify the Authority, the Trustee and the applicable Dealer of the circumstances prohibiting the issuance of Notes.

(d) Notwithstanding any other provision of this Indenture or the Issuing and Paying Agent Agreement to the contrary, so long as any Series of Notes is issued in book-entry form as provided in Section 2.10, the Issuing and Paying Agent shall deliver Notes of such Series in accordance with the terms of the Letter of Representations delivered in connection with such Series of Notes.

SECTION 3.02. Proceeds of Sale of a Series of Notes. (a) Except as is otherwise provided in the Supplemental Indenture establishing the terms and provisions of a Series of Notes issued subsequent to the Series A Notes and the Series B Notes, upon receipt from a Dealer of the proceeds of issuance and sale of a Series of Notes, the Issuing and Paying Agent shall:

(1) deposit such proceeds to the credit of the applicable Dealer Note Principal Account in the applicable Note Fund created pursuant to the Issuing and Paying Agent Agreement entered into in connection with such Series of Notes, to the extent necessary for the reimbursement of Advances under the Credit Facility delivered in connection with such Series of Notes or for the reimbursement of Credit Provider Loans or for the payment of the principal of and interest on Notes of the applicable Series then due and payable or becoming due and payable on the day of receipt of such proceeds, provided, however, that such proceeds shall be applied to the payment of the principal of and interest on Notes of the applicable Series then due and payable or becoming due and payable on the day of receipt of such proceeds only to the extent that amounts held on deposit in the applicable Credit Facility Fund are insufficient to pay such principal or interest; and

(2) transfer the balance of such proceeds to the Trustee for application in accordance with the written directions of the Authority set forth in the Issuance Request delivered by the Authority in connection with such Notes.

(b) Except as is otherwise provided in the Supplemental Indenture establishing the terms and provisions of a Series of Notes issued subsequent to the Series A Notes and the Series B Notes, upon receipt from the Issuing and Paying Agent of proceeds of issuance and sale of a Series of Notes, the Trustee shall deposit such proceeds in the applicable Proceeds Fund and shall apply such proceeds in accordance with the written directions of the Authority set forth in the Issuance Request delivered by the Authority in connection with such Series of Notes.

SECTION 3.03. Issuance of Additional Series of Notes. The Authority may by Supplemental Indenture establish one or more additional Series of Notes, payable from Revenues and secured by the pledge made under the Transportation Act and this Indenture equally and ratably with the Initial Series of Notes and any other Series of Notes previously issued, and the Authority may issue, and the Issuing and Paying Agent or Trustee, as applicable, may authenticate and deliver to the Dealer thereof, Notes of any Series so established, in such

principal amount as shall be determined by the Authority, but only, with respect to each such additional Series of Notes issued hereunder after the Initial Series of Notes, upon compliance by the Authority with the provisions of Section 3.04 and Section 3.05 and any additional requirements set forth in said Supplemental Indenture, and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such additional Series of Notes:

(a) No Event of Default shall have occurred and then be continuing.

(b) The aggregate principal amount of Notes authorized to be issued hereunder, together with all outstanding Senior Lien Debt and Parity Debt, shall not in combination exceed any limitation imposed by the Ordinance, the Authority Act or the Transportation Act or by any Supplemental Indenture.

(c) The Authority shall have placed on file with the Trustee and each Credit Provider a Certificate of the Authority certifying that the amount of Revenues, for any period, selected by the Authority, of twelve (12) consecutive months during the eighteen (18) months immediately preceding the date of the proposed issuance will be at least equal to one and ten hundredths (1.1) times the Maximum Annual Debt Service on all Sales Tax Debt then Outstanding, including the additional Series of Notes then proposed to be issued, provided that, should the Authority obtain a loan from United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau relating to the Authority's California Interstate 10 express lanes, then, so long as such loan is outstanding, such amount shall be at least equal to one and fifty hundredths (1.5) times the Maximum Annual Debt Service on all Sales Tax Debt then Outstanding, including the additional Series of Notes then proposed to be issued.

(d) The aggregate principal amount of Notes issued hereunder, together with interest thereon to maturity, shall not exceed the amount available to be drawn under the Credit Facility or Alternate Credit Facility then providing credit and liquidity support for the Notes.

(e) No Notice of No-Issuance shall have been delivered by the Credit Provider.

Nothing in this Section or in this Indenture shall prevent or be construed to prevent the Supplemental Indenture providing for the issuance of an additional Series of Notes from pledging or otherwise providing, in addition to the security given or intended to be given by this Indenture, additional security for the benefit of such additional Series of Notes or any portion thereof.

In the event additional assets or revenues are included within the definition of "Sales Tax Revenues" by a Supplemental Indenture, such additional assets or revenues shall be included in the computations to be provided pursuant to subsection (c) above as if such additional assets or revenues had always been included within the definition of Sales Tax Revenues.

SECTION 3.04. Proceedings for Issuance of Additional Series of Notes.
Whenever the Authority shall determine to issue an additional Series of Notes pursuant to

Section 3.03, the Authority shall authorize the execution of a Supplemental Indenture which shall specify the aggregate principal amount of such Series of Notes, which shall prescribe the terms and conditions of such Series of Notes, including the Series designation, forms, authorized denominations and the liquidity or credit facility to be provided with respect to such Series of Notes and which shall include such other provisions as are necessary or appropriate and not inconsistent with the terms of this Indenture.

Before such additional Series of Notes shall be issued and delivered, the Authority shall file the following documents with the Trustee, the Issuing and Paying Agent and each Credit Provider:

(a) An executed copy of the Supplemental Indenture authorizing the issuance of such additional Series of Notes;

(b) An executed copy of the Credit Facility, the Issuing and Paying Agent Agreement, the Credit Agreement and the Dealer Agreement executed in connection with the issuance and delivery of such additional Series of Notes;

(c) A Certificate of the Authority stating that no Event of Default has occurred and is then continuing; and that upon the delivery of such Series of Notes the aggregate principal amount of Notes then Outstanding will not exceed the amount permitted by law or by this Indenture;

(d) An Opinion of Bond Counsel to the effect that the execution of the Supplemental Indenture has been duly authorized by the Authority and that such Series of Notes, when duly executed by the Authority and authenticated and delivered by the Issuing and Paying Agent in accordance with this Indenture and the Issuing and Paying Agent Agreement, will be valid and binding limited obligations of the Authority;

(e) The Certificate of the Authority required to be delivered pursuant to Section 3.03(c) hereof;

(f) A Certificate of the Authority containing such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such additional Series of Notes as are contained herein; and

(g) Such further documents, money or securities as are required by the provisions of the Supplemental Indenture providing for the issuance of such additional Series of Notes.

A copy of all documents provided to the Trustee and the Issuing and Paying Agent pursuant to this Section shall also be provided to each Credit Provider.

SECTION 3.05. Issuance of Refunding Debt. (a) Refunding debt may be authorized and issued by the Authority without compliance with the provisions set forth in Section 3.03 and Section 3.04 hereof; provided that no Note, Advance or Credit Provider Loan shall be deemed to constitute refunding debt or be subject to the provisions of this section. Such refunding debt may be issued as Parity Debt in accordance with the provisions set forth in

Section 3.06 hereof or as Senior Lien Debt and may be applied to refund Sales Tax Debt. Such refunding debt may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for payment of all of the following:

(1) The principal or redemption price, if applicable, of the outstanding Notes or Parity Debt or Senior Lien Debt to be refunded.

(2) All expenses incident to the calling, retiring or paying of such outstanding Notes or Parity Debt or Senior Lien Debt and the costs of issuance of such refunding debt.

(3) Interest on all outstanding Notes or Parity Debt or Senior Lien Debt to be refunded to the date such Notes or Parity Debt or Senior Lien Debt will be called for redemption or paid at maturity, as applicable.

(4) Interest on the refunding debt from the date thereof to the date of payment or redemption of the Notes or Parity Debt or Senior Lien Debt to be refunded.

(b) Before such refunding debt shall be issued and delivered, the Authority shall file the following documents with the Trustee:

(1) A transcript of the proceedings providing for the issuance of such refunding debt.

(2) An Opinion of Bond Counsel to the effect that (i) such refunding debt has been duly authorized by the Authority in accordance with this Indenture and that such refunding debt constitutes a valid and binding obligation of the Authority, and (ii) that the refunded debt is deemed to be paid or defeased and to be no longer outstanding or, if such refunding debt is issued pursuant to a crossover refunding, that such refunding debt shall not be deemed to constitute Parity Debt until the refunded debt is redeemed.

(3) If any of the debt to be refunded is to be redeemed prior to its stated maturity date, irrevocable instructions to the trustee for such debt to give the applicable notice of redemption or a waiver of the notice of redemption signed by the owners of all or the portion of such debt to be redeemed, or proof that such notice has been given by the Authority; provided, however, that in lieu of such instructions or waiver or proof of notice of redemption, the Authority may cause to be deposited with the trustee for such debt all of the debt proposed to be redeemed (whether cancelled or uncanceled) with irrevocable instructions to the trustee for such debt to cancel said debt so to be redeemed upon the exchange and delivery of said refunding debt; and provided further that no provision of this Indenture shall be construed to require the redemption of such debt prior to the maturity date thereof due to the refunding thereof.

A copy of all documents provided to the Trustee pursuant to this subsection shall also be provided to each Credit Provider.

(c) The proceeds of the sale of refunding debt shall be applied to the retirement of the outstanding Sales Tax Debt for the refunding of which said refunding debt is being issued, in each instance, in accordance with the instructions of the Authority delivered in connection with the issuance of such refunding debt. All Sales Tax Debt purchased, redeemed or retired by use of funds received from the sale of refunding debt, and all Sales Tax Debt surrendered to the trustee for such debt against the issuance of refunding debt, shall be forthwith cancelled and shall not be reissued.

No Note of any Series nor any Advance nor any Credit Provider Loan shall be deemed to constitute refunding debt.

SECTION 3.06. Limitations on the Issuance of Obligations Payable from Revenues. The Authority will not, so long as any of the Sales Tax Debt are outstanding, issue any obligations or securities, howsoever denominated, payable in whole or in part from or secured by Revenues, except the following:

(a) Notes of any additional Series Authorized pursuant to Sections 3.03 and 3.04.

(b) Refunding debt authorized pursuant to Section 3.05.

(c) Parity Debt, provided that the following conditions to the issuance of such Parity Debt are satisfied:

(1) Such Parity Debt has been duly and legally authorized for any lawful purpose of the Authority;

(2) No Event of Default shall have occurred and then be continuing, as evidenced in a Certificate of the Authority filed with the Trustee;

(3) Unless such Parity Debt is being issued for purposes of refunding in accordance with the provisions set forth in Section 3.05, the Authority shall have placed on file with the Trustee and each Credit Provider, a Certificate of the Authority, upon which the Trustee and each Credit Provider may conclusively rely, demonstrating and certifying (on the basis of calculations as of the date of sale of such Parity Debt, which calculations shall be set forth in such Certificate) that the requirements described in Section 3.03(c) with respect to the issuance of an additional Series of Notes have been met with respect to such Parity Debt;

(4) The Authority shall have filed with the Trustee an Opinion of Bond Counsel to the effect that such Parity Debt has been duly authorized in accordance with this Indenture and that such Parity Debt constitutes a valid and binding obligation of the Authority; and

(5) The Authority shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Parity Debt.

(d) Senior Lien Debt, provided the following conditions to the issuance of such Senior Lien Debt are satisfied:

(1) Such Senior Lien Debt has been duly and legally authorized for any lawful purpose of the Authority;

(2) No Event of Default shall have occurred and then be continuing, as evidenced in a Certificate of the Authority filed with the Trustee;

(3) Unless such Senior Lien Debt is being issued for purposes of refunding in accordance with the provisions set forth in Section 3.05, the Authority shall have placed on file with the Trustee and each Credit Provider, (i) a Certificate of the Authority, upon which the Trustee and each Credit Provider may conclusively rely, demonstrating and certifying (on the basis of calculations as of the date of sale of such Senior Lien Debt, which calculations shall be set forth in such Certificate) that the requirements described in Section 3.03(c) with respect to the issuance of an additional Series of Notes have been met with respect to such Senior Lien Debt, and (ii) a Certificate of the Authority certifying that the amount of Revenues, for any period, selected by the Authority, of twelve (12) consecutive months during the eighteen (18) months immediately preceding the date of calculations will be at least equal to two (2.0) times the Maximum Annual Debt Service on all Senior Lien Debt then Outstanding, including the additional Senior Lien Debt then proposed to be issued;

(4) The Authority shall have filed with the Trustee an Opinion of Bond Counsel to the effect that such Senior Lien Debt has been duly authorized in accordance with this Indenture and that such Senior Lien Debt constitutes a valid and binding obligation of the Authority; and

(5) The Authority shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Senior Lien Debt.

(e) Obligations which are junior and fully subordinate to the payment of the principal, premium, if any, interest and reserve fund requirements, if any, for the Notes and all Parity Debt, and which obligations are payable as to principal, premium, if any, interest and reserve fund requirements, if any, only out of the Revenues after the prior payment of all amounts then required to be paid hereunder from the Revenues for principal, premium, if any, interest and reserve fund requirements, if any, for the Notes and all Parity Debt, as the same become due and payable and at the times and in the manner as required in this Indenture.

Notwithstanding anything herein to the contrary, the issuance of Notes or the making of an Advance or a Credit Provider Loan with respect to Notes of any Series shall not be considered the issuance of additional debt within the provisions of Sections 3.03 through 3.06, inclusive, and no limitation contained in such Sections shall apply to the issuance of the Initial Series of Notes or the making of Advances or Credit Provider Loans with respect thereto.

ARTICLE IV

PROCEEDS FUNDS

SECTION 4.01. Establishment and Application of Proceeds Funds. Upon the issuance of the Series A Notes and the Series B Notes, the Trustee is hereby directed, on behalf of the Authority, to establish, maintain and hold in trust a separate fund designated as the “Series Proceeds Fund.” Unless otherwise instructed in a Supplemental Indenture providing for the terms and provisions of an additional Series of Notes, upon the issuance of each additional Series of Notes, the Trustee is hereby directed, on behalf of the Authority, to establish, maintain and hold in trust a separate fund designated as the “_____ Proceeds Fund” (inserting therein the Series designation of such Proceeds Fund). Amounts from the proceeds of a Series of Notes in accordance with the instructions of the Authority delivered pursuant to Section 3.02 shall be deposited by the Trustee in the applicable Proceeds Fund. The moneys in each Proceeds Fund shall be disbursed, upon a Requisition of the Authority, to pay costs and expenses incurred in connection with the portion of the Project financed with the proceeds of the Series of Notes deposited in such Proceeds Fund (or to make reimbursements to the Authority for such costs), to pay Costs of Issuance of such Series of Notes, to pay Credit Facility fees and other expenses related to the Notes or to pay interest on the Notes issued with respect to the Project. Such Requisition of the Authority shall be substantially in the form attached as Exhibit E hereto and shall set forth the name of the person or persons to whom said amounts are to be disbursed and shall state that the amounts to be disbursed are for costs properly chargeable to such Proceeds Fund and that such amounts have not been the subject of any previous Requisition of the Authority.

When the Authority determines that the portion of the Project to be financed with the proceeds of a Series of Notes has been completed, a Certificate of the Authority shall be delivered to the Trustee stating (i) the fact and date of such completion, (ii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which a retention in the applicable Proceeds Fund is to be maintained in the full amount of such claims until such dispute is resolved) and (iii) that the Trustee is to transfer the remaining balance, if any, in such Proceeds Fund, less the amount of any such retention, to the Issuing and Paying Agent for deposit in the Note Fund established in connection with such Series of Notes and the Issuing and Paying Agent shall apply such funds as soon as practicable to the payment first, to the payment at maturity of Notes of such Series, and second, of amounts owing to the Credit Provider to reimburse the Credit Provider for draws to pay principal and interest for such Series of Notes.

ARTICLE V

REVENUES

SECTION 5.01. Sales Tax Revenues; Pledge of Revenues; Revenue Fund.

(a) The Notes, all other obligations of the Authority payable hereunder, and all obligations of the Authority payable in connection with Parity Debt, including, without limitation, all obligations of the Authority payable under each Credit Agreement, are limited

obligations of the Authority and are payable as to both principal and interest, and premium, if any, upon redemption thereof, exclusively from the Revenues, and, as and to the extent applicable, the other funds pledged hereunder.

Subject only to the provisions of this Indenture and the Senior Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and therein, all Revenues are hereby irrevocably pledged by the Authority to secure the punctual payment of the principal of and interest on the Notes and Parity Debt, in accordance with their respective terms, including, without limitation, obligations of the Authority with respect to principal and interest payable under each Credit Agreement, and shall not be used for any other purpose while any of the Notes remain Outstanding, any Credit Facility remains in effect or any Parity Debt remains unpaid. The pledge of Revenues herein made shall be irrevocable until all of the Notes are no longer Outstanding, each Credit Facility has terminated in accordance with its terms and all Parity Debt is paid or discharged.

Said pledge of Revenues shall constitute a lien on the Revenues and shall be valid and binding from and after delivery of the Series A Notes and the Series B Notes, without any physical delivery thereof or further act; provided, however, that Senior Lien Debt outstanding and all other Senior Lien Debt issued or incurred pursuant to the terms of the Senior Bond Indenture and the terms hereof shall be entitled to payment from Revenues prior to the payment of the Notes or Parity Debt.

The Revenues hereby pledged to the payment of Notes and Parity Debt shall be applied without priority or distinction of one over the other and the Revenues shall constitute a trust fund for the security and payment of the Notes and Parity Debt; but nevertheless out of Revenues certain amounts may be applied for other purposes as provided herein.

Out of Revenues there shall be applied as hereinafter set forth all sums required for the payment of the principal of and interest on the Notes and all Parity Debt and then returned to the Senior Lien Trustee.

(b) After application of the Revenues in accordance with the Senior Bond Indenture, the Senior Lien Trustee shall pay over all Revenues directly to the Trustee as instructed by the Authority in an order of the Authority delivered to the Senior Lien Trustee on the date of execution of this Indenture. Upon receipt by the Trustee, the Revenues shall be received and held in trust by the Trustee for the benefit of the Holders of the Notes and the Parity Debt and shall be disbursed, allocated and applied solely for the uses and purposes set forth in Article V hereof. So long as any Notes are Outstanding or any Parity Debt remains unpaid, the Authority hereby assigns and shall cause Revenues to be transmitted to the Trustee. The Trustee shall forthwith deposit in a trust fund, designated as the "Revenue Fund," which fund the Trustee shall designate and maintain, all Revenues, when and as received by the Trustee. All moneys at any time held in the Revenue Fund shall be held in trust for the benefit of the Holders of the Notes and Parity Debt and shall be disbursed, allocated and applied solely for the uses and purposes set forth in Article V, provided that on parity with the application of such amounts, the Trustee may set aside or transfer amounts with respect to outstanding Parity Debt as provided in the proceedings for such Parity Debt delivered to the Trustee pursuant to Section 3.04 hereof (which shall be proportionate in the event such amounts are insufficient to provide for all

deposits required as of any date to be made with respect to the Notes and such Parity Debt), and further provided, that proceeds of each Credit Facility shall only be used to pay principal and interest on the Notes secured by such Credit Facility.

On each day of receipt by the Trustee of Sales Tax Revenues, all Sales Tax Revenues remaining after the Trustee shall have made the allocations described in this Article V shall be available to the Authority for all lawful Authority purposes and the Trustee shall, to the full extent practicable, transfer the remaining Sales Tax Revenues to the Senior Lien Trustee on the same day as the receipt thereof.

SECTION 5.02. Pledge of Certain Funds and Accounts. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all amounts (including proceeds of the sale of Notes) held by the Trustee in any fund or account established hereunder (other than the Rebate Fund) are hereby irrevocably pledged and assigned to the Trustee to secure the payment of the principal of and interest on the Notes and any Parity Debt. Said pledge of such amounts shall constitute a first lien on such amounts and shall be valid and binding from and after delivery of Notes of the initial Series by the Issuing and Paying Agent or the incurrence by the Authority of Parity Debt, without any physical delivery thereof or further act.

Subject only to the provisions of the Issuing and Paying Agent Agreement entered into in connection with a Series of Notes permitting the application thereof for the purposes and on the terms and conditions set forth therein, all amounts (including proceeds of the sale of such Series of Notes) held by an Issuing and Paying Agent in any fund or account established under such Issuing and Paying Agent Agreement (other than a Credit Facility Fund) are hereby irrevocably pledged and assigned to the Trustee to secure payment of the principal of and interest on the Series of Notes to which the Issuing and Paying Agent Agreement relates and the obligations of the Authority payable with respect to the Credit Agreement entered into in connection with such Series of Notes. Said pledge of such amounts shall constitute a first lien on such amounts and shall be valid and binding from and after delivery of such Series of Notes, without any physical delivery thereof or further act.

SECTION 5.03. Establishment and Application of Interest Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Interest Fund." All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Notes as it shall become due and payable and making payments on Interest Rate Swap Agreements related to any Notes. Upon the initial receipt of Revenues (and upon the issuance of Notes that causes an increase in the aggregate principal amount of Notes Outstanding), the Authority shall cause to be transferred to the Trustee, for deposit in the Interest Fund, an amount equal to the amount of interest which will accrue through the last day of the month (or the following month in the event such issuance is after the receipt of Revenues for such month), calculated (x) at the actual rate of interest on the Notes for any day interest is to accrue at a rate known on the date such deposit is made and (y) at an assumed interest rate equal to the SIFMA Swap Index for any day interest is to accrue at a rate unknown on the date such deposit is made (and/or, as and to the extent applicable, if amounts are owed to a Credit Provider, at the rate projected to be payable pursuant to the applicable Credit Agreement).

Thereafter, upon the receipt of Revenues each month, the Trustee shall deposit in the Interest Fund an amount sufficient to cause the amount on deposit in the Interest Fund on the last Business Day of such month to equal the sum of (i) the accrued and unpaid interest, if any, on the Notes Outstanding on the last Business Day of such month, and (ii) the interest which will accrue on Notes expected to be Outstanding through the last day of the month immediately following such month, such interest to be calculated (x) at the actual rate of interest on the Notes for any day interest is to accrue at a rate known on the date such deposit is made, and (y) at an assumed interest rate equal to the SIFMA Swap Index for any day interest is to accrue at a rate unknown on the date such deposit is made (or, if amounts are owed to the Credit Provider, at the rate projected to be payable pursuant to the applicable Credit Agreement).

In the event that the Trustee shall fail to receive an amount sufficient to equal the amount required to be deposited pursuant to this Section 5.03 by the close of business on the last Business Day of any month, the Trustee shall promptly notify the Authority in writing of the amount of such insufficiency by fax or electronic mail, receipt of which fax or electronic mail by the Authority shall be confirmed by the Trustee.

In addition, in the event that the Trustee shall fail to have an amount sufficient to equal the amount required to be transferred by the Trustee to the Issuing and Paying Agent on each date interest is due and payable on any Note, the Trustee shall notify the Authority in writing of the amount of such insufficiency by fax or electronic mail, receipt of which fax or electronic mail by the Authority shall be confirmed by the Trustee, such notice to be provided prior to 10:30 a.m. New York City time/7:30 a.m. California time on each date interest is due and payable on any Note.

Amounts deposited in the Interest Fund shall be transferred by the Trustee to the Issuing and Paying Agent by 11:30 a.m. New York City time/8:30 a.m. California time on each date interest is due and payable on any Note.

Any amounts remaining on deposit in the Interest Fund on the Business Day preceding the receipt of Sales Tax Revenues from the Senior Lien Trustee in June of each year in excess of amounts needed to pay interest due in June on Notes or Parity Debt that is to be paid from Revenues, shall, upon the Authority's written request, be transferred [to the Senior Lien Trustee for application pursuant to the Senior Bond Indenture].

SECTION 5.04. Establishment and Application of Principal Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Principal Fund." All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying principal on the Notes as it shall become due and payable. Upon the initial issuance of the Initial Series of Notes, and upon the subsequent issuance of Notes that causes an increase in the aggregate amount of Notes Outstanding (above the amount needed to pay principal of and interest on maturing Notes), the Authority shall specify and cause to be transferred to the Trustee, for deposit in the Principal Fund, an amount equal to the principal amount of Notes, maturing in the month such Notes are issued, which the Authority intends to retire from Revenues during such month.

Subsequent to the month of initial issuance of the Initial Series of Notes, after the required deposit of Revenues to the Interest Fund, if any, the Trustee shall deposit in the Principal Fund, an amount equal to the principal amount of Notes maturing in the month immediately following the month such deposit is made which the Authority intends to retire from Revenues during such month.

Unless otherwise notified in writing by the Authority, the Trustee shall assume that no principal of maturing Notes is intended to be retired from Revenues, but is to be paid from the proceeds of issuance of Notes. In the event that the Trustee shall fail to receive an amount sufficient to equal the amount required to be deposited pursuant to this Section 5.04 by the close of business on the last Business Day of any month, the Trustee shall promptly notify the Authority in writing of the amount of such insufficiency by fax electronic mail, receipt of which fax or electronic mail by the Authority shall be confirmed by the Trustee.

Amounts deposited in the Principal Fund shall be transferred by the Trustee to the Issuing and Paying Agent by 11:30 a.m. New York City time on each date principal is due and payable on any Note which the Authority intends to retire from Revenues.

Any amounts remaining on deposit in the Principal Fund on the Business Day preceding the receipt of Revenues from the Senior Lien Trustee in June of each year in excess of amounts needed to pay principal due in June on Notes or Parity Debt that is to be paid from Revenues, shall, upon the Authority's written request, be transferred [to the Senior Lien Trustee for application pursuant to the Senior Bond Indenture], provided, however, that such moneys shall, upon the Authority's written request issued pursuant to Section 5.05, be transferred to and deposited in the Subordinate Obligations Fund.

SECTION 5.05. Establishment and Application of the Subordinate Obligations Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Subordinate Obligations Fund." After the other transfers required pursuant to Sections 5.03 and 5.04 have been made and all other amounts due with respect to any Parity Debt have been paid, the Trustee shall transfer to the Subordinate Obligations Fund an amount necessary to be applied to the payment of Subordinate Obligations in accordance with, and upon the written direction of, the Authority, such written direction to be provided by the Authority prior to or concurrently with any transfer of Revenues to the Senior Lien Trustee pursuant to Section 5.01. Upon the payment of Subordinate Obligations as directed by and in accordance with the written direction of the Authority, remaining Revenues, if any, shall be transferred to the Senior Lien Trustee and may be used for any lawful purpose of the Authority in accordance with the Senior Lien Bond Indenture.

SECTION 5.06. Investment by the Authority and the Issuing and Paying Agent. All moneys in any of the funds or accounts established and held by the Authority pursuant to this Indenture shall be invested by the Authority in Investment Securities or in any other investments permitted for the investment of funds of the Authority under the Authority Act and the Transportation Act. All moneys in any of the funds or accounts established and held by the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement shall be invested in accordance with the provisions set forth in the Issuing and Paying Agent Agreement.

SECTION 5.07. Investment by the Trustee. All moneys in any of the funds or accounts established and held by the Trustee pursuant to this Indenture shall be invested, as directed in writing by the Authority, solely in Investment Securities. All Investment Securities shall be acquired by the Trustee subject to the limitations set forth in Section 6.07 and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Authority and not inconsistent with the duties of the Trustee hereunder. If and to the extent the Trustee does not receive investment instructions from the Authority with respect to the moneys in the funds and accounts held by the Trustee pursuant to this Indenture, such moneys shall be invested in Investment Securities described in clause (xii) of the definition thereof.

Moneys in the remaining funds and accounts shall be invested in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

Unless otherwise provided in a Supplemental Indenture, all interest, profits and other income received from the investment of moneys in any fund or account, other than the Rebate Fund and the Proceeds Fund, shall be transferred to the Interest Fund when received. All interest, profits and other income received from the investment of moneys in the Rebate Fund or the Proceeds Fund shall be deposited in such respective fund, except as provided in Section 6.08. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account from which such accrued interest was paid.

The Trustee may commingle any of the funds or accounts established pursuant to this Indenture (other than the Rebate Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee or any of its affiliates may act as principal or agent in the making or disposing of any investment and may impose its customary charge therefor. The Trustee may sell upon consultation with the Authority, or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment or redemption.

The Authority may, and the Trustee shall, upon the Request of the Authority, enter into a financial futures or financial option contract or swap with an entity the debt securities of which are rated not less than the second highest long-term rating categories by Moody's or S&P. The Authority shall provide written notice to the Credit Provider, S&P and Moody's before filing such a Request, and the Trustee shall provide notice of the closing of any such financial futures or financial option contract or swap to the Credit Provider, S&P and Moody's on the closing date thereof.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive

such confirmations from the Trustee to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee shall not be responsible for any losses resulting from investments made under this Indenture.

The Trustee shall keep proper books of record and accounts containing complete and correct entries of all transactions made by it relating to the receipt, disbursement, allocation and application of the moneys related to the Notes, including moneys derived from, pledged to, or to be used to make payments on the Notes. Such records shall specify the account or fund to which such moneys are to be allocated.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. Punctual Payment. The Authority will punctually pay or cause to be paid the principal of and interest on all the Notes and Parity Debt, in strict conformity with the terms of the Notes and the Parity Debt and of this Indenture, according to the true intent and meaning thereof, but in each case only out of Revenues as provided in this Indenture.

SECTION 6.02. Extension of Payment of Notes. The Authority will not directly or indirectly extend or assent to the extension of the maturity of any of the Notes or the time of payment of any Notes or claims for interest by the purchase or funding of such Notes or claims for interest or by any other arrangement and in case the maturity of any of the Notes or the time of payment of any such claims for interest shall be extended, such Notes or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Notes then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue debt for the purpose of refunding any Outstanding Notes, and such issuance shall not be deemed to constitute an extension of maturity of Notes.

SECTION 6.03. Against Encumbrances. Except only as permitted in Section 3.06, the Authority will not issue any obligations payable from, or secured by, the Revenues or any other amounts pledged under this Indenture, and will not create any pledge, lien or charge upon any of the Revenues or any other amounts pledged under this Indenture prior to or on parity with the Notes or Parity Debt, except only as permitted in Section 3.06 and the Senior Bond Indenture.

SECTION 6.04. Accounting Records and Financial Statements. (a) The Authority will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Revenues. Such books of record and account shall be available for inspection by the Trustee (who shall have no duty to inspect) and each Credit Provider at reasonable hours and under reasonable circumstances.

(b) The Authority will furnish the Trustee, each Dealer and each Credit Provider within two hundred seventy (270) days after the end of each Fiscal Year or as soon thereafter as they can practically be furnished, the financial statements of the Authority for such Fiscal Year, together with the report and opinion of an independent certified public accountant stating that the financial statements have been prepared in accordance with generally accepted accounting principles and that such accountant's examination of the financial statements was performed in accordance with generally accepted auditing standards and a Certificate of the Authority stating that no event which constitutes an Event of Default or which with the giving of notice or the passage of time or both would constitute an Event of Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and the actions taken and proposed to be taken by the Authority to cure such default. The Trustee shall have no duty to review such financial statements of the Authority.

SECTION 6.05. Collection of Sales Tax Revenues. (a) The Authority covenants and agrees that it has duly levied the Sales Tax in accordance with the Transportation Act and the Sales Tax Law, pursuant to and in accordance with the Ordinance, duly passed and adopted by the Authority and the electorate of the County. Said Ordinance will not be amended, modified or altered so long as any of the Notes are Outstanding or any Parity Debt remains unpaid in any manner which would reduce the amount of or timing of receipt of Revenues, and the Authority will continue to levy and collect the Sales Tax to the full amount permitted by law. The Authority further covenants that it has taken such actions as required to cause the CDTFA to process and supervise collection of said transactions and use taxes and to transmit Sales Tax Revenues directly to the Senior Lien Trustee. Said agreement will be continued in effect so long as any of the Notes are Outstanding or any Parity Debt remains unpaid and shall not be amended, modified or altered without notice to the Trustee and the Credit Provider so long as any of the Notes are Outstanding or any Parity Debt remains unpaid. For so long as the Sales Tax Revenues shall be transmitted by the CDTFA directly to the Senior Lien Trustee in accordance with the provisions set forth above, in the event that any Sales Tax Revenues are paid to the Authority directly by the CDTFA, the Authority will receive and hold in trust for (and remit immediately to) the Senior Lien Trustee any such Sales Tax Revenues.

(b) Revenues received by the Trustee shall be transmitted to the Senior Lien Trustee under the terms and conditions set forth in Article V; provided that, during the continuance of an Event of Default, any Revenues received by the Trustee shall be applied first to the payment of the costs and expenses of the Trustee in declaring such Event of Default and pursuing remedies, including reasonable compensation of its agents, attorneys and counsel, which costs and expenses shall be paid from the Revenue Fund, and second, to deposit into the Interest Fund and Principal Fund and to the payment of Notes and Parity Debt as more fully set forth in Section 7.02.

(c) The Authority covenants and agrees to separately account for all Revenues and to provide to the Trustee access to such accounting records at reasonable hours and under reasonable circumstances.

(d) The Authority covenants that so long as the Notes are Outstanding or any Parity Debt remains unpaid, it will comply with the Authority Act, the Transportation Act, the Sales Tax Law and the Ordinance and will not, to the best of its ability, suffer or permit any

change, modification or alteration to be made to the Authority Act, the Transportation Act, the Sales Tax Law which would materially and adversely affect the rights of Noteholders, any Credit Provider or the owners of any Parity Debt.

SECTION 6.06. Rebate Fund. (a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the “Rebate Fund.” Within the Rebate Fund, the Trustee shall maintain such accounts as the Authority shall direct in writing to comply with the terms and requirements of each Tax Certificate. Subject to the transfer provisions provided in subsection (c) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee for the account of the Authority in trust, to the extent required to satisfy the Rebate Requirement (as defined in the applicable Tax Certificate), for payment to the federal government of the United States of America, and neither the Trustee nor the Owner of any Notes nor any Credit Provider shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Indenture and by each Tax Certificate (which are incorporated herein by reference). The Authority hereby covenants to comply with the directions contained in each Tax Certificate and the Trustee hereby covenants to comply with all written instructions of the Authority delivered to the Trustee pursuant to each Tax Certificate (which instructions shall state the actual amounts to be deposited in or withdrawn from the Rebate Fund and shall not require the Trustee to make any calculations with respect thereto). The Trustee shall be deemed conclusively to have complied with the provisions of this Section 6.06(a) if it follows such written instructions of the Authority, and the Trustee shall have no liability or responsibility to enforce compliance by the Authority with the terms of any Tax Certificate nor to make computations in connection therewith.

(b) The Trustee shall invest all amounts held in the Rebate Fund, as directed by the Authority in writing, solely in Investment Securities, subject to the restrictions set forth in each Tax Certificate.

(c) Upon receipt of the written instructions of the Authority, the Trustee shall remit part or all of the balances in the Rebate Fund to the federal government of the United States of America, as directed. In addition, if such instructions so direct, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds (other than the Series A/B Credit Facility Fund) as directed. Any funds remaining in the Rebate Fund after payment of all of the Notes and payment and satisfaction of any Rebate Requirement, shall be withdrawn and remitted to the Authority in accordance with a Request of the Authority.

(d) Notwithstanding any other provision of this Indenture, including in particular Article X hereof, the obligation to remit the Rebate Requirement to the federal government of the United States of America and to comply with all other requirements of this Section and each Tax Certificate shall survive the defeasance or payment in full of the Notes.

SECTION 6.07. Tax Covenants. The Authority covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Notes under Section 103 of the Code; provided that, prior to the issuance of any Series of Notes, the Authority may exclude the application of the covenants contained in this Section 6.07 and Section 6.06 to such Series of Notes. Without limiting the generality of the foregoing, the Authority shall comply with all

requirements and covenants contained in each Tax Certificate. In the event that at any time the Authority is of the opinion that for purposes of this Section 6.07 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provision of this Section 6.07 and Section 6.06 hereof, if the Authority shall receive an Opinion of Bond Counsel to the effect that any action required under any Tax Certificate or this Section 6.07 or Section 6.06 hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Notes pursuant to Section 103 of the Code, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 6.08. Maintenance of Issuing and Paying Agent; Qualifications of Issuing and Paying Agent;. The Authority will at all times maintain an Issuing and Paying Agent for each Series of Notes in New York, New York. Any Issuing and Paying Agent appointed under the provisions of this Section in succession to the initial Issuing and Paying Agent shall be a bank having the powers of a trust company or a trust company, having (or, if such bank or trust company is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least one hundred million dollars (\$100,000,000), subject to supervision or examination by federal or state authority. If such bank or trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company or bank holding company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Issuing and Paying Agent shall cease to be eligible in accordance with the provisions of this Section, the Issuing and Paying Agent shall resign promptly in the manner and with the effect specified in Section 16 of the Issuing and Paying Agent Agreement.

SECTION 6.09. Credit Facility; Alternate Credit Facility. The Authority will at all times maintain in effect a Credit Facility enabling it to borrow an amount equal to the principal amount of each Series of Notes then issued pursuant to this Indenture and the Issuing and Paying Agent Agreement. Each such Credit Facility may also enable the Authority to borrow an amount equal to the accrued interest on such principal amount. Notwithstanding the foregoing, if the Authority shall have provided a Credit Facility with respect to a Series of Notes which enables the Authority to borrow an amount equal to the principal amount of such Series of Notes and an amount equal to the accrued interest on such principal amount, any amendment of such Credit Facility to eliminate coverage of interest on such principal amount shall take effect only on a date on which all Notes of such Series mature and the Issuing and Paying Agent shall draw on the existing Credit Facility on such date to pay principal of and interest on all maturing Notes of such Series.

The Authority may deliver a substitute (each an “Alternate Credit Facility”) to replace any Credit Facility then in effect, provided, however, that: (i) the Authority shall have provided to the Issuing and Paying Agent, the Trustee and the applicable Dealer written evidence

from Moody's, if such Series of Notes are then rated by Moody's, and Standard & Poor's, if such Series of Notes are then rated by Standard & Poor's, of the ratings which will be assigned to such Series of Notes upon delivery of such Credit Facility; and (ii) such Credit Facility shall take effect on a date on which all Notes of such Series mature and the Issuing and Paying Agent shall draw on the existing Credit Facility on such date to pay maturing Notes as and to the extent applicable pursuant to the provisions of such Credit Facility. The Authority shall provide advance written notice of the proposed delivery of an Alternate Credit Facility to the Issuing and Paying Agent, the Trustee and the applicable Dealer, such notice to be provided by the Authority, to the extent practicable, at least forty-five (45) days in advance of the proposed delivery of an Alternate Credit Facility. Upon receipt of such notice from the Authority, the Issuing and Paying Agent shall provide written notice of the proposed delivery of an Alternate Credit Facility to the Holders of the applicable Series of Notes, such written notice to be provided by facsimile or electronic mail and by first class mail at least thirty (30) days prior to the proposed date of delivery of such Credit Facility. Following the substitution of an Alternate Credit Facility for a Credit Facility then in effect, references to the Credit Facility replaced thereby will refer to such Credit Facility. Upon receipt of an Alternate Credit Facility, the Issuing and Paying Agent or the Trustee, as applicable, shall promptly give notice of the acceptance of such Credit Facility to the Holders of the applicable Series of Notes, such notice to be given by facsimile or electronic mail and by first class mail.

SECTION 6.10. Appointment of Dealers. The Authority covenants and agrees to take all reasonable steps necessary to ensure that, at all times, there shall be one or more Dealers for each Series of Notes, and to that end shall from time to time enter into a Dealer Agreement or Agreements with one or more Dealers, providing for the services specified in such Dealer Agreements to be performed by such Dealers, in connection with the offering, sale and issuance of Notes. The Authority hereby appoints BofA Securities, Inc. as the Series A Dealer and RBC Capital Markets, LLC as the Series B Dealer for the Initial Series of Notes.

SECTION 6.11. Waiver of Laws. The Authority will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Notes, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.12. Further Assurances. The Authority will make, execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Notes of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of any Note when and as the same shall become due and payable, whether at maturity as therein expressed or by declaration;

(b) default in the due and punctual payment of any installment of interest on any Note when and as such interest installment shall become due and payable;

(c) if the Authority shall fail to observe or perform any covenant, condition, agreement or provision in this Indenture on its part to be observed or performed, other than as referred to in subsection (a) or (b) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority by the Trustee or by any Credit Provider; except that, if such failure can be remedied but not within such sixty (60) day period and if the Authority has taken all action reasonably possible to remedy such failure within such sixty (60) day period, such failure shall not become an Event of Default for so long as the Authority shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time established by the Trustee or the Credit Provider, as provided herein;

(d) if any payment default shall exist under any agreement governing any Parity Debt and such default shall continue beyond the grace period, if any, provided for with respect to such default or if the holder of any Parity Debt exercises a right under the Parity Debt or the corresponding instruments pursuant to which such Parity Debt was issued to declare the principal thereof to be accelerated and payable immediately;

(e) if the Trustee receives written notice from a Credit Provider that an event of default has occurred and is continuing under the related Credit Agreement; and such event of default shall continue beyond the grace period, if any, provided for in such Credit Agreement;

(f) if the Authority files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

(g) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the Authority insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the Revenues, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

SECTION 7.02. Application of Sales Tax Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, to the fullest extent permitted by

law, and in accordance with the provisions of the Senior Bond Indenture pursuant to which the Bonds are issued, the Authority shall immediately transfer all Revenues held by it to the Senior Lien Trustee, and after compliance with the Senior Bond Indenture provisions the Senior Lien Trustee shall transfer Revenues to the Trustee and the Trustee shall apply all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (except as otherwise provided in this Indenture) as follows and in the following order:

(1) To the payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under this Indenture and to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Notes, each Credit Provider and the owners of any Parity Debt, including the costs and expenses of the Trustee, each Credit Provider and the Noteholders in declaring such Event of Default, provided that no funds on deposit in any Credit Facility Fund may be applied to the payment of the costs and expenses of the Trustee and the Trustee shall not have a lien on any Credit Facility Fund for the payment of its fees, costs and expenses; and

(2) To the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal of any Notes and any Parity Debt which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate or rates borne by the respective Notes, subject to the provisions of this Indenture; and, if the amount available shall not be sufficient to pay in full all the Notes and any Parity Debt due or to become due, together with such interest, then to the payment thereof ratably, according to the amounts of principal or interest due or to become due to the persons entitled thereto, without any discrimination or preference, provided, that, notwithstanding any other provision herein, the payment of principal and interest on a Series of Notes shall have priority over the payment of any amounts owing to the Credit Provider of any Credit Facility with respect to such Series of Notes to the extent such Credit Provider has failed to honor any drawing presented to it in strict conformity with the terms and conditions of the related Credit Facility.

SECTION 7.03. Trustee to Represent Noteholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Notes, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Notes for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Notes, this Indenture, the Authority Act, the Transportation Act, the Sales Tax Law and applicable provisions of any other law. Subject to the rights of each Support Provider described in Section 7.10, upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Noteholders, the Trustee in its discretion may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Notes then Outstanding (and in either case subject to the rights of each Credit Provider with respect to enforcement of remedies related to the Notes as described herein), and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or

other proceedings, as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under this Indenture, the Authority Act, the Transportation Act, the Sales Tax Law or any other law, and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture and the Transportation Act, pending such proceedings. All rights of action under this Indenture or the Notes or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Notes, subject to the provisions of this Indenture (including Section 7.05).

SECTION 7.04. Noteholders' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding (except provisions relating to the rights of a Credit Provider to direct proceedings with respect to a Series of Notes for which such Credit Provider is providing a Credit Facility as set forth in Section 7.10 hereof), the Owners of a majority in aggregate principal amount of the Notes then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Noteholders or holders of Parity Debt not parties to such direction; provided that in the event of a conflict in the written directions given the Trustee, the directions represented by such person holding a majority in aggregate principal amount of Notes shall control.

SECTION 7.05. Limitation on Noteholders' Right to Sue. No Owner of any Note shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture or any applicable law with respect to such Note, unless: (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Notes then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (5) the Trustee shall not have received contrary directions from the Owners of a majority in aggregate principal amount of the Notes then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Notes of any remedy hereunder or under law; it being understood and intended that no one or more Owners of

Notes shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Notes or any Credit Provider, or to enforce any right under this Indenture, or under applicable law with respect to the Notes, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Notes and each Credit Provider, subject to the provisions of this Indenture.

SECTION 7.06. Absolute Obligation of the Authority. Nothing in Section 7.05 or in any other provision of this Indenture, or in the Notes, contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Notes to the respective Owners of the Notes at their respective dates of maturity, except as is provided in Section 7.10, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Notes.

SECTION 7.07. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Noteholders or any Credit Provider on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Noteholders or any Credit Provider, then in every such case the Authority, the Trustee, the Noteholders and each Credit Provider, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee, the Noteholders and each Credit Provider shall continue as though no such proceedings had been taken.

SECTION 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Notes or any Credit Provider is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.09. Waivers of Events of Default. Except as otherwise provided herein, the Trustee in its discretion, may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of all Notes Outstanding shall, waive any Event of Default hereunder and rescind its consequences; provided, however, that no Event of Default may be waived unless the Credit Facility delivered in connection with such Series of Notes shall have been reinstated in full. In the case of any such waiver and rescission, the Authority, each Credit Provider then providing a Credit Facility in connection with a Series of Notes, each Issuing and Paying Agent, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Indenture shall be in writing and a copy thereof shall be delivered to the Authority.

No delay or omission of the Trustee, of any Credit Provider or of any Owner of the Notes to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an

acquiescence therein; and every power and remedy given by this Indenture to the Trustee, any Credit Provider or to the Owners of the Notes may be exercised from time to time and as often as may be deemed expedient.

SECTION 7.10. Control of Remedies and Waivers by Credit Provider. Anything in this Indenture to the contrary notwithstanding, provided that a Credit Facility is in full force and effect with respect to a Series of Notes and the Credit Provider providing such Credit Facility has not failed to honor a drawing presented to the applicable Credit Provider in strict conformity with the terms and conditions of the related Credit Facility or Credit Agreement, as applicable, as required in connection therewith, the Credit Provider shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture with respect to such Series of Notes, including, without limitation, the right to approve all waivers of any Event of Default with respect to such Series of Notes, provided that such direction shall not be otherwise than in accordance with the law and the provisions of this Indenture and no remedy or right may be exercised under this Indenture and no Event of Default may be waived with respect to such Series of Notes without the prior written consent of the Credit Provider for such Series of Notes. Notwithstanding the foregoing, no Event of Default may be waived by a Credit Provider unless the Credit Facility provided by such Credit Provider shall have been reinstated.

SECTION 7.11. Notice of Event of Default. As promptly as possible after the Trustee has actual knowledge of, or has received written notice of, the occurrence of an Event of Default, the Trustee shall provide written notice of such Event of Default to the Issuing and Paying Agent, each Credit Facility, each Dealer and all Holders of Notes then Outstanding.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Appointment: Duties, Immunities and Liabilities of Trustee. (a) U.S. Bank National Association is hereby appointed as Trustee under this Indenture and hereby accepts the duties imposed upon it as Trustee hereunder and hereby agrees to perform all the functions and duties of the Trustee hereunder, subject to the terms and conditions set forth in this Indenture. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of an Event of Default (which had not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Authority may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by any Credit Provider or the Owners of not less than a majority in aggregate amount of principal of the Notes

then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority, the Issuing and Paying Agent, each Dealer and each Credit Provider then providing a Credit Facility for any Series of Notes Outstanding. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within sixty (60) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Noteholder (on behalf of himself and all other Noteholders) or any Credit Provider may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall give written notice of its succession to the trusts hereunder, such notice to be given to the Issuing and Paying Agent, each Dealer, each Credit Provider and each Noteholder of Notes then Outstanding, a copy of which notice shall be provided to the Authority.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank authorized to exercise trust powers, a bank having the powers of a trust company or a trust company, having (or, if such bank or trust company is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least one hundred million dollars (\$100,000,000), subject to supervision or examination by federal or state authority. If such bank or trust company or bank holding

company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company or bank holding company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign promptly in the manner and with the effect specified in this Section.

SECTION 8.02. Accounting Records and Monthly Statements. The Trustee shall keep proper books of record and accounts containing complete and correct entries of all transactions of the Trustee relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Notes, including proceeds of each Series of Notes received by the Trustee and moneys derived from, pledged to, or to be used to make payments on each Series of Notes. Such records shall specify the account or fund to which each deposit and each investment (or portion thereof) held by the Trustee is allocated and shall set forth, in the case of each investment security, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity. The Trustee shall furnish the Authority with a monthly statement which shall include a summary of all deposits and all investment transactions related to each Series of Notes then Outstanding, such statement to be provided to the Authority no later than the fifth (5th) Business Day of the month following the month to which such statement relates, the first such monthly statement to be provided by the fifth (5th) Business Day of the month immediately following the month in which the Series A Notes and the Series B Notes are issued pursuant to the provisions of this Indenture and the Issuing and Paying Agent Agreement.

SECTION 8.03. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.04. Liability of Trustee. (a) The recitals of facts herein and in the Notes contained shall be taken as statements of the Authority, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Indenture or of the Notes as to the sufficiency of the Revenues or the priority of the lien of this Indenture thereon, or as to the financial or technical feasibility of any portion of the Project and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Notes assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Notes and may join in any action which any Owner of a Note may be entitled to take, with like effect as if the Trustee was not the Trustee under this

Indenture. The Trustee may in good faith hold any other form of indebtedness of the Authority, own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the Authority and make disbursements for the Authority and enter into any commercial or business arrangement therewith, without limitation.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, but the Trustee shall be liable for the negligence or misconduct of any such attorney, agent, or receiver selected by it; provided that the Trustee shall not be answerable for the negligence or misconduct of any such attorney, agent, or receiver selected by it with due care.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance (i) with the direction of the Credit Provider or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Notes at the time Outstanding (or such other percentage in aggregate principal amount of Notes at the time Outstanding as shall be provided herein) or (ii) the direction of any Credit Provider provided in accordance with the provisions of this Indenture relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, including, without limitation, the provisions of Article VII hereof, unless such Noteholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that no security or indemnity shall be requested or required for the Trustee to deliver a notice to obtain funds under the Credit Facility delivered in connection with a Series of Notes in order to pay principal of or interest on such Series of Notes.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not assured to its satisfaction.

(f) The Trustee shall not be deemed to have knowledge of and shall not be required to take any action with respect to, any Event of Default (other than an Event of Default described in subsections (a) or (b) of Section 7.01) or event which would, with the giving of notice, the passage of time or both, constitute an Event of Default, unless the Trustee shall have actual knowledge of such event or shall have been notified of such event by the Authority, the Credit Provider or the Owners of 25% of the principal amount of the Notes at the time Outstanding. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain, monitor or inquire as to the performance or observance by the Authority of the terms, conditions, covenants or agreements set forth in Article VI hereof (including, without limitation, the covenants of the Authority set forth in Sections 6.06 or 6.07 hereof), other than the

covenants of the Authority to make payments with respect to the Notes when due as set forth in Section 6.01 and to file with the Trustee when due, such reports and certifications as the Authority is required to file with the Trustee hereunder.

(g) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority, personally or by agent or attorney.

(i) The Trustee shall not be responsible for:

(1) the application or handling by the Authority of any moneys transferred to the Authority, pursuant to Request of the Authority or otherwise, in accordance with the terms and conditions hereof;

(2) the application and handling by the Authority of any fund or account designated to be held by the Authority hereunder;

(3) any error or omission by the Authority in making any computation or giving any instruction pursuant to Sections 6.06 and 6.07 hereof and may rely conclusively on any computations or instructions furnished to it by the Authority in connection with the requirements of Sections 6.06, 6.07 and the Tax Certificate; or

(4) the construction, operation or maintenance of any portion of the Project.

(j) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(k) The Trustee agrees to accept and act upon facsimile or electronic mail transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive, if provided to the Trustee by the sender, the originally executed instructions and/or directions, and (ii) such originally executed instructions and/or directions shall be signed on behalf of the Authority by an Authorized Representative and shall be signed on behalf of any other party by a person authorized to sign for the party delivering such instructions and/or directions, which person shall provide such documentation as the Trustee shall request in order to evidence such authorization.

(l) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

SECTION 8.05. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, counsel of or to Authority, and may request an opinion of counsel, with regard to legal questions, including, without limitation, legal questions relating to proposed modifications or amendments of this Indenture, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including, without limitation, matters relating to proposed modifications or amendments of this Indenture, the Trustee may request a Certificate of the Authority and such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. The Trustee may also rely conclusively on any certification, report or statement of any certified public accountant, investment banker, financial consultant, or other expert selected by the Authority or selected by the Trustee with due care in connection with matters required to be proven or ascertained in connection with its administration of the trusts created hereby, which certification, report or statement may be provided via electronic mail or by facsimile transmission.

SECTION 8.06. Compensation and Indemnification of Trustee. The Authority covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Authority will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct. The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the trusts created hereby, including costs and expenses (including reasonable attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive the discharge of the Notes and this Indenture and the resignation or removal of the Trustee.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS INDENTURE

SECTION 9.01. Amendments Permitted. (a) (1) This Indenture and the rights and obligations of the Authority, the Owners of the Notes and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of the Notes (or, if such Supplemental Indenture is only applicable to a Series of Notes, such Series of Notes) then Outstanding and the written consent of each Credit Provider then providing a Credit Facility for any Series of Notes then Outstanding, which written consent shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Notes of any particular maturity remain Outstanding, the consent of the Owners of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Notes Outstanding under this Section. If a modification or amendment of this Indenture is proposed prior to the issuance of a Series of Notes, the owners of such Notes of such Series shall be deemed to have consented to such modification or amendment by the purchase of such Notes and no written consent shall be required from such Owners.

(2) This Indenture and the rights and obligations of the Authority, the Owners of the Notes and the Trustee may also be modified or amended at any time by a Supplemental Indenture entered into by the Authority and the Trustee which shall become binding when the written consent of each Credit Provider shall have been filed with the Trustee, provided that at such time payment of all the principal of and interest on all Outstanding Notes shall be payable under a Credit Facility in the form of a direct pay letter of credit.

(3) No such modification or amendment shall (1) extend the fixed maturity of any Note, or reduce the amount of principal thereof, or extend the time of payment provided for any Note, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Note so affected, or (2) no shall any such modification or amendment reduce the aforesaid percentage of principal the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on parity with the lien created by this Indenture, or deprive the Owners of the Notes of the lien created by this Indenture on such Revenues and other assets (in each case, except as expressly provided in this Indenture), without the consent of the Owners of all of the Notes then Outstanding. It shall not be necessary for the consent of the Noteholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Authority, of the Trustee and of the Owners of the Notes may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority may adopt without the consent of any Noteholders but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Notes (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(2) to make provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture;

(3) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially and adversely affect the interests of the Owners of the Notes;

(4) to make modifications or adjustments necessary, appropriate or desirable to provide for the incurrence or issuance of Parity Debt with such interest rate, payment, maturity and other terms as the Authority may deem desirable; subject to the provisions of Sections 3.04, 3.05, and 3.06.

(5) to facilitate the issuance of Notes in book-entry form, provided that no such provision shall materially and adversely affect the interests of the Owners of the Notes;

(6) to make modifications or adjustments necessary, appropriate or desirable to accommodate Credit Facilities, including any Alternate Credit Facility, provided that no such provision shall materially and adversely affect the interests of the Owners of the Notes;

(7) to make modifications or adjustments necessary to provide for or to maintain the exclusion of interest on a Series of Notes from gross income for purposes of federal income taxation;

(8) to provide for the issuance of an additional Series of Notes pursuant to provisions of Section 3.04 or Section 3.05; and

(9) for any other purpose that does not materially and adversely affect the interests of the Owners of the Notes, including, without limitation, to provide for changes requested by a Rating Agency in order to obtain or maintain a credit rating for any Series of Notes.

Notwithstanding any provision hereof, no modification or amendment hereto shall materially and adversely affect the rights, remedies or security of any Credit Provider hereunder without the prior written consent of such Credit Provider.

SECTION 9.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties

and obligations under this Indenture of the Authority, each Credit Provider, the Trustee, and all Owners of Notes Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03. Amendment of Particular Notes. The provisions of this Article shall not prevent any Noteholder from accepting any amendment as to the particular Notes held by him, provided that due notation thereof is made on such Notes.

ARTICLE X

DEFEASANCE

SECTION 10.01. Payment of Notes. Notes of any Series or a portion thereof may be paid by the Authority in any of the following ways:

(a) by paying or causing to be paid the principal of and interest on such Outstanding Notes, as and when the same become due and payable;

(b) by depositing with the Trustee, the Issuing and Paying Agent, an escrow agent or other fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay such Outstanding Notes; or

(c) by delivering to the Issuing and Paying Agent, for cancellation by it, such Outstanding Notes.

If the Authority shall pay all Series for which any Notes are Outstanding and also pay or cause to be paid all other sums payable hereunder by the Authority, and shall pay all Advances and Credit Provider Loans and all other amounts owing to any Credit Provider, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee and the Issuing and Paying Agent, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any Notes shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture (excluding the covenants set forth in Section 6.06 and Section 6.07) shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the Authority, each of the Trustee and the Issuing and Paying Agent shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and each of the Trustee and the Issuing and Paying Agent shall pay over, transfer, assign or deliver to the Authority all moneys (other than those held in the Rebate Fund or any Credit Facility Fund) or securities or other property held by it pursuant to this Indenture or the Issuing and Paying Agent Agreement which, as evidenced by a verification report delivered by a firm of independent certified public accountants or other firm acceptable to the Authority, upon which

the Trustee and the Issuing and Paying Agent may conclusively rely, are not required for the payment of Notes not theretofore surrendered for such payment.

SECTION 10.02. Discharge of Liability on Notes. Upon the deposit with the Issuing and Paying Agent for Notes of such Series, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay any Outstanding Note, then (provided that the Credit Provider providing a Credit Facility in connection with such Note has been paid in full all amounts then owing under its Credit Agreement) all liability of the Authority in respect of such Note shall cease, terminate and be completely discharged, provided that the Owner thereof shall thereafter be entitled to the payment of the principal of and interest on such Note, and the Authority shall remain liable for such payment, but only out of such money or securities deposited as aforesaid for their payment, subject, however, to the provisions of Section 10.04 and the continuing duties of the Trustee and the applicable Issuing and Paying Agent hereunder.

The Authority may at any time surrender to the Issuing and Paying Agent for cancellation by it any Notes previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Notes, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03. Deposit of Money or Securities. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust money or securities in the necessary amount to pay any Notes, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts (other than the Rebate Fund) established pursuant to this Indenture and any money or securities held by the Issuing and Paying Agent in the funds and accounts (other than any Credit Facility Fund) established pursuant to the Issuing and Paying Agent Agreement and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Notes and all unpaid interest thereon to maturity; or

(b) noncallable and non-prepayable investment securities consisting of: (i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed as to full and timely payment by, the United States of America, (ii) Investment Securities of the type described in clause (iii) of the definition thereof, or (iii) any certificates, receipts, securities or other obligations (excluding mutual funds and unit investment trusts) evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i), the principal of and interest on which when due will, in the opinion of an independent certified public accountant delivered to the Trustee and the Issuing and Paying Agent (as set forth in a verification report upon which opinion the Trustee and the Issuing and Paying Agent may conclusively rely), provide money sufficient to pay the principal of and all unpaid interest to maturity, on the Notes to be paid, as such principal and interest become due;

provided, in each case, that the Trustee, the Issuing and Paying Agent, escrow agent or other fiduciary shall have been irrevocably instructed (by the terms of the Issuing and Paying Agent

Agreement or by Request of the Authority) to apply such money to the payment of such principal and interest with respect to such Notes.

SECTION 10.04. Payment of Notes After Discharge of Indenture. Any moneys (other than those held in the Rebate Fund) held in trust by the Trustee or by the Issuing and Paying Agent for the payment of the principal of, or interest on, any Notes and remaining unclaimed for one (1) year after the principal of or interest on such Notes has become due and payable, if such moneys were so held at such date, or one (1) year after the date of deposit of such moneys if deposited after said date when such principal of or interest on such Notes became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture, and all liability of the Trustee or the Issuing and Paying Agent, as applicable, with respect to such moneys shall thereupon cease. All moneys held by or on behalf of the Trustee or the Issuing and Paying Agent for the payment of principal of or interest on Notes shall be held uninvested, in trust for the account of the Owners thereof, and neither the Trustee nor the Issuing and Paying Agent shall be required to pay Owners any interest on, or be liable to the Owners or any other person (other than the Authority) for any interest earned on, moneys so held. Any interest earned thereon shall belong to the Authority and upon receipt by the Trustee or the Issuing and Paying Agent, as applicable, shall be transferred to the Authority.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Notes contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues and the other assets pledged hereunder for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Notes or for any other purpose of this Indenture. The Authority may, however, advance funds for any such purpose, provided such funds are derived from a source legally available for such purpose.

SECTION 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03. Limitation of Rights to Authority, Trustee, Issuing and Paying Agent, Credit Provider and Noteholders. Nothing in this Indenture or in the Notes expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the Issuing and Paying Agent, each Credit Provider and the Owners of the Notes and the holders of any Parity Debt, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Issuing and Paying Agent, each Credit Provider and the Owners of the Notes and the holders of any Parity Debt.

SECTION 11.04. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.05. Destruction or Delivery of Canceled Notes. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Notes, the Trustee may, in its sole discretion, in lieu of such cancellation and delivery, destroy such Notes, and deliver a certificate of such destruction to the Authority.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have adopted this Indenture and each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Notes pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. Notices. Except as otherwise provided herein or in the Indenture, the Issuing and Paying Agent Agreement, any Credit Agreement or any Dealer Agreement, for the purposes of this Indenture and each such agreement, respectively, any notice to or demand may be served or presented, and such demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being delivered by electronic mail or by facsimile, receipt of which shall be conformed, or by being deposited, first-class mail postage prepaid, in a post office letter box, addressed, as the case may be, to the parties as follows:

Authority:	San Bernardino County Transportation Authority
	1170 W. 3rd Street, 2nd Floor
	San Bernardino, CA 92410-1715
	Attention: Chief Financial Officer
	Telephone: (909) 884-8276
	Fax: (909) 885-4407

Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust
Telephone: 213-615-6051
Fax: 213-615-6197

Issuing and
Paying Agent: U.S. Bank National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attention: Global Corporate Trust
Phone: (212) 361-6151
Fax: (212) 361-6153

Series A/B Credit Provider
(credit matters): Barclays Bank PLC
[_____]
[_____]
Attention: [_____]
Phone: [(____) ____-____]
Fax: [(____) ____-____]

Series A/B Credit Provider
(operations/
money transfers): Barclays Bank PLC
[_____]
[_____]
Attention: [_____]
Phone: [(____) ____-____]
Fax: [(____) ____-____]

Series A Dealer: BofA Securities, Inc.
[_____]
[_____]
Attention: [_____]
Phone: [(____) ____-____]
Fax: [(____) ____-____]

Series B Dealer: RBC Capital Markets, LLC
[_____]
[_____]
Attention: [_____]
Phone: [(____) ____-____]
Fax: [(____) ____-____]

SECTION 11.08. Notice to Rating Agencies. The Trustee shall give notice to each Rating Agency of: (i) any supplements or amendments to this Indenture; (ii) any changes to, expiration of, extension of, substitution for or termination of any Credit Facility; (iii) any substitution of any Dealer; (iv) the appointment of a successor Trustee or the appointment of a successor Issuing and Paying Agent; (v) defeasance of any Notes; and (vi) when there are no longer any Notes Outstanding.

Upon request, the Authority shall furnish such other information as any Rating Agency then maintaining a rating on a Series of Notes at the request of the Authority shall reasonably request in order to maintain such rating.

Notices to be given to Moody's and S&P initially shall be delivered at the applicable address set forth below, or at such other address as may be furnished to the Authority from time to time by each such Rating Agency:

S&P Global Ratings
55 Water Street, 38th Floor
New York, New York 10041
Attention: Municipal Structured Surveillance

Moody's Investors Service
99 Church Street
New York, NY 10007-2796
Attention: Public Finance

SECTION 11.09. Evidence of Rights of Noteholders. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Noteholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Noteholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Notes transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Notes shall be proved by the Note registration books held by the Issuing and Paying Agent. The Trustee may establish a record date as of which to measure consent of the Noteholders in order to determine whether the requisite consents are received.

Any request, consent, or other instrument or writing of the Owner of any Note shall bind every future Owner of the same Note and the Owner of every Note issued in exchange

therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.10. Disqualified Notes. In determining whether the Owners of the requisite aggregate principal amount of Notes have concurred in any demand, request, direction, consent or waiver under this Indenture, Notes which are owned or held by or for the account of the Authority, or by any other obligor on the Notes, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Notes, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Notes so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Notes and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Notes. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 11.11. Money Held for Particular Notes. The money held by the Issuing and Paying Agent or the Trustee for the payment of the interest or principal due on any date with respect to particular Notes or Parity Debt shall, on and after such date and pending such payment, be set aside on books of the Issuing and Paying Agent or the Trustee, as applicable, and held in trust by the Issuing and Paying Agent or Trustee for the Owners of the Notes or Parity Debt entitled thereto, subject, however, to the provisions of Section 10.04.

SECTION 11.12. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the industry, to the extent practicable, and with due regard for the protection of the security of the Notes and Parity Debt and the rights of every Holder thereof.

SECTION 11.13. Waiver of Personal Liability. No Board member, officer, agent or employee of the Authority or the Trustee shall be individually or personally liable for the payment of the principal of or interest on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent or employee of the Authority or the Trustee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.14. Limitation on Rights of Credit Provider. All provisions under this Indenture authorizing the exercise of rights by a Credit Provider with respect to consents, approvals, directions, waivers, requests or other actions, shall be deemed not to require or permit such consents, approvals, directions, waivers, requests or other actions and shall be read as if the Credit Provider were not mentioned therein (i) during any period after which a Credit Provider fails to honor a drawing under the applicable Credit Facility presented in strict conformity with the terms and conditions of the related Credit Agreement and/or Credit Facility or (ii) after the

applicable Credit Facility shall at any time for any reason cease to be valid and binding on the provider thereof, or shall be declared to be null and void by final judgment of a court of competent jurisdiction, or after the Credit Facility has been rescinded, repudiated by the provider thereof or terminated, or after a receiver, conservator or liquidator has been appointed for the provider thereof. All provisions relating to the rights of a Credit Provider shall be of no further force and effect if all amounts owing to such Credit Provider shall have been paid pursuant to the terms of the applicable Credit Agreement entered into in connection with such Credit Facility and such Credit Facility shall no longer be in effect.

SECTION 11.15. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 11.16. Business Day. Except as specifically set forth in a Supplemental Indenture, any payments or transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day.

SECTION 11.17. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

SECTION 11.18. Effective Date of Indenture. This Indenture shall take effect upon its execution and delivery.

SECTION 11.19. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Indenture by their officers thereunto duly authorized as of the day and year first written above.

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY

By: _____
Executive Director

(Seal)

ATTEST:

Clerk of the San Bernardino County
Transportation Authority

Approved as to form:

General Counsel to the
San Bernardino County
Transportation Authority

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

Exhibit A

Form of Series A and Series B Note

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
COMMERCIAL PAPER NOTE (LIMITED TAX BOND)

SERIES ____

Principal Amount _____

Note Number:

Interest Rate: _____

Registered Owner:

Date of Issue:

Maturity Date:

Interest Amount: \$ _____

The San Bernardino County Transportation Authority (the “Authority”), for value received, hereby promises to pay to the Registered Owner designated above (herein called the “Holder”), on the Maturity Date identified above, but solely from the Revenues, income and other moneys hereinafter mentioned, the Principal Amount identified above, together with interest on said Principal Amount at the Interest Rate per annum (calculated on the basis of a year containing 365/366 days) identified above, upon the presentation and surrender hereof at the Corporate Trust Office of U.S. Bank National Association (together with any successor, the “Issuing and Paying Agent”). For payment of this Note on the Maturity Date hereof, this Note must be presented to the Issuing and Paying Agent no later than 2:00 p.m. New York City time on such day. If a Note is presented for payment after 2:00 p.m. New York City time, payment therefor shall be made by the Issuing and Paying Agent on the next succeeding business day without the accrual of additional interest thereon. The principal of and interest on this Note shall be payable in lawful money of the United States of America. This Note may be transferred or exchanged in accordance with the terms and conditions and upon payment of the charges set forth in the Subordinate Indenture, dated as of September 1, 2019 (as amended and supplemented, the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (together with any successor, the “Trustee”). All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Indenture.

The Indenture provides that the Authority may issue additional series of notes and issue or incur other indebtedness, including Parity Debt, under the terms and conditions set forth in the Indenture. All notes issued under the Indenture and secured thereby are collectively referred to herein as “Notes.” All Notes and Parity Debt issued or incurred pursuant to the provisions of the

Indenture will be secured under the Indenture equally and ratably with this Note. The Indenture also provides that the Issuer may issue or incur additional Senior Lien Debt.

This Note is one of a duly authorized issue of the San Bernardino County Transportation Authority Commercial Paper Notes (Limited Tax Bonds) issued under, and secured by, the Indenture. The issue of which this Note is a part is additionally designated as "Series ____." Except as is otherwise authorized pursuant to the Indenture and the Issuing and Paying Agent Agreement, the aggregate principal amount of Series ____ Notes authorized pursuant to the Indenture may not exceed \$_____ Outstanding at any one time.

The Notes and the interest thereon (to the extent set forth in the Indenture), together with any additional Series of Notes issued and any Parity Debt issued or incurred by the Issuer pursuant to the provisions of the Indenture, and the interest thereon, are payable from, and are secured by a pledge of Revenues of the Issuer, as more particularly described in the Indenture, which pledge is subordinate to the pledge of Revenues which secures Senior Lien Debt.

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

This Note shall not be entitled to any security or benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Issuing and Paying Agent.

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

IN WITNESS WHEREOF, the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY has caused this Note to be executed in its name and on its behalf by the facsimile signature of the President of the Board of Directors of the Authority and countersigned by the facsimile signature of the Auditor-Controller of the Authority, and to be dated the date set forth above.

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY

By _____
President of the Board of Directors

(Seal)

Countersigned:

By _____
Auditor-Controller

FORM OF CERTIFICATE OF AUTHENTICATION

This Note is one of an issue described in the Indenture mentioned herein.

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

By _____
Authorized Officer

Date of Authentication:

Exhibit B

Form of Master Note

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
COMMERCIAL PAPER NOTE (LIMITED TAX BOND),
SERIES ____

(Date of Issuance)

San Bernardino County Transportation Authority (the "Authority"), for value received, hereby promises to pay to Cede & Co., as nominee of The Depository Trust Company, or to registered assigns: (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Authority (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by U.S. Bank National Association ("Paying Agent"); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. Payments shall be made solely from the sources stated on the Underlying Records by wire transfer to the registered owner from Paying Agent without the necessity of presentation and surrender of this Master Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS MASTER NOTE SET FORTH ON THE REVERSE HEREOF.

This Master Note is a valid and binding obligation of the Authority.

Not Valid Unless Countersigned for Authentication by Paying Agent.

U.S. Bank National Association

(Paying Agent)

San Bernardino County Transportation
Authority

(the Authority)

By: _____
(Authorized Countersignature)

By: _____
President of the Board of Directors

By: _____
Auditor-Controller

(Seal)

(Reverse Side of Master Note)

At the request of the registered owner, the Authority shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note.

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

(Name, Address, and Taxpayer Identification Number of Assignee)
the Master Note and all rights thereunder, hereby irrevocably constituting and appointing
_____ attorney to transfer said Master Note on the books of the
Authority with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed:

(Signature)

NOTICE: The signature on this assignment must correspond with name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Exhibit C

Form of Issuance Request

ISSUANCE REQUEST AND DIRECTION
OF THE
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

The undersigned, an Authorized Representative of the San Bernardino County Transportation Authority, a public entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority") does hereby request U.S. Bank National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent") under the Issuing and Paying Agent Agreement, dated as of September 1, 2019 (the "Agreement") between the Authority and the Issuing and Paying Agent, to issue San Bernardino County Transportation Authority Commercial Paper Notes (Limited Tax Bonds), as follows:

1. Date of Issuance: _____

2. Terms of the Notes [expand as needed]:

Series		Maturity Date	Principal Amount	Interest Rate
A:	Renewal (Roll-Over) Notes:	_____	\$_____	_____%
		_____	_____	_____
	Original Issue Notes:	_____	_____	_____
		_____	_____	_____
Total:			\$_____	

3. Total principal and interest amount for all Outstanding Series A Notes and Series B Notes (including the new Notes described herein): \$_____ [cross-check: cannot exceed amount available to be drawn under the Credit Facility for the Notes]

Pursuant to Section 3.01 of the Subordinate Indenture, dated as of September 1, 2019 (the “Indenture”), the undersigned hereby makes all of the certifications set forth in Exhibit D attached to the Indenture.

Upon receipt of proceeds of the Notes from [the Series A Dealer and the Series B Dealer], you are hereby authorized and directed to transfer \$_____ to the Trustee, [comprised of \$_____ from the proceeds of the Series A Notes and \$_____ from the proceeds of the Series B Notes], for deposit in accordance with the Written Request of the Authority. All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Indenture.

IN WITNESS WHEREOF, this Issuance Request is executed and delivered this _____ day of _____, _____.

San Bernardino County Transportation Authority

By: _____
Authorized Representative

Exhibit D

**Certifications and Representations
of the San Bernardino County Transportation Authority
Made With Each Issuance Request**

Pursuant to Section 3.01 of the Subordinate Indenture, dated as of September 1, 2019 (the “Indenture”), the San Bernardino County Transportation Authority certifies the following with each executed and delivered Issuance Request:

- (i) the Credit Facility is in full force and effect;
- (ii) after the issuance of Notes as requested hereby and the application of proceeds thereof, the aggregate principal amount of Notes Outstanding will not exceed \$[_____], the aggregate principal amount of Series A Notes Outstanding will not exceed \$[_____], the aggregate principal amount of Series B Notes Outstanding will not exceed \$[_____], and the aggregate principal amount of Notes Outstanding, together with the interest due at maturity of such Notes, will not exceed the amount available to be drawn under the applicable Credit Facility;
- (iii) the issuance of Series A Notes requested hereby will be applied to pay Series A Notes maturing on the date hereof and will not be used to pay any Series B Notes;
- (vi) the issuance of the Series B Notes required hereby will be applied to pay Series B Notes maturing on the date hereof and will not be used to pay any Series A Notes;
- (v) the interest rates borne by the Notes to be delivered do not exceed twelve percent (12%) per annum;
- (vi) the terms to maturity of the Notes do not exceed 270 days, the maturity dates of Notes set forth herein do not extend beyond five (5) days prior to the applicable Credit Facility Expiration Date, or beyond the Sales Tax Expiration Date, or beyond thirty (30) years from the date of initial issuance of Notes of such Series (as provided in the Tax Certificate);
- (vii) no Event of Default has occurred and is now continuing;
- (viii) all action on the part of the Authority necessary for the valid issuance of the Notes then to be issued has been taken and has not been rescinded or revoked;
- (ix) all provisions of State and federal law necessary for the valid issuance of such Notes and necessary to provide that interest thereon is excludable from gross income for purposes of federal income taxes and is exempt from State of California personal income taxes have been complied with;
- (x) interest on the Notes is excludable from gross income for purposes of federal income taxes and is exempt from State of California personal income taxes;

- (xi) such Notes in the hands of the Owners thereof will be valid and binding limited obligations of the Authority enforceable according to their terms;
- (xii) the Authority is in compliance with the covenants set forth in Article VI of the Indenture, including, without limitation, the tax covenants contained in Section 6.06 and 6.07, and pursuant to Section 1.8.2 of the Tax Certificate, certifies that:
 - (a) the Authority has reviewed the Tax Certificate in its entirety;
 - (b) if and to the extent the Notes being issued constitute Original Issue Notes, all provisions of the Tax Certificate except Section 3.3.6 are applicable to such Notes;
 - (c) if and to the extent the Notes being issued constitute Renewal Notes, all provisions of the Tax Certificate except Section 3.3.5 are applicable to such Notes; and
 - (d) the facts, representations, expectations and covenants set forth in the Tax Certificate with respect to the Notes constitute the reasonable facts, representations, expectations and covenants of the Authority on the date hereof; and
- (xiii) no Notice of No Issuance has been received from the Credit Provider.

Exhibit E

Form of Requisition – Proceeds Fund

REQUISITION NO. ____

Initial Series/Series ____ Proceeds Fund

The undersigned, _____, hereby certifies as follows:

1. I am the _____ of the San Bernardino County Transportation Authority, a public entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”).

2. Pursuant to the provisions of that certain Subordinate Indenture, dated as of September 1, 2019 (the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), I am an Authorized Representative (as such term is defined in the Indenture) of the Authority and I am delivering this Requisition on behalf of the Authority.

3. The undersigned, acting on behalf of the Authority, does hereby authorize disbursement of funds from the Initial Series/Series ____ Proceeds Fund (the “Proceeds Fund”) created pursuant to Section 4.01 of the Indenture in connection with the payment of the costs of the Project, Costs of Issuance, Credit Facility Fees and other expenses (as such terms are defined in the Indenture) being financed with the proceeds of the San Bernardino County Transportation Authority Commercial Paper Notes, Series ____ (the “Notes”) or the payment of interest due on the Notes.

TOTAL DISBURSEMENT AMOUNT AUTHORIZED: \$_____

4. The undersigned, acting on behalf of the Authority, hereby certifies that: (a) the costs of the Project, Costs of Issuance, Credit Facility Fees, other expenses or interest on the Notes in the amount set forth herein have been incurred by the Authority and are presently due and payable; and (b) that each item is a proper charge against the Proceeds Fund and has not been previously paid from the Proceeds Fund.

5. The undersigned, acting on behalf of the Authority, hereby certifies that there has not been filed with or served upon the Authority notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the parties identified on Exhibit A to this Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

Dated: _____.

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY

By: _____
Authorized Representative

EXHIBIT A

Initial Series/Series __ Proceeds Fund

Party To Be Paid	Payment Amount	Nature of Expenditure	Payment Instructions
---------------------	-------------------	-----------------------	----------------------

\$ _____

Exhibit F

Form of Notice of Expiration Date

To: San Bernardino County Transportation Authority

Pursuant to Section 6.09 of the Subordinate Indenture, dated as of September 1, 2019 (the “Indenture”), between the San Bernardino County Transportation Authority and U.S. Bank National Association, as trustee, you are hereby notified that the Credit Facility* currently in effect with respect to the Series ____ Notes is scheduled to expire pursuant to its terms on _____.

Pursuant to the Credit Agreement, you may request an extension of such expiration date not more than 120 days prior thereto.

Dated: _____.

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

By: _____
Authorized Officer

* All capitalized terms used but not defined in this Notice shall have the meanings set forth in the Indenture.

Contract Summary Sheet

General Contract Information

Contract No: 20-1002269 Amendment No.: _____ Sole Source? No

Vendor No.: 03525 Vendor/Customer Name: US Bank

Description: Issuing and paying agent for the commercial paper program

Estimated Start Date: 9/4/2019 Expiration Date: 9/4/2023 Revised Expiration Date: _____

List Any SBCTA Related Contracts Nos.: 19-1002086, 19-1002122, 19-1002123, 20-1002256

Dollar Amount							
Original Contract		\$	30,000.00	Original Contingency		\$	-
Prior Amendments		\$	-	Prior Amendments		\$	-
Current Amendment		\$	-	Current Amendment		\$	-
Total/Revised Contract Value		\$	30,000.00	Total Contingency Value		\$	-
	Total Dollar Authority (Contract Value and Contingency)					\$	30,000.00

Contract Authorization

Board of Directors _____ Date: 9/4/2019 Committee _____ Item # _____

Contract Management (Internal Purposes Only)

Payable _____ Other Contracts _____ Administrative Budget Adjustment _____

Accounts Payable											
Total Contract Funding: \$						Total Contingency: \$					
GL	6010	40	0860	0827	57800	48005008	30,000.00	GL			-
GL								GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-

Accounts Receivable											
Total Contract Funding: \$						Reversion Date: _____					
Funding Agreement No: _____											
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-
GL							-	GL			-

Beatriz Valdez

Hilda Flores

Project Manager (Print Name)

Task Manager (Print Name)

Additional Notes:

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

and

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

ISSUING AND PAYING AGENT AGREEMENT

Dated as of September 1, 2019

Relating to the

**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SUBORDINATE SALES TAX REVENUE COMMERCIAL PAPER NOTES
(LIMITED TAX BONDS)**

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ISSUING AND PAYING AGENT AGREEMENT

THIS ISSUING AND PAYING AGENT AGREEMENT, dated as of September 1, 2019 (as supplemented and amended from time to time pursuant to its terms, this “Agreement”), between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY, a county transportation authority duly established and existing under the laws of the State of California (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as issuing and paying agent (the “Issuing and Paying Agent”);

WHEREAS, the Authority is a county transportation authority duly organized and existing pursuant to the San Bernardino County Transportation Authority Consolidation Act of 2017, being Chapter 7 of Division 12 of the Public Utilities Code of the State of California (Section 130800 *et seq.*) (as amended from time to time hereafter, the “Authority Act”);

WHEREAS, the Authority is authorized pursuant to the Local Transportation Authority and Improvement Act (as amended from time to time hereafter, the “Transportation Act”), being Chapter 5 of Division 19 of the Public Utilities Code of the State of California (Section 180200 *et seq.*) to, among other things, and with voter approval, levy a retail transactions and use tax in accordance with Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code (as amended from time to time hereafter, the “Sales Tax Law”) and to issue limited tax bonds payable from the proceeds of such tax;

WHEREAS, the Authority adopted Ordinance No. 89-1, named the “Transportation Expenditure Plan and Retail Transactions and Use Tax Ordinance” (as further amended and supplemented, “Ordinance No. 89-1”), on August 2, 1989, pursuant to the provisions of the Transportation Act, which Ordinance No. 89-1 provided for the imposition of a retail transactions and use tax (the “Sales Tax”) applicable in the incorporated and unincorporated territory of the County of San Bernardino (the “County”) in accordance with Chapter 5 of the Transportation Act and the Sales Tax Law at the rate of one-half of one percent (1/2%) for a period not to exceed twenty (20) years;

WHEREAS, by its terms, Ordinance No. 89-1 became effective at the close of the polls on November 7, 1989, the day of the election at which the proposition imposing the Sales Tax was approved by a majority vote of the electors voting on the measure, and the collection of the Sales Tax commenced on April 1, 1990;

WHEREAS, the Authority adopted Ordinance No. 04-01, named “An Ordinance Providing for the Continuation of a One-Half of One Percent Retail Transactions and Use Tax by the San Bernardino County Transportation Authority for Local Transportation Purposes and the Transportation Expenditure Plan” (the “Ordinance”) on June 2, 2004, pursuant to the provisions of the Transportation Act, which Ordinance provides for the continued imposition of the Sales Tax applicable in the incorporated and unincorporated territory of the County in accordance with the provisions of Chapter 5 of the Transportation Act and the Sales Tax Law at the rate of one-half of one percent (1/2%) for a period not to exceed thirty (30) years beginning April 1, 2010;

WHEREAS, the Ordinance became effective at the close of the polls on November 2, 2004, the day of the election at which the proposition providing for the continued imposition of the Sales Tax was approved by more than two-thirds of the electors voting on the measure;

WHEREAS, the Authority is authorized by the Ordinance and the Transportation Act, including Section 180251 thereof, to issue from time to time limited tax bonds authorized by voters concurrently with the approval of the Sales Tax, secured and payable in whole or in part from revenues of the Sales Tax (“Sales Tax Revenues”), in an aggregate principal amount at any one time outstanding not to exceed the estimated proceeds of the Sales Tax, as determined by the San Bernardino County Transportation Authority Expenditure Plan adopted as part of the Ordinance (including any subsequent amendments thereto, the “Expenditure Plan”), for capital outlay expenditures for transportation purposes as set forth in the Ordinance, including to carry out the transportation projects described in the Expenditure Plan;

WHEREAS, in order to provide for the issuance, authentication and delivery of certain subordinate limited tax bonds in the form of commercial paper notes (the “Notes”), to establish and declare the terms and conditions upon which the Notes shall be issued and secured and to secure the payment of the principal thereof, and interest on the Notes and obligations secured by the Sales Tax on a parity with the Notes (as more fully defined in Section 1.01 of the Indenture, “Parity Debt”), the Authority has determined to enter into a Subordinate Indenture, dated as of September 1, 2019 (as supplemented and amended from time to time pursuant to its terms, the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, the Notes will be issued from time to time in one or more series (each, a “Series of Notes”) to finance on a short-term basis certain transportation improvements identified in the Expenditure Plan;

WHEREAS, proceeds of the Notes may also be applied to pay interest, fees and expenses incurred by the Authority in connection with the Notes;

WHEREAS, the Notes and Parity Debt will be payable from, and secured by, a pledge of Sales Tax Revenues on a subordinate basis to the pledge of Sales Tax Revenues which will secure Senior Lien Debt (as such term is defined in Section 1.01 of the Indenture) to be issued from time to time by the Authority;

WHEREAS, in order to facilitate the issuance and sale of Notes as the Authority may from time to time authorize to be authenticated and delivered from time to time pursuant to the provisions of the Indenture, the Authority and the Issuing and Paying Agent desire to enter in this Agreement;

WHEREAS, concurrently with the execution and delivery of the Indenture and this Agreement, the Authority has determined to authorize the issuance of the initial Series of Notes under the Indenture, which Series of Notes shall be: (i) a series of Notes to be initially designated as the San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the “Series A Notes”); and

(ii) a series of Notes to be initially designated as the San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the “Series B Notes”) in an aggregate principal amount not to exceed one hundred million dollars (\$100,000,000) outstanding at any one time;

WHEREAS, in order to provide credit support and liquidity for the payment of the principal of and interest on the Series A Notes and the Series B Notes, the Authority has determined to enter into a Reimbursement Agreement, dated as of September 1, 2019 (as more fully defined in Section 1.01 of the Indenture, the “Series A/B Credit Agreement”), between the Authority and Barclays Bank PLC (as more fully defined in Section 1.01 of the Indenture, the “Series A/B Credit Provider”), pursuant to which the Series A/B Credit Provider will deliver its Irrevocable Direct Pay Letter of Credit No. [_____] (as more fully defined in Section 1.01 of the Indenture, the “Series A/B Credit Facility”), which Series A/B Credit Facility may be drawn upon by the Issuing and Paying Agent to pay the principal of, and interest on, the Series A Notes and the Series B Notes, and the Authority’s reimbursement obligations under the Series A/B Credit Agreement to be evidenced by the delivery of the Series A/B Credit Provider Note from the Authority dated September [___], 2019; and

WHEREAS, in order to provide for the offering and sale of the Series A Notes and the Series B Notes, the Authority has determined to enter into: (i) a Dealer Agreement, dated as of September 1, 2019 (as more fully defined in Section 1.01 of the Indenture, the “Series A Dealer Agreement”), between the Authority and BofA Securities, Inc., as dealer thereunder (as more fully defined in Section 1.01 of the Indenture, the “Series A Dealer”); and (ii) a Dealer Agreement, dated as of September 1, 2019 (as more fully defined in Section 1.01 of the Indenture, the “Series B Dealer Agreement” and, together with the Series B Dealer Agreement, the “Dealer Agreements”), between the Authority and RBC Capital Markets, LLC, as dealer thereunder (as more fully defined in Section 1.01 of the Indenture, the “Series B Dealer” and, together with the Series A Dealer, the “Dealers”);

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings assigned to such terms in the Indenture.

Section 2. Appointment of Issuing and Paying Agent. The Authority hereby appoints U.S. Bank National Association as issuing and paying agent for the Series A Notes and the Series B Notes and such other Series of Notes as the Authority shall authorize to be authenticated and delivered from time to time pursuant to the Indenture, in each case on the terms and conditions specified herein and in the Indenture, which Notes the Authority shall from time to time deliver or cause to be delivered to the Issuing and Paying Agent. Notwithstanding the foregoing, the Authority may, in its sole discretion, determine to enter into an additional issuing and paying agent agreement with one or more other issuing and paying agents in connection with the issuance of one or more Series of Notes subsequent to the issuance of the Series A Notes and the Series B Notes.

Section 3. Form of Notes; Supply of Notes. Each Series of Notes shall be in the form of Notes of such Series set forth in the Indenture. The Authority agrees from time to time to furnish the Issuing and Paying Agent with an adequate supply of Notes of each Series, which will be serially numbered and which will have been executed by the Authority in accordance with the provisions of Section 2.04 of the Indenture, with the principal amount, date of issue, registered owner, maturity date, interest rate and amount of interest left blank. Pending receipt of an Issuance Request, the Issuing and Paying Agent agrees to hold the Notes in safekeeping for the account of the Authority in accordance with the customary practice of the Issuing and Paying Agent.

Notwithstanding the foregoing, pursuant to Section 2.03 of the Indenture, the Authority may deliver Notes of any Series, including the Series A Notes and the Series B Notes, in the form of a Master Note, representing all Notes of such Series to be issued from time to time, each maturing no later than the date which is five (5) days prior to the expiration date of the applicable Credit Facility. Each Master Note may be replaced by a new Master Note having a later maturity date so long as the maturity date thereof does not extend beyond the fifth (5th) day prior to the expiration date of the applicable Credit Facility, as the same may be extended from time to time. Each Master Note shall evidence indebtedness of the Authority as set forth in the Advices. Each Advice shall comply with the limitations on Notes of such Series set forth in the Indenture, including Section 2.01 and Section 2.02 of the Indenture, and Section 5 hereof. References herein to Notes when a Master Note has been issued therefor shall refer to the indebtedness under the Master Note or the Advances issued with respect thereto.

Section 4. Authorized Representatives of the Authority. From time to time the Authority agrees to furnish the Issuing and Paying Agent with a certificate certifying the incumbency and specimen signatures of officers or agents of the Authority authorized to execute Issuance Requests on behalf of the Authority and/or authorized to take other action hereunder on behalf of the Authority (each an “Authorized Representative”). Until the Issuing and Paying Agent receives a subsequent incumbency certificate of the Authority, the Issuing and Paying Agent is entitled to rely on the last such certificate delivered to it for purposes of determining the Authorized Representatives of the Authority.

The Authority agrees that the Issuing and Paying Agent shall not have any responsibility to the Authority to determine by whom or what means a facsimile signature may have been affixed on the Notes. Any Note bearing the manual or facsimile signatures of such officers of the Authority as are identified in Section 2.04 of the Indenture on the date the signatures of such officers of the Authority are affixed shall bind the Authority after the completion of such Note by the Issuing and Paying Agent, notwithstanding that either of such officers of the Authority shall have ceased to hold such office or shall have died on the date such Note is authenticated or delivered by the Issuing and Paying Agent.

Section 5. Completion, Authentication and Delivery of Notes.

(a) Instructions for the issuance and delivery of the Notes in the form of an Issuance Request will be given by an Authorized Representative in writing (which writing may

be transmitted by facsimile or electronic mail) or transmitted via the SPANS Online System (the “SPANS Online”), as further described in Section 26 hereof.

(b) Upon receipt of an Issuance Request as described in Section 5(a), the Issuing and Paying Agent agrees to withdraw the necessary Note(s) from safekeeping and, in accordance with such Issuance Request, agrees to:

(i) complete each Note as to principal amount (which principal amount shall be \$100,000 or an integral multiple of \$1,000 in excess thereof), date of issue, maturity date (which shall not be more than two hundred seventy (270) days from the date of issuance, or later than five (5) days prior to the applicable Credit Facility Expiration Date, or beyond the Sales Tax Expiration Date, or beyond thirty (30) years from the date of initial issuance of Notes of such Series, as provided in the Tax Certificate delivered in connection with such Series of Notes), interest rate and amount of interest thereon and to register such Note as directed by the applicable Dealer;

(ii) manually authenticate each Note by any officer or employee duly authorized and designated for such purpose;

(iii) deliver the Note(s) to the applicable Dealer or its agent, which delivery shall be against receipt for payment as herein provided or as otherwise provided in such Issuance Request (if such Issuance Request does not provide for such receipt, the applicable Dealer shall nevertheless pay the purchase price for the Note(s) in accordance with Section 6 hereof); and

(iv) retain one (1) nonnegotiable copy of each Note for its records and promptly forward one (1) nonnegotiable copy of each Note to the Authority, the Trustee and the applicable Credit Provider, pursuant to the provisions of the applicable Credit Agreement.

(c) An Issuance Request must be received by the Issuing and Paying Agent by 12:00 noon New York City time, if the Note(s) are to be delivered the same day. The instructions for the issuance and delivery of Notes shall include the following information:

(i) The date of issuance of each Note (which shall be a Business Day);

(ii) The maturity date of each Note (Such date shall be a Business Day and it shall not be more than 270 days from the date of issue, or later than five (5) days prior to the applicable Credit Facility Expiration Date, or beyond the Sales Tax Expiration Date, or beyond thirty (30) years from the date of initial issuance of Notes of such Series, as provided in the Tax Certificate delivered in connection with such Series of Notes.)

(iii) The face amount of each Note (which shall be \$100,000 or integral multiples of \$1,000 in excess thereof);

(iv) The interest rate and interest amount of each Note;

(d) The Issuing and Paying Agent shall have no liability to the Authority for any failure or inability on the part of the Dealer to make payment on the Note(s) or if any DTC participant purchasing a Note(s) fails to settle or delays in settling its balance with DTC or if DTC or any DTC participant fails to perform in any respect. Nothing in this Agreement shall require the Issuing and Paying Agent to purchase any Note or expend Issuing and Paying Agent's own funds for the purchase price of the Note(s).

(e) The Authority understands that although the Issuing and Paying Agent has been instructed and has agreed to deliver the Notes against payment, delivery of the Notes will, in accordance with the custom prevailing in the commercial paper market, be made before receipt of payment in immediately available funds. Therefore, once the Issuing and Paying Agent has delivered a Note to the applicable Dealer, or its agent, as provided in Section 5(b)(iii), the Authority agrees to bear the risk that the applicable Dealer or its agent shall fail to remit payment for the Note to the Issuing and Paying Agent. It is understood that each delivery of Notes hereunder shall be subject to the rules of the New York Clearing House in effect at the time of such delivery and, in accordance therewith, Notes are to be delivered by 2:00 p.m., New York City time.

(f) Notwithstanding any other provision of this Agreement or the Indenture to the contrary, no Series A Notes shall be authenticated or delivered by the Issuing and Paying Agent if:

(i) such delivery would result in the aggregate principal amount of Series A Notes Outstanding being in excess of \$50,000,000; or

(ii) such delivery would result in the aggregate principal amount of Notes Outstanding together with interest to accrue thereon to maturity to be in excess of the amount available to be drawn under the Series A/B Credit Facility; or

(iii) such delivery would result in the delivery of Series A Notes bearing interest at an average rate per annum (calculated on the principal amount of the Series A Notes on the basis of a 365/366 day year and actual days elapsed) to the maturity date of such Series A Notes in excess of twelve percent (12%) per annum; or

(iv) the maturity date specified in the Issuance Request for such Series A Notes extends beyond two hundred seventy (270) days from the respective dates of authentication and issuance of such Series A Notes, or beyond the Sales Tax Expiration Date, or beyond five (5) days prior to the applicable Credit Facility Expiration Date, or beyond thirty (30) years from the date of initial issuance of the Series A Notes (as provided in the Tax Certificate); or

(v) a Notice of No Issuance, a Final Drawing Notice or a Notice of Termination, each in such form as is set forth as an annex to the Series A/B Credit Facility or the Series A/B Credit Agreement, as applicable, shall have been delivered to the Issuing and Paying Agent by the Series A/B Credit Provider, and such Notice shall not have been withdrawn or revoked by the Series A/B Credit Provider; or

(vi) the Issuing and Paying Agent shall have actual knowledge that an Event of Default under the Indenture shall have occurred and is continuing; or

(vii) the Issuing and Paying Agent shall have received written notice that the Opinion of Bond Counsel delivered regarding the exclusion of interest on the Series A Notes from the gross income of the Holders thereof for federal income tax purposes has been or is being withdrawn, which notice shall be delivered by such Bond Counsel to the Commission and the Issuing and Paying Agent.

If the Issuing and Paying Agent is unable to comply with an Issuance Request because of the existence of any of the above conditions, the Issuing and Paying Agent shall promptly notify the Commission, the Series A Dealer and the Trustee in writing of the circumstances prohibiting the issuance of the Series A Notes.

(g) Notwithstanding Section 2.01(b) of the Indenture and Section 5(e)(ii) of this Agreement, in the event a Series A/B Advance or a Series A/B Credit Provider Loan is outstanding, the Issuing and Paying Agent may authenticate and deliver a principal amount of Series A Notes which, together with interest to accrue thereon to maturity, would exceed the amount available to be drawn under the Series A/B Credit Facility if, upon receipt of the proceeds of such Series A Notes, the Issuing and Paying Agent shall have sufficient funds immediately available to reimburse the Series A/B Credit Provider for a Series A/B Advance or a Series A/B Credit Provider Loan equal to such principal amount and the Issuing and Paying Agent shall have delivered a request for reinstatement in such form as is set forth as an annex to the Series A/B Credit Facility, to the Series A/B Credit Provider in accordance with the provisions set forth in the Series A/B Credit Facility.

(h) Notwithstanding any other provision of this Agreement or the Indenture to the contrary, no Series B Notes shall be authenticated or delivered by the Issuing and Paying Agent if:

(i) such delivery would result in the aggregate principal amount of Series B Notes Outstanding being in excess of \$50,000,000; or

(ii) such delivery would result in the aggregate principal amount of Notes Outstanding together with interest to accrue thereon to maturity to be in excess of the amount available to be drawn under the Series A/B Credit Facility; or

(iii) such delivery would result in the delivery of Series B Notes bearing interest at an average rate per annum (calculated on the principal amount of the Series B Notes on the basis of a 365/366 day year and actual days elapsed) to the maturity date of such Series B Notes in excess of twelve percent (12%) per annum; or

(iv) the maturity date specified in the Issuance Request for such Series B Notes extends beyond two hundred seventy (270) days from the respective dates of authentication and issuance of such Series B Notes, or beyond the Sales Tax Expiration Date, or beyond five (5) days prior to the applicable Credit Facility Expiration

Date, or beyond thirty (30) years from the date of initial issuance of the Series B Notes (as provided in the Tax Certificate); or

(v) a Notice of No Issuance, a Final Drawing Notice or a Notice of Termination, each in such form as is set forth as an annex to the Series A/B Credit Facility or the Series A/B Credit Agreement, as applicable, shall have been delivered to the Issuing and Paying Agent by the Series A/B Credit Provider, and such Notice shall not have been withdrawn or revoked by the Series A/B Credit Provider; or

(vi) the Issuing and Paying Agent shall have actual knowledge that an Event of Default under the Indenture shall have occurred and is continuing; or

(vii) the Issuing and Paying Agent shall have received written notice that the Opinion of Bond Counsel delivered regarding the exclusion of interest on the Series B Notes from the gross income of the Holders thereof for federal income tax purposes has been or is being withdrawn, which notice shall be delivered by such Bond Counsel to the Commission and the Issuing and Paying Agent.

If the Issuing and Paying Agent is unable to comply with an Issuance Request because of the existence of any of the above conditions, the Issuing and Paying Agent shall promptly notify the Commission, the Series B Dealer and the Trustee in writing of the circumstances prohibiting the issuance of the Series B Notes.

(i) Notwithstanding Section 2.01(c) of the Indenture and Section 5(g)(ii) this Agreement, in the event a Series A/B Advance or a Series A/B Credit Provider Loan is outstanding, the Issuing and Paying Agent may authenticate and deliver a principal amount of Series B Notes which, together with interest to accrue thereon with maturity, would exceed the amount available to be drawn under the Series A/B Credit Facility if, upon receipt of the proceeds of such Series B Notes, the Issuing and Paying Agent shall have sufficient funds immediately available to reimburse the Series A/B Credit Provider for a Series A/B Advance or a Series A/B Credit Provider Loan equal to such principal amount and the Issuing and Paying Agent shall have delivered a request for reinstatement in such form as is set forth as an annex to the Series A/B Credit Facility, to the Series A/B Credit Provider in accordance with the provisions set forth in the Series A/B Credit Facility.

(j) Notwithstanding any other provision of this Agreement, including, without limitation, Section 5(d), or the Indenture to the contrary, no Notes of any Series shall be authenticated or delivered if:

(i) such delivery would result in the aggregate principal amount of Notes of such Series Outstanding being in excess of the lesser of the principal amount of such Series authorized pursuant to the Indenture and the amount available to be drawn by the Issuing and Paying Agent under the applicable Credit Facility for payment of principal of such Series of Notes; or

(ii) if the Credit Facility relating to Notes of such Series provides interest coverage, such delivery would result in an aggregate amount of interest to accrue

on the Outstanding Notes of such Series to maturity to be in excess of the amount available to be drawn by the Issuing and Paying Agent under the applicable Credit Facility for the payment of interest on such Series of Notes; or

(iii) such delivery would result in an aggregate principal amount of Notes of such Series Outstanding, together with interest to accrue thereon, if the Credit Facility relating to Notes of such Series provides interest coverage, being in excess of the amount available to be drawn by the Issuing and Paying Agent under the applicable Credit Facility for payment of principal and interest; or

(iv) such delivery would result in the delivery of Notes of such Series bearing interest at an average rate per annum (calculated on the principal amount of such Series of Notes on the basis of a 365/366 day year and actual days elapsed) to the maturity date of such Series of Notes in excess of twelve percent (12%) per annum; or

(v) the maturity date specified in the Issuance Request for Notes of such Series extends beyond two hundred seventy (270) days from the respective dates of authentication and issuance of such Series of Notes, or beyond five (5) days prior to the applicable Credit Facility Expiration Date, or beyond the Sales Tax Expiration Date, or beyond thirty (30) years from the date of initial issuance of the Notes of such Series (as provided in the Tax Certificate) or beyond the date of expiration of the Authority's Expenditure Plan; or

(vi) a Notice of No Issuance, in such form as is set forth in the applicable Credit Agreement, shall have been delivered to the Issuing and Paying Agent by the Credit Provider for such Series of Notes and such Notice shall not have been withdrawn or revoked by such Credit Provider; or

(vii) a Notice of Termination, in such form as is set forth in the applicable Credit Facility, shall have been delivered to the Issuing and Paying Agent by the Credit Provider for such Series of Notes, and such Notice shall not have been withdrawn or revoked by such Credit Provider; or

(viii) the Issuing and Paying Agent shall have actual knowledge or shall have received written notice that an Event of Default under the Indenture or under the Credit Agreement shall have occurred and is continuing; or

(ix) if interest on a Series of Notes is expected to be excluded from the gross income of the Holders thereof for federal income tax purposes, the Issuing and Paying Agent shall have received notice that the Opinion of Bond Counsel delivered regarding the exclusion of interest on the Notes of such Series from the gross income of the Holders thereof for federal income tax purposes has been or is being withdrawn, which notice shall be delivered by such Bond Counsel to the Authority and the Issuing and Paying Agent.

If the Issuing and Paying Agent is unable to comply with an Issuance Request because of any of the above conditions, the Issuing and Paying Agent shall promptly notify the Authority, the

applicable Dealer and the Trustee of the circumstances prohibiting the issuance of the Notes of such Series.

(k) Notwithstanding Section 5(i)(ii), in the event an Advance or a Credit Provider Loan is outstanding with respect to any Series of Notes other than the Series A Notes and the Series B Notes, the Issuing and Paying Agent may authenticate and deliver a principal amount of Notes of such Series exceeding the amount available to be drawn under the applicable Credit Facility if, upon receipt of the proceeds of the Notes of such Series, the Issuing and Paying Agent shall have sufficient funds immediately available to reimburse the applicable Credit Provider for an Advance or a Credit Provider Loan equal to such principal amount, such reimbursement to be provided by such time as shall be required pursuant to the Credit Agreement entered into in connection with such Credit Facility, and, if required for reinstatement pursuant to a Credit Facility, the Issuing and Paying Agent shall have delivered a request for reinstatement, in such form as shall be required pursuant to such Credit Facility, to the applicable Credit Provider in accordance with the provisions set forth in such Credit Facility.

(l) Notwithstanding any other provision in the Indenture or this Agreement to the contrary, so long as any Series of Notes are held by DTC in the form of a Master Note, the Issuing and Paying Agent shall deliver Notes of such Series in accordance with the terms of the applicable Letter of Representations delivered in connection with such Series of Notes and DTC's applicable rules, regulations and procedures for book-entry commercial paper program.

Section 6. Establishment and Application of Note Funds and Accounts; Demand for Payment Under Credit Facilities. Concurrently with the execution and delivery of this Agreement and for the purposes of this Agreement, the Indenture and the Credit Agreements, the Issuing and Paying Agent shall establish and maintain: (i) a fund designated as the "Series A Note Fund," and within the Series A Note Fund shall establish and maintain the Series A Note Interest Account, the Authority Series A Note Principal Account and the Dealer Series A Note Principal Account, each in accordance with the provisions set forth herein; and (ii) a fund designated as the "Series B Note Fund," and within the Series B Note Fund shall establish and maintain the Series B Note Interest Account, the Authority Series B Note Principal Account and the Dealer Series B Note Principal Account, each in accordance with the provisions set forth herein.

By 2:00 p.m. New York City time on the date that any Notes are scheduled to mature, the Authority agrees that the Authority shall have provided, or caused to be provided, to the Issuing and Paying Agent, sufficient funds from which to pay the maturing Notes and the interest thereon, which shall be paid from the funds provided as set forth in this Section 6 and in Section 7 of this Agreement, and if any such funds shall be provided directly by the Authority, the Authority further agrees that the Authority shall provide such funds by 1:00 p.m. New York City time to the Issuing and Paying Agent. When any matured Note of a Series is presented to the Issuing and Paying Agent for payment by the Holder thereof, payment shall be made from funds held pursuant to the provisions set forth in the Indenture and in this Section 6 and in Section 7 of this Agreement and in accordance with the terms thereof and hereof.

(a) On each day on which the Issuing and Paying Agent receives funds from the Trustee or the Authority with respect to interest due or to become due on Notes of a Series, the Issuing and Paying Agent shall deposit all such amounts in the Note Interest Account for the applicable Series of Notes.

(b) On each day on which the Issuing and Paying Agent receives funds from the Trustee or the Authority with respect to principal due or to become due on Notes of a Series, the Issuing and Paying Agent shall deposit all such amounts in the Authority Note Principal Account for the applicable Series of Notes.

(c) On each day on which the Dealer for a Series of Notes or its agent takes delivery of Notes of such Series, the applicable Dealer or its agent shall pay the purchase price for such Series of Notes in immediately available funds to the Issuing and Paying Agent who shall deposit all amounts received from such Dealer with respect to the principal of such Series of Notes in the Dealer Note Principal Account for the applicable Series of Notes.

(d) On any date on which Notes of a Series secured by a Credit Facility in the form of an irrevocable direct pay letter of credit are maturing, the Issuing and Paying Agent shall draw on the applicable Credit Facility by the times and in accordance with the terms thereof, in amounts sufficient to pay the principal of, and interest on, such Series of Notes when due, solely from moneys drawn under the applicable Credit Facility and deposited in the Credit Facility Fund for the applicable Series as provided in Section 7 hereof. The Credit Facility Provider has agreed to honor such drawing prior to 2:00 p.m., New York City time, on the day such drawing is presented, by making a wire transfer to the Issuing and Paying Agent, in accordance with instructions provided by the Issuing and Paying Agent, the amount so demanded in immediately available funds. To the extent that principal of and interest on maturing Notes of such Series are paid from amounts drawn under the applicable Credit Facility, the Issuing and Paying Agent shall apply amounts on deposit in the Note Interest Account for the applicable Series to reimburse the applicable Credit Provider for the interest portion of such draw and shall apply amounts on deposit in the Authority Note Principal Account for the applicable Series and Dealer Note Principal Account for the applicable Series, with amounts on deposit in the Dealer Note Principal Account for the applicable Series to be applied first, to reimburse the applicable Credit Provider for any remaining interest portion of such draw and the principal portion of such draw, each drawing to be reimbursed by 5:00 p.m. New York City time on the date of such drawing. In the event that amounts held by the Issuing and Paying Agent on deposit in the Note Interest Account for the applicable Series are insufficient to reimburse the applicable Credit Provider for the interest portion of such draw or that amounts held by the Issuing and Paying Agent on deposit in the Authority Note Principal Account for the applicable Series and the Dealer Note Principal Account for the applicable Series are insufficient to reimburse the applicable Credit Provider for any remaining interest portion of such draw and the principal portion of such draw, the Issuing and Paying Agent shall promptly notify the Authority of the additional amount required to reimburse for the interest portion or principal portion of such draw, as applicable, which amounts shall constitute an Advance with respect to such Series of Notes. To the extent that Advances or Credit Provider Loans with respect to such Series of Notes are outstanding, the Issuing and Paying Agent shall then apply remaining amounts on deposit in the Note Interest Account for the applicable Series to reimburse the applicable Credit Provider for the interest

portion of such Advances or Credit Provider Loans and shall apply amounts on deposit in the Authority Note Principal Account for the applicable Series and the Dealer Note Principal Account for the applicable Series, with amounts on deposit in the Dealer Note Principal Account for the applicable Series to be applied first, to reimburse the applicable Credit Provider for any remaining interest portion and the principal portion of such Advances or Credit Provider Loans, each payment to be made by 5:00 p.m. New York City time on such date.

(e) On any date on which Notes of a Series secured by a Credit Facility other than a Credit Facility in the form of an irrevocable direct pay letter of credit are maturing, the Issuing and Paying Agent shall draw on the applicable Credit Facility by the times and in accordance with the terms thereof and the terms of the supplement to this Agreement entered into by the Authority and the Issuing and Paying Agent in connection with the issuance of such Series of Notes to provide for such Credit Facility that is not an irrevocable direct pay letter of credit.

(f) On any date on which Notes of a Series are issued, subsequent to payment of principal of and interest on any maturing Notes, reimbursement of the applicable Credit Provider for the draws under the applicable Credit Facility, and payment to the applicable Credit Provider for any outstanding Advances and Credit Provider Loans pursuant to the applicable Credit Facility, the Issuing and Paying Agent shall transfer amounts on deposit in the applicable Dealer Note Principal Account and amounts on deposit in the applicable Authority Note Principal Account, if any, to the Trustee for deposit in the applicable Proceeds Fund established pursuant to Section 4.01 of the Indenture.

(g) Each Dealer Note Principal Account established pursuant to this Section 6 shall be an Eligible Account and shall be held in the name of the Issuing and Paying Agent, for payment of the Series of Notes to which such Dealer Note Principal Account relates and the applicable Credit Provider. In the event that a Dealer Note Principal Account no longer constitutes an Eligible Account as such term is defined in Section 1.01 of the Indenture, the Issuing and Paying Agent shall as promptly as possible (and, in any case, within not more than thirty (30) calendar days) transfer such Dealer Note Principal Account to another financial institution such that such Dealer Note Principal Account will again meet the requirements for an Eligible Account.

(h) The Issuing and Paying Agent shall hold the funds in each Note Fund for the payment of the related Series of Notes and the applicable Credit Provider, shall set such funds aside exclusively for the purposes hereinabove described, and shall apply such amounts as hereinabove described, provided, that, notwithstanding any other provision hereof, the payment of principal and interest on a Series of Notes shall have priority over the payment of any amounts owing to any Credit Provider for such Series of Notes. The Issuing and Paying Agent shall not have a lien on any Note Fund for the payment of any fees or expenses or other obligations owing to the Issuing and Paying Agent hereunder.

(i) Moneys in each Note Fund shall be invested in Investment Securities at the written direction of the Authority. If and to the extent the Issuing and Paying Agent does not receive investment instructions from the Authority with respect to the moneys in the funds and

accounts held by the Issuing and Paying Agent pursuant to this Agreement, such moneys shall be invested in Investment Securities described in clause (xii) of the definition thereof. All moneys held in a Note Fund and the accounts established thereunder shall be invested and reinvested in Investment Securities maturing or available on demand not later than the date on which it is established that such moneys will be required by the Issuing and Paying Agent. The Issuing and Paying Agent may act as a principal or agent in making or disposing of any investment. All interest, profits and other income received from the investment or moneys in a Note Fund shall be retained in the account within the Note Fund to which such investment relates. Notwithstanding the foregoing, moneys in any Dealer Note Principal Account shall be held in cash, uninvested.

The Issuing and Paying Agent shall have no duty to determine whether any such written instructions received from the Authority complies with the requirements of these investment restrictions or requirements. The Issuing and Paying Agent may elect, but shall not be obligated, to credit the account established hereunder with funds representing income or principal payments due on, or sales proceeds due in respect of, assets in such account, or to credit to such account assets intended to be purchased with such funds, in each case before actually receiving the requisite funds from the payment source, or to otherwise advance funds for transactions hereunder. Notwithstanding anything else in this Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Issuing and Paying Agent is authorized to reverse or offset any such transactions or advances of funds in the event that the Issuing and Paying Agent does not receive good funds with respect thereto, and (ii) nothing in this Agreement shall constitute a waiver of any of the Issuing and Paying Agent's rights as a securities intermediary under Uniform Commercial Code §9-206. The Issuing and Paying Agent may also set-off and deduct funds in any account hereunder with respect to deposits that have been credited to such account but are subsequently returned unpaid or reversed. Authority recognizes and agrees that the Issuing and Paying Agent will not provide supervision, recommendations or advice relating to either the investment of funds or the purchase or disposition of any investment and the Issuing and Paying Agent shall not have any liability for any loss in an investment made pursuant to the terms of this Agreement. The Issuing and Paying Agent has no responsibility whatsoever to determine the market or other value of any investment and makes no representation or warranty as to the accuracy of any such valuations. To the extent applicable regulations grant rights to receive brokerage confirmations for certain security transactions, Authority waives receipt of such confirmations.

Section 7. Draws Under Credit Facilities; Establishment of Credit Facility Funds; Enforcement of Provisions of Credit Facilities.

(a) The Issuing and Paying Agent shall draw upon the Credit Facilities by the times and in accordance with the terms thereof, in amounts sufficient to pay the interest on and principal of the related Series Notes when due solely from moneys drawn under such Credit Facility.

(b) Pending application as set forth in Section 7(a) above, moneys drawn under the Series A/B Credit Facility in order to pay principal and interest on the Series A Notes when due shall be deposited in a special fund designated as the "Series A/B Credit Facility

Fund,” which the Issuing and Paying Agent shall establish and maintain. The Issuing and Paying Agent shall hold the funds in the Series A/B Credit Facility Fund solely for the purpose of paying the maturing Series A Notes for which the draw on the Series A/B Credit Facility was made, shall set such funds aside exclusively for the payment of the principal of and interest on the Series A Notes for which the draw on the Series A/B Credit Facility was made, and shall apply such amounts to the payment of such principal of and interest on such Series A Notes, upon presentation thereof for payment, in accordance with the terms of this Agreement. The Issuing and Paying Agent shall not have a lien on the Series A/B Credit Facility Fund for the payment of any fees or expenses or other obligations owing to the Issuing and Paying Agent hereunder. Moneys in the Series A/B Credit Facility Fund shall be held in cash, uninvested. Any moneys drawn under the Series A/B Credit Facility not needed to pay the interest on and principal of the Series A Notes shall be promptly remitted by the Issuing and Paying Agent to the Series A/B Credit Provider.

(c) Pending application set forth in Section 7(a) above, moneys drawn under the Series A/B Credit Facility in order to pay principal and interest on the Series B Notes when due shall be deposited in a special fund designated as the “Series A/B Credit Facility Fund,” which the Issuing and Paying Agent shall establish and maintain. The Issuing and Paying Agent shall hold the funds in the Series A/B Credit Facility Fund solely for the purpose of paying the maturing Series B Notes for which the draw on the Series A/B Credit Facility was made, shall set such funds aside exclusively for the payment of the principal of and interest on the Series B Notes for which the draw on the Series A/B Credit Facility was made, and shall apply such amounts to the payment of such principal of and interest on such Series B Notes, upon presentation thereof for payment, in accordance with the terms of this Agreement. The Issuing and Paying Agent shall not have a lien on the Series A/B Credit Facility Fund for the payment of any fees or expenses or other obligations owing to the Issuing and Paying Agent hereunder. Moneys in the Series A/B Credit Facility Fund shall be held in cash, uninvested. Any moneys drawn under the Series A/B Credit Facility not needed to pay the interest on and principal of the Series B Notes shall be promptly remitted by the Issuing and Paying Agent to the Series A/B Credit Provider.

(d) The Authority hereby directs the Issuing and Paying Agent to diligently enforce all terms, covenants and conditions of the Credit Facilities, including payment when due of any draws on the Credit Facilities, and the provisions thereof relating to the payment of draws on, and the increase or reinstatement of the amount available to be drawn under the Credit Facilities, and to refrain from consenting to or agreeing to or permitting any amendment or modification thereof which would materially adversely affect the rights or security of the Holders of the Series of Notes to which the Credit Facilities relates. If at any time during the term of the Credit Facilities any successor Issuing and Paying Agent shall be appointed and qualified under this Agreement, the resigning or removed Issuing and Paying Agent shall request that each Credit Provider transfer the Credit Facilities which such Credit Provider is providing to the successor Issuing and Paying Agent. If the resigning or removed Issuing and Paying Agent fails to make such request, the successor Issuing and Paying Agent shall make such request before accepting appointment. When a Credit Facility expires in accordance with its terms or is replaced by an Alternate Credit Facility in accordance with terms set forth in Section 6.09 of the

Indenture, the Issuing and Paying Agent shall promptly surrender such Credit Facility to the applicable Credit Provider.

(e) In making draws upon the Credit Facilities, the Issuing and Paying Agent shall be acting as the agent solely of, and for the exclusive benefit of, the Holders of the Notes for which the draw is being made, and shall not be acting as the agent of the Authority. The Authority shall not have any right, title, or interest in or to the Series A/B Credit Facility Fund, the funds therein, the Series A/B Credit Facility Fund, the funds therein, or funds derived from a draw under the Credit Facilities.

(f) From time to time, the Authority may request an increase or a decrease in the amount available to be drawn under a Credit Facility pursuant to the provisions of such Credit Facility and the applicable Credit Agreement entered into in connection with such Credit Facility; provided, however, the Authority may not request that the amount available to be drawn under a Credit Facility be reduced to an amount (i) less than the aggregate principal amount of the related Series of Notes outstanding and interest to accrue thereon to the maturity dates of such Notes as of the effective date of any permanent reduction or (ii) less than the amount necessary to maintain compliance with Section 6.09 of the Indenture. If such request is granted by the applicable Credit Facility Provider pursuant to the provisions of the applicable Credit Agreement, then the applicable Credit Provider will send written notice of an increase or decrease in the amount available to be drawn under such Credit Facility to the Issuing and Paying Agent. Upon receipt of any such notice, the Issuing and Paying Agent shall promptly notify each Rating Agency then rating the related Series of Notes of the new amount available to be drawn under such Credit Facility and the effective date of such change in the amount available to be drawn.

Section 8. Payment of Matured Notes. By 2:00 p.m. New York City time on the date that any Notes are scheduled to mature, the Authority agrees that the Authority shall have caused to be provided to the Issuing and Paying Agent sufficient funds from which to pay the maturing Notes and the interest thereon which shall be paid from the funds provided pursuant to Section 6 and Section 7 hereof. When any matured Note is presented to the Issuing and Paying Agent for payment by the Holder thereof, payment shall be made from funds held pursuant to the provisions set forth in Section 6 and Section 7 hereof. The Issuing and Paying Agent shall have no obligation to pay any Note that would result in an overdraft to an account.

Section 9. Reliance on Instructions. The Issuing and Paying Agent shall incur no liability to the Authority in acting hereunder upon the instructions received via such means as are contemplated hereby, which are consistent with this Agreement and which the recipient thereof believed in good faith to have been given by an Authorized Representative. In the event a discrepancy exists between any telephonic instructions given by the Authority and the written confirmation given by the Authority, or in the absence of receiving a written confirmation, the telephonic instructions as understood by the Issuing and Paying Agent will be deemed the controlling and proper instructions. Instructions transmitted by the Authority via SPANS Online shall be the equivalent to providing a duly authorized written instruction which the Issuing and Paying Agent may act upon.

Section 10. Cancellation of Notes. The Issuing and Paying Agent agrees promptly to cancel the Note(s) presented for payment and return such Notes to the Authority, or the Issuing and Paying Agent may, in its sole discretion, in lieu of such cancellation and delivery, destroy such Notes and deliver a certificate evidencing such destruction to the Authority. Promptly upon receipt of a written request of the Authority, the Issuing and Paying Agent agrees to cancel and return to the Authority all unissued Notes in the possession of the Issuing and Paying Agent at the time of such request.

Section 11. Representations and Warranties of the Authority. Each Issuance Request given to the Issuing and Paying Agent in accordance with Section 5 hereof shall constitute a representation and warranty by the Authority to the Issuing and Paying Agent and the applicable Dealer to the effect that the representations and warranties set out in Section 3.01 of the Indenture are true and correct as of the date of such Issuance Request as if such representations and warranties were made on such date.

Section 12. Compliance with Indenture. The Issuing and Paying Agent hereby agrees to accept, undertake and perform all of the duties and obligations set forth and imposed upon the Issuing and Paying Agent hereunder and under the Indenture and, in addition, the Issuing and Paying Agent agrees:

(a) to hold all sums held by the Issuing and Paying Agent for the payment of the principal of or interest on the Notes in trust for the benefit of the Holders of the Notes until such sums shall be paid to such Holders or otherwise disposed of as provided herein and in the Indenture, including, without limitation, as provided in Section 10.04 of the Indenture;

(b) to invest all sums, if any, held by the Issuing and Paying Agent for the payment of the principal of or interest on the Notes in Investment Securities (as such term is defined in the Indenture) in accordance with the written instructions of the Authority;

(c) to comply with all provisions in each Letter of Representations;

(d) to provide to each Credit Provider a monthly report, which report shall set forth a listing of all outstanding Notes supported by the Credit Facility of such Credit Provider, together with the principal amount and maturity thereof, and such other information and shall be in such form as each Credit Provider and the Issuing and Paying Agent shall have agreed upon; and

(e) to keep such books and records, including, without limitation a complete record of all Issuance Requests, as shall be consistent with standard industry practice and to make such books and records available for inspection upon reasonable advance notice to the Issuing and Paying Agent by the Authority, the Trustee and each Credit Provider, and, if so requested, to send copies of such books and records to the Authority, the Trustee, or each Credit Provider, as applicable.

Section 13. Notices; Addresses.

(a) All communications by or on behalf of the Authority or a Dealer, by telephone or otherwise, relating to the completion, delivery or payment of the Note(s) are to be delivered via SPANS Online or directed to the Commercial Paper Operations of the Issuing and Paying Agent at the address or email address indicated below (or to such other department or division which the Issuing and Paying Agent shall specify in writing to the Authority and each Dealer). The Authority agrees to send all Notes to be completed and delivered by the Issuing and Paying Agent to the attention of Commercial Paper Operations (or to such other department or division as the Issuing and Paying Agent shall specify in writing to the Authority). The Issuing and Paying Agent agrees to advise the Authority, each Credit Provider and each Dealer from time to time of the individuals generally responsible for the administration of this Agreement.

(b) Notices and other communications to be given hereunder shall (except to the extent otherwise expressly provided) be given in writing and shall be delivered to the address or addresses set forth below (or to such other address as the party receiving such notice shall have previously specified in writing, by notice given hereunder, to the party sending such notice):

Authority:

San Bernardino County Transportation Authority
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715
Attention: Chief Financial Officer
Phone: (909) 884-8276
Fax: (909) 885-4407

Issuing and Paying Agent:

For inquiries regarding the issuance and delivery of the Notes:

U.S. Bank National Association
100 Wall Street, 6th Floor
New York, New York 10005
Attention: Commercial Paper Operations
Phone: (212) 951-8508
Fax: (212) 509-4529
Email: mmi.processing@usbank.com

For all other inquiries:

U.S. Bank National Association
100 Wall Street, 6th Floor
New York, NY 10005

Attention: Global Corporate Trust
Phone: (212) 361-6151
Fax: (212) 361-6155

Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust
Telephone: 213-615-6051
Fax: 213-615-6197

Series A/B Credit Provider, with respect to credit matters:

Barclays Bank PLC
[745 Seventh Avenue, 19th Floor
New York, NY 10019]
Attention: [_____]
Phone: [_____]
Fax: [_____]

Series A/B Credit Provider, with respect to operations/money transfer issues:

Barclays Bank PLC
[745 Seventh Avenue, 19th Floor
New York, NY 10019]
Attention: [_____]
Phone: [_____]
Fax: [_____]

Series A Dealer:

BofA Securities, Inc.
[_____]
[_____]
Attention: [_____]
Phone: [_____]
Fax: [_____]

Series B Dealer:

RBC Capital Markets, LLC
[_____]
[_____]
Attention: [_____]
Phone: [_____]
Fax: [_____]

Rating Agencies:

[S&P Global Ratings
55 Water Street, 38th Floor
New York, New York 10041
Attention: Municipal Structured Surveillance
Phone: (212) 438-2021
Fax: (212) 438-2151
Email: pubfin_structured@sanp.com]

[Moody's Investors Service
99 Church Street
New York, New York 10007-2796
Attention: Municipal Structured Products Group]

[Fitch Ratings, Inc.
[_____]
[_____]
Attention: [_____]]

Notices shall be deemed delivered when received at the address specified above. For purposes of this Section 13, "when received" shall mean: actual receipt (x) of an electronic communication by facsimile, electronic mail or SPANS Online; (y) of an oral communication by any person answering the telephone at the office of the Issuing and Paying Agent specified in Section 13(b) hereof and otherwise at the office of the individual or department specified in or pursuant to this Agreement; or (z) of a written communication hand delivered by national overnight courier service, or by first class, certified or registered mail, return receipt requested, at the office specified in or pursuant to this Agreement.

Any notices to be delivered to any Credit Provider other than the Series A/B Credit Provider or the Series A/B Credit Provider shall be delivered to the address specified in the Series A/B Credit Agreement and the Series A/B Credit Agreement entered into by the Authority with such Credit Provider. Any notices to be delivered to any Dealer other than the Series A Dealer or the Series B Dealer shall be delivered to the address specified in the Series A Dealer Agreement and the Series B Dealer Agreement entered into by the Authority with such Dealer.

Section 14. Additional Information. Upon the reasonable request of the Authority, the Trustee, a Dealer or a Credit Provider, as applicable, given at any time and from time to time, the Issuing and Paying Agent agrees promptly to provide the Authority, the Trustee, such Dealer or such Credit Provider, as applicable, with information with respect to the Note(s) issued and paid hereunder. Such request shall be in written form and shall include the principal amount, date of issue, maturity date, interest rate and amount of interest of each Note which has been issued or paid by the Issuing and Paying Agent and for which the request is being made. The Issuing and Paying Agent and the Authority shall discuss from time to time the extent to which such information is reasonably available and the times at which the Issuing and Paying Agent

can reasonably furnish such information. Such information may also be accessible by the Authority using SPANS Online.

Section 15. Supplements and Amendments. This Agreement may be supplemented and amended from time to time subsequent to the issuance of the Series A Notes and the Series B Note in order to provide for the issuance of one or more additional Series of Notes in accordance with the provisions set forth in the Indenture and herein. Such supplement shall be in writing and shall be executed by the Authority and the Issuing and Paying Agent. No such supplement shall require the consent of the Holders of any Notes nor the consent of any Credit Provider.

In addition, this Agreement may be modified, amended or supplemented from time to time and at any time for any other purpose, such modification, amendment or supplement to be in writing and to be executed by the Authority and the Issuing and Paying Agent; provided, however that, no modification, amendment or supplement shall materially and adversely affect the rights of a Credit Provider unless such Credit Provider shall have approved such modification, amendment or supplement in writing and provided further that no modification, amendment or supplement shall materially and adversely affect the rights of the Holders of Notes Outstanding on the effective date of such modification, amendment, or supplement.

Section 16. Termination; Successor Issuing and Paying Agent. This Agreement may be terminated at any time by either the Authority or the Issuing and Paying Agent on the same terms and conditions as are provided for removal or resignation of the Trustee under the Indenture, which terms and conditions are set forth in Article VIII of the Indenture, and in accordance with any other terms and conditions under any related Credit Facility or Credit Agreement, as applicable. Notwithstanding the foregoing, no termination of this Agreement nor any resignation of the Issuing and Paying Agent may take effect prior to: (i) the appointment by the Authority of a successor issuing and paying agent; and (ii) the assumption by such successor of the duties of the Issuing and Paying Agent under this Agreement and the Indenture; and (iii) the transfer of each Credit Facility then in effect to such successor.

Section 17. Successor in Interest to Issuing and Paying Agent. Any company into which the Issuing and Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Issuing and Paying Agent may sell or transfer all or substantially all of its issuing and paying agent business, provided such company shall meet the requirements set forth in Section 6.08 of the Indenture, shall be the successor to such Issuing and Paying Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 18. Fees. The Authority and the Issuing and Paying Agent agree that the fees for the services of the Issuing and Paying Agent hereunder shall be determined in accordance with Schedule A attached hereto. The Authority and the Issuing and Paying Agent agree that such fees may be amended from time to time by the Authority and the Issuing and Paying Agent in writing.

Section 19. Liability and Indemnity. The Issuing and Paying Agent shall be liable only for its negligence or willful misconduct and shall be entitled to the same rights, privileges, indemnities and obligations as the Trustee is entitled to pursuant to the Indenture, which rights, privileges and indemnities are as set forth in Article VIII of the Indenture; provided, however, that notwithstanding any provision of the Indenture or this Agreement to the contrary, no indemnity shall be requested or required for the Issuing and Paying Agent to take the action necessary to obtain funds under the applicable Credit Facility for payment of the interest on and principal of the Notes when due.

Section 20. Liability of the Authority Limited to Sales Tax Revenues. The Authority shall not be required to pay the principal of or interest on the Notes or any other amounts payable under or with respect to this Agreement from any source other than Sales Tax Revenues to the extent set forth in the Indenture.

Section 21. Benefit of Agreement. This Agreement is solely for the benefit of the parties hereto, each Credit Provider and the Holders, and no other Person shall acquire or have any right under or by virtue hereof.

Section 22. Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the Issuing and Paying Agent each hereby declare that it would have executed and delivered this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Notes pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held invalid, illegal or unenforceable.

Section 23. Section Headings and References. The headings or titles of the several sections hereof and the table of contents appended hereto are solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Sections” and other subdivisions or clauses are to the corresponding sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section, subdivision or clause hereof.

Section 24. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument. The delivery of copies of this Agreement as executed by PDF or facsimile transmission shall constitute effective execution and delivery as to the parties and may be used in lieu of originals for all purposes.

Section 25. Governing Law. This Agreement is to be delivered and performed in, and shall be construed and enforced in accordance with, and the rights of the parties shall be

governed by, the laws of the State of California; provided, however, to the extent not prohibited by the laws of the State of California, the rights and duties of the Issuing and Paying Agent shall be governed by and construed in accordance with the laws of the State of New York.

Section 26. SPANS Online. The Authority and each Authorized Representative may use the U.S. Bank Securities Processing Automated Notes System Online (“SPANS Online”) instruction and reporting communication service to transmit instructions to Issuing and Paying Agent or obtain reports with respect to the Notes. The Authority acknowledges that (i) some or all of the services utilized in connection with SPANS Online are furnished by SS&C Technologies, Inc. (“SS&C”), (ii) SPANS Online is provided to Authority “AS IS” without warranties or representations of any kind whatsoever, and (iii) SPANS Online is proprietary and confidential property disclosed to Authority in confidence and may be utilized only on the SPANS Online Terms and Conditions as set forth in the SPANS Online website and for purposes set forth in this Agreement.

To permit the use of SPANS Online to transmit instructions and/or obtain reports with respect to the Notes, the Issuing and Paying Agent will supply the Authority with a customer identification number and initial passwords. The Authority may thereafter change its passwords directly through SPANS Online. The Authority will keep all information relating to its identification number and passwords strictly confidential and will be responsible for the maintenance of adequate security over its customer identification number and passwords. Instructions transmitted by the Authority over SPANS Online and received by Issuing and Paying Agent pursuant to this Agreement shall be deemed conclusive evidence that such instructions are correct and complete and that the issuance or redemption of the Notes directed thereby has been duly authorized by Authority.

IN WITNESS WHEREOF, the SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY and U.S. BANK NATIONAL ASSOCIATION, have
caused this Agreement to be executed in their respective names by their duly authorized
representatives all as of the date and year first above written.

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
Executive Director

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

By: _____
Authorized Officer

SCHEDULE A

FEES OF THE ISSUING AND PAYING AGENT

[See attached fee schedule from proposal of the Issuing and Paying Agent.]



**U.S. Bank National Association
Global Corporate Trust Services
Schedule of Fees for Services as
Issuing and Paying Agent
SBCTA
SERIES 2019
300M**

Initial Fees

01010	Acceptance Fee The acceptance fee includes the administrative review of documents, communication and coordination with the Issuer, Dealers, Depository Trust Company and other agents and members of the working group, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time fee, payable at closing.	\$1,000.00
16156	Legal Expenses Includes fees and expenses of legal counsel	\$3,000.00

Administration Fees

04720	Issuing / Paying Agent Annual Administration Fee Annual administration fee for performance of routine duties as issuing and paying agent associated with the management of the account, including maintenance of the records of notes issued and continuing communication with the Issuer, Dealers / Placement Agents and the Depository Trust Company. Administration fees are payable annually in advance.	\$2,500.00 (per series)
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Transaction Fees

10100	Book Entry Issuance, Per Trade Includes: Wire charges (proceeds and payments), Current DTC charges, Computer maintenance fees, Collateral Charges, Periodic Reports and Tax reporting.	\$20.00
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Direct out-of-pocket expenses:

At cost

Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial closing, travel expenses and filing fees (if any) would be billable at cost.

Additional terms:

Extraordinary services are responses to requests, inquiries or developments, or the carrying out of duties or responsibilities of an unusual nature, including termination, which may or may not be provided for in the governing documents, and are not routine or undertaken in the ordinary course of business. Payment of fees is appropriate where particular requests, inquiries or developments are unexpected, even if the possibility of such things could have been foreseen at the inception of the transaction. A reasonable charge will be assessed and collected by the Trustee based on the nature of the extraordinary service. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.

Account approval is subject to review and qualification, including documentation to our satisfaction. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

December 19, 2018

Contract Summary Sheet

General Contract Information

Contract No: 19-1002086 Amendment No.: _____ Sole Source? No

Vendor No.: 03508 Vendor/Customer Name: Barclays Bank PLC

Description: Notes and interest for Bank Credit Services for letter of credit for Commercial Paper Program

Estimated Start Date: 9/4/2019 Expiration Date: 9/12/2023 Revised Expiration Date: _____

List Any SBCTA Related Contracts Nos.: 20-1002256 and (19-1002122, 19-1002123, 20-1002269)

Dollar Amount							
Original Contract		\$	108,956,713.00	Original Contingency		\$	-
Prior Amendments		\$	-	Prior Amendments		\$	-
Current Amendment		\$	-	Current Amendment		\$	-
Total/Revised Contract Value		\$	108,956,713.00	Total Contingency Value		\$	-
	Total Dollar Authority (Contract Value and Contingency)					\$	108,956,713.00

Contract Authorization

Board of Directors _____ Date: 9/4/2019 _____ Committee _____ Item # _____

Contract Management (Internal Purposes Only)

Payable				Other Contracts				Administrative Budget Adjustment			
Accounts Payable											
Total Contract Funding: \$ 108,956,713.00								Total Contingency: \$ -			
GL:	6018	60	0964	0630	57500	49053600	100,000,000.00	GL:			-
GL:	2080	40	0860	0827	57550	42106802	7,858,554.00	GL:			-
GL:	6010	40	0860	0827	57550	48005007	1,018,159.00	GL:			-
GL:								GL:			-
GL:	6010	40	0860	0827	52200	48005008	80,000.00	GL:			-
GL:							-	GL:			-
GL:							-	GL:			-
GL:							-	GL:			-
GL:							-	GL:			-
GL:							-	GL:			-
GL:							-	GL:			-
GL:							-	GL:			-

Accounts Receivable			
Total Contract Funding: \$ -		Reversion Date: _____	
Funding Agreement No: _____			
GL:		GL:	-
GL:		GL:	-
GL:		GL:	-
GL:		GL:	-
GL:		GL:	-

Beatriz Valdez _____ Hilda Flores _____

Project Manager (Print Name) Task Manager (Print Name)

Additional Notes: \$108,956,713 reflects maturity of the principal and interest due on the notes (principal authorized amount of \$100 million, a contingent interest amount of \$8,876,713 (calculated at 270 days of interest at 12% maximum per annum based on a year of 365 days), and \$80,000 for bank's legal fees - \$75,000 Chapman and \$5,000 foreign counsel). The related contracts in parenthesis may also need to be revised if an extension to the LOC is taking place as they may continue to provide related services). The related contract 20-1002256 is an exhibit of this contract and must be revised at the same time.

REIMBURSEMENT AGREEMENT

Dated as of September 1, 2019

by and between

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

and

BARCLAYS BANK PLC

Relating to

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

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REIMBURSEMENT AGREEMENT

This Reimbursement Agreement, dated as of September 1, 2019, is by and between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY, a public entity organized and existing under the laws of the State of California (together with its successors and assigns, the “*Obligor*”), and BARCLAYS BANK PLC (together with its successors and assigns, the “*Bank*”).

PRELIMINARY STATEMENT

A. WHEREAS, the Obligor has authorized, and intends to issue from time to time, Notes (as hereinafter defined) in an aggregate principal amount which does not exceed \$100,000,000 at any one time outstanding to finance the Project;

B. WHEREAS, the Notes are issued pursuant to the hereinafter defined Financing Laws and the Resolutions, and pursuant to which, the Obligor is required to furnish a letter of credit in connection with the Notes to be issued from time to time by the Obligor;

C. WHEREAS, the Obligor has requested the Bank to issue the Letter of Credit to the Issuing and Paying Agent, as beneficiary, in order to assure the payment at maturity of the principal of and interest on Notes hereafter issued in accordance with their terms;

D. WHEREAS, the Obligor has requested the Bank to provide the Letter of Credit in the original stated amount of \$108,876,713 for the payment by the Issuing and Paying Agent at maturity of the principal of and interest on the Notes;

E. WHEREAS, the Bank is prepared to issue the Letter of Credit upon the terms and conditions set forth in this Agreement;

F. WHEREAS, the Reimbursement Obligations, including the Revolving Note, of the Obligor hereunder are secured by a pledge of and Lien on the Revenues, which pledge and Lien is junior and subordinate in all respects to, but only to, the pledge thereof and Lien on the Revenues created under the Senior Lien Bond Indenture securing the Senior Lien Bonds;

NOW, THEREFORE, in consideration of the agreements set forth herein and in order to induce the Bank to issue the Letter of Credit, the Bank and the Obligor agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1. Defined Terms. In addition to terms defined elsewhere in this Agreement, as used herein the following terms shall have the following meanings, unless the context otherwise requires and such meanings shall be equally applicable to both singular and plural forms of the terms herein defined:

“*Act*” shall mean the San Bernardino County Transportation Authority Consolidation Act of 2017, being Chapter 7 of Division 12 of the Public Utilities Code of the State of California (Section 130800 et seq.), as amended from time to time.

“*Additional Commercial Paper*” shall mean any commercial paper (whether taxable or tax-exempt) issued pursuant to any supplement to the Indenture adopted in accordance with the Indenture, in addition to the Notes supported by the Letter of Credit on the Date of Issuance.

“*Advance*” shall have the meaning set forth in Section 2.2(b) hereof.

“*Advance Date*” shall mean, with respect to an Advance, the date on which such Advance is made.

“*Advance Maturity Date*” shall mean, with respect to any Advance, the last day of the related Liquidity Period.

“*Agreement*” shall mean this Reimbursement Agreement, as the same may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

“*Alternate Credit Facility*” shall mean a letter of credit or liquidity facility delivered by a financial institution other than the Bank in substitution for the Letter of Credit in accordance with Section 2.1(c) hereof and in accordance with the terms of the Indenture.

“*Amortization Period*” has the meaning set forth in Section 2.4(e) hereof.

“*Authorized Representative*” shall mean any person at the time designated to act on behalf of the Obligor, the Issuing and Paying Agent or the Dealer, as the case may be, for purposes of this Agreement by written certificate furnished to the Bank containing the specimen signature of such person.

“*Bank*” shall have the meaning set forth in the introductory paragraph hereof.

“*Bank Agreement*” means any credit agreement, bond purchase agreement, liquidity agreement, direct purchase agreement, standby bond purchase agreement, reimbursement agreement or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by the Obligor with any Person, directly or indirectly, or otherwise consented to by the Obligor, under which any Person or Persons undertakes to make loans, extend credit or liquidity to the Obligor in connection with, or to directly purchase, any Senior Lien Bonds, any Parity Debt or any Sales Tax Debt; *provided* that, for the avoidance of doubt, the term “Bank Agreement” does not include any loan, agreement or other instrument entered into between the Obligor and the United States Department of Transportation in accordance with the Transportation Infrastructure Finance and Innovation Act of 1998, § 1501 et seq. of Public Law 105-178, as amended, or any replacement therefor or similar law.

“*Bank Rate*” means, for any day, the rate of interest per annum with respect to an Advance or Term Loan, as applicable, equal to: (a) commencing on the date such Advance is, or

the Advance underlying such Term Loan was, made to and including the 90th day next succeeding the date such Advance is, or the Advance underlying such Term Loan was, made, the Base Rate; (b) commencing on the 91st day next succeeding the date such Advance is, or the Advance underlying such Term Loan was, made to and including the 180th day next succeeding the date such Advance is, or the Advance underlying such Term Loan was, made, the Base Rate *plus* 1.00% and (c) commencing on the 181st day next succeeding the date such Advance is, or the Advance underlying such Term Loan was, made and thereafter, the sum of the Base Rate from time to time in effect plus two percent (2.00%) (such calculation made under this subpart (c) shall be made without inclusion of subpart (iv) of the definition of “*Base Rate*”); *provided, however,* that immediately and automatically upon the occurrence of an Event of Default or a Rating Event (and without any notice given with respect thereto) and during the continuance of such Event of Default or Rating Event, “*Bank Rate*” shall mean the Default Rate; and *provided further* that, at no time shall the Bank Rate be less than the applicable rate of interest on any outstanding Notes.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the sum of the Reference Rate in effect at such time plus two and one-half of one percent (2.50%), (ii) the sum of the Federal Funds Rate in effect at such time plus two and one-half of one percent (2.50%) and (iii) eight percent (8.00%). Each determination of the Base Rate by the Bank shall be conclusive and binding on the Obligor absent manifest error.

“*Bond Counsel*” shall mean Orrick Herrington & Sutcliffe LLP or any other firm of recognized bond counsel familiar with the transactions contemplated under the Indenture and acceptable to the Obligor.

“*Business Day*” shall mean, for so long as The Depository Trust Company (“*DTC*”) shall be the depository for the Notes, any day on which DTC is scheduled to be open for money market instrument settlement services, and is other than: (i) a Saturday, Sunday or day upon which banking institutions in the State or the State of New York are authorized or obligated by law or executive order to be closed; (ii) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed; and (iii) for purposes of payments and other actions relating to a Note, a day upon which commercial banks are authorized or obligated by law or executive order to be closed in the city in which demands for payment are to be presented pursuant to the Letter of Credit.

“*Change of Law*” means the occurrence, after the Date of Issuance, 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*” shall mean the Internal Revenue Code of 1986, as amended, and the rules and all promulgated and temporary regulations thereunder.

“*County*” shall mean the County of San Bernardino, California.

“*Credit Facility Fund*” shall mean, individually or collectively as the context may require, the Series A Credit Facility Fund and/or the Series B Credit Facility Fund, each as defined in the Indenture.

“*Date of Issuance*” shall mean September 12, 2019, which, subject to the satisfaction of the conditions precedent set forth in Section 3.1 hereof, is the date on which the Bank shall issue the Letter of Credit to the Issuing and Paying Agent.

“*Dealer Agreement*” shall mean, collectively, the Series A Dealer Agreement and the Series B Dealer Agreement.

“*Dealer*” shall mean, individually or as the context may require, the Series A Dealer and/or the Series B Dealer.

“*Debt*” of any Person shall mean at any date, without duplication, (i) all obligations of such Person for borrowed money and reimbursement obligations which are not contingent, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar debt instruments, (iii) obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) and all obligations of such Person as lessee under leases which are or should be, in accordance with GAAP, recorded as capital leases, (v) all Debt of others Guaranteed by such Person, and (vi) all payment obligations of such Person, in addition to any obligations set forth in clauses (i) through (v) above, arising under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate futures contract, interest rate option contract or other similar arrangement and under any foreign exchange contract, currency swap agreement, foreign exchange futures contract, foreign exchange option contract, synthetic cap or other similar agreement; *provided* that it is understood that Debt does not include contingent obligations of such Person to reimburse any other Person in respect of surety bonds or letters of credit to the extent that such surety bonds or letters of credit support Debt of such Person or payment obligations of such Person due in the future which are not known with certainty.

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

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

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

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

“*Event of Default*” shall mean any event specified in Section 7.1 hereof.

“*Excess Interest*” has the meaning set forth in Section 2.14 hereof.

“*Expiration Date*” shall have the meaning ascribed thereto in the Letter of Credit.

“*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, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“*Fee Agreement*” shall mean that certain Fee Agreement dated September 12, 2019, between the Bank and the Obligor, as the same may be amended, supplemented or otherwise modified from time to time.

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

“*Financing Documents*” shall mean, collectively, this Agreement, the Fee Agreement, the Revolving Note, the Resolutions, the Senior Lien Bond Indenture, the Indenture, the Notes, the Letter of Credit, the Issuing and Paying Agent Agreement and the Dealer Agreement.

“*Financing Law*” shall mean the Act, the Sales Tax Law and the Ordinance, each as now in effect and as it may from time to time hereafter be amended or supplemented.

“*Fiscal Year*” shall have the meaning assigned thereto in the Indenture.

“*Fitch*” shall mean Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Obligor.

“*GAAP*” shall mean generally accepted accounting principles in the United States of America from time to time as set forth in (a) the opinions and pronouncements of the Accounting

Principles Board and the American Institute of Certified Public Accountants and (b) statements and pronouncements of the Financial Accounting Standards Board, as modified by the opinions, statements and pronouncements of any similar accounting body of comparable standing having authority over accounting by governmental entities.

“Governmental Authority” shall mean any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Office of the Comptroller of the Currency, any central bank and any comparable authority) or any arbitrator with authority to bind a party at law.

“Guarantee” by any Person shall mean any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, securities, to take-or-pay, or to maintain financial statement conditions or otherwise), (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (iii) with respect to any letter of credit issued for the account of such other Person or as to which such other Person is otherwise liable for reimbursement of drawings, *provided* that the term Guarantee shall not include (x) endorsements for collection or deposit in the ordinary course of business, or (y) performance or completion guarantees. The term “Guarantee” used as a verb has a corresponding meaning.

“Indenture” shall mean that certain Subordinate Indenture, dated as of September 1, 2019, by and between the Obligor and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

“Investment Securities” shall have the meaning set forth thereto in the Indenture.

“Issuing and Paying Agent” shall mean U.S. Bank, National Association, as issuing and paying agent under the Issuing and Paying Agent Agreement.

“Issuing and Paying Agent Agreement” shall mean mean that certain Issuing and Paying Agent Agreement, dated as of September 1, 2019, by and between the Obligor and the Issuing and Paying Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

“Law” means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

“Letter of Credit” shall mean the irrevocable direct pay letter of credit to be issued by the Bank pursuant hereto for the account of the Obligor in favor of the Issuing and Paying Agent, as

beneficiary, which shall be in substantially the form of Exhibit A to this Agreement, as the same may be amended and supplemented from time to time.

“Letter of Credit Expiration Date” shall mean the earlier to occur of (i) the Stated Expiration Date and (ii) the date on which the Letter of Credit otherwise terminates in accordance with its terms.

“Letter of Credit Fees” shall have the meaning set forth in the Fee Agreement.

“Lien” shall mean, with respect to any asset, (i) any lien, charge, claim, mortgage, security interest, pledge or assignment of revenues of any kind in respect of such asset or (ii) the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Liquidity Period” shall mean, with respect to each Advance, the period of time from and after the related Advance Date, to and including the earliest to occur of: (i) the date one hundred eighty (180) days immediately succeeding such Advance Date, (ii) the Stated Expiration Date, (iii) the Sales Tax Expiration Date, (iv) the date on which an Alternate Credit Facility becomes effective in substitution of the Letter of Credit, (v) (A) prior to the Stated Expiration Date, the date the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated prior to the Stated Expiration Date, including as the result of the occurrence of an Event of Default or a Rating Event (*provided* that, for the avoidance of doubt, reductions or terminations resulting from the Letter of Credit expiring on the Stated Expiration Date in accordance with its terms shall not terminate the Liquidity Period pursuant to subclause (v) of this definition) or (B) after the Stated Expiration Date, upon the occurrence of an Event of Default or a Rating Event and (vi) the end of the term of the commercial paper program in respect of the Notes as is determined in accordance with the Issuing and Paying Agent Agreement, the Ordinance, the Resolutions or any ordinance or resolution of the Obligor.

“Maturity Date” shall mean the maturity date of any Term Loan, which date shall be the earliest of: (i) the date which is five (5) years from the date of the related Advance Date, (ii) the Sales Tax Expiration Date, (iii) the date on which an Alternate Credit Facility becomes effective in substitution of the Letter of Credit, (iv) the date established pursuant to Section 7.2(iii) of this Agreement, and (v) (A) prior to the Stated Expiration Date, the date the (A) Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated prior to the Stated Expiration Date, including as the result of the occurrence of an Event of Default or a Rating Event (*provided* that, for the avoidance of doubt, reductions or terminations resulting from the Letter of Credit expiring on the Stated Expiration Date in accordance with its terms shall not be considered a Maturity Date under subclause (v) of this definition) and (B) after the Stated Expiration Date, upon the occurrence of an Event of Default or a Rating Event and (vi) the end of the term of the commercial paper program in respect of the Notes as is determined in accordance with the Issuing and Paying Agent Agreement, the Ordinance, the Resolutions or any ordinance or resolution of the Obligor.

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

“Maximum Rate” means the lesser of (i) fifteen percent (15%) per annum and (ii) the maximum non-usurious lawful rate of interest permitted by applicable law.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term *“Moody’s”* shall be deemed to refer to any other nationally recognized securities rating agency selected by the Obligor.

“Note Fund” shall have the meaning set forth thereto in the Indenture.

“Notes” means, collectively, the Obligor’s Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds) Series A and Series B.

“Notice of No Issuance” shall mean a Notice of No Issuance in the form of Exhibit F hereto.

“Obligor” shall have the meaning set forth in the introductory paragraph hereof.

“Obligations” means the Reimbursement Obligations (which includes amounts payable to the Bank evidenced by the Revolving Note), the Letter of Credit Fees, the obligations of the Obligor to pay all fees, charges and expenses payable hereunder, under the Fee Agreement and under the Revolving Note, and all other payment obligations of the Obligor payable to the Bank under this Agreement, the Fee Agreement and the Revolving Note.

“OFAC” has the meaning set forth in Section 8.18 hereof.

“Offering Memorandum” shall mean the Offering Memorandum dated [September __], 2019], relating to the Notes, including any supplement or amendment thereto.

“Ordinance” shall mean Ordinance No. 04-01, named “An Ordinance Providing for the Continuation of a One-Half of One Percent Retail Transactions and Use Tax by the San Bernardino County Transportation Authority for Local Transportation Purposes and the Transportation Expenditure Plan” (the “Ordinance”), adopted by the Obligor on June 2, 2004 and effective at the close of the polls on November 2, 2004, as amended.

“Other Taxes” shall have the meaning set forth in Section 2.8 hereof.

“Parity Debt” shall mean the Notes, the Obligations and any Sales Tax Debt payable from and secured by Revenues on a parity basis with the Notes and subordinate to the pledge and Lien provided for in the Senior Lien Bond Indenture to secure the Senior Lien Obligations.

“Parity Annual Debt Service” shall mean, for any Fiscal Year, total principal becoming due in such period and total interest expenses (including that portion attributable to capital leases) of the Obligor in respect of all outstanding Notes and any other Parity Debt.

“Participant(s)” has the meaning set forth in Section 8.9 hereof.

“Payment Account” shall have the meaning set forth in the Fee Agreement.

“Person” shall mean an individual, a corporation, a partnership, an association, a trust, a government, a political subdivision, a governmental agency or instrumentality or any other entity or organization.

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

“Proceeds Fund” shall have the meaning set forth therefor in the Indenture.

“Project” shall have the meaning set forth therefor in the Indenture.

“Quarterly Payment Date” shall mean the first Business Day of each January, April, July and October of each year.

“Rating Agency” shall mean Moody’s or S&P or Fitch, as applicable, and their respective successors and assigns.

“Rating Event” means the occurrence of (i) S&P or Fitch assigning a long-term unenhanced rating to any Senior Lien Bonds of the Obligor, or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating, below “BBB-” (or its equivalent) or suspending or withdrawing such rating for credit related reasons, (ii) Moody’s assigning a long-term unenhanced rating to any Senior Lien Bonds of the Obligor, or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating, below “Baa3” (or its equivalent) or suspending or withdrawing such rating for credit related reasons, or (iii) either (x) S&P or Fitch assigns a long-term unenhanced rating to any Senior Lien Bonds of the Obligor, or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating, below “A-” (or its equivalent), which such rating continues below “A-” for 180 consecutive days, or (y) Moody’s assigns a long-term unenhanced rating to any Senior Lien Bonds of the Obligor, or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating, below “A3” (or its equivalent), which such rating continues below “A3” for 180 consecutive days.

“Rescission of Notice of No Issuance” shall mean a Rescission of Notice of No Issuance in the form of Exhibit G hereto.

“Reference Rate” means, for any day, the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “prime rate.” The “prime rate” is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“Reimbursement Obligations” means any and all obligations of the Obligor to (i) reimburse the Bank for all principal of and interest on Drawings under the Letter of Credit, (ii) repay the Bank for all Advances and Term Loans, including in each instance, all interest accrued thereon and (iii) pay all amounts due and owing under the Revolving Note.

“Request for Decrease in Stated Amount” means a notice from the Obligor to the Bank in the form of Exhibit D hereto.

“Request for Extension” means a notice from the Obligor to the Bank in the form of Exhibit E hereto.

“Resolutions” shall mean [_____].

“Revenues” shall have the meaning set forth thereto in the Indenture.

“Revolving Note” means the Obligor’s revolving note, substantially in the form of Exhibit B attached hereto, issued to the Bank pursuant to Section 2.13 hereof, to evidence the indebtedness of the Obligor due and owing to the Bank under this Agreement with respect to amounts drawn on the Letter of Credit.

“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.

“Sales Tax” shall have the meaning set forth thereto in the Indenture.

“Sales Tax Debt” shall have the meaning set forth thereto in the Indenture.

“Sales Tax Expiration Date” shall mean April 1, 2040 or such earlier date as of which the Sales Tax Law may be terminated or repealed.

“Sales Tax Law” means means Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code *et seq.*

“Sales Tax Revenues” shall have the meaning set forth thereto in the Indenture.

“Semiannual Payment Date” shall mean the first Business Day of each January and July of each year.

“Senior Lien Bond Indenture” shall mean that certain Indenture, dated as of March 1, 2012, between the Obligor and the Senior Lien Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

“Senior Lien Bonds” shall mean any bonds secured by a lien on Sales Tax Revenues issued and outstanding pursuant to a Senior Lien Bond Indenture, and any reserve fund surety bonds or other reserve facilities issued on behalf of or entered into by the Obligor in connection therewith, pursuant to and in accordance with the terms of the Senior Lien Bond Indenture.

“Senior Lien Obligations” shall mean, collectively, any Senior Lien Bonds and any obligations secured by a lien on Sales Tax Revenues of the Obligor on a parity therewith.

“Senior Lien Trustee” shall mean a trustee or other fiduciary under any Senior Lien Bond Indenture.

“Series A Dealer Agreement” shall mean the agreement between the Series A Dealer and the Obligor relating to the sale of the Series A Notes, as it may be amended supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof or any dealer agreement with a substitute or successor dealer relating to the Series A Notes.

“Series A Dealer” shall mean, with respect to the Series A Notes, BofA Merrill Lynch or any nationally recognized successor commercial paper dealer under the Series A Dealer Agreement or its permitted substitute or permitted successor in interest acting under the Series A Dealer Agreement and in accordance with the terms hereof.

“Series B Dealer Agreement” shall mean the agreement between the Series B Dealer and the Obligor relating to the sale of the Series B Notes, as it may be amended supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof or any dealer agreement with a substitute or successor dealer relating to the Series B Notes.

“Series B Dealer” shall mean, with respect to the Series A Notes, RBC Capital Markets, LLC, or any nationally recognized successor commercial paper dealer under the Series B Dealer Agreement or its permitted substitute or permitted successor in interest acting under the Series B Dealer Agreement and in accordance with the terms hereof.

“State” shall mean the State of California.

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

“Stated Expiration Date” shall have the meaning set forth in the Letter of Credit.

“Supplemental Indenture” shall have the meaning set forth thereto in the Indenture.

“Swap Contract” means an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security, however denominated, entered into between the Obligor and any counterparty thereto, in connection with or incidental to, the issuance or carrying of bonds, securities or other obligations secured by or payable from Revenues, including, without limitation, an interest rate swap, cap, collar, option, floor, forward,

derivative, or other hedging agreement, arrangement or security entered into in advance of the issuance of bonds, securities or other obligations secured by or payable from Revenues.

“*S&P*” shall mean Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services LLC, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Obligor.

“*Taxes*” shall have the meaning set forth in Section 2.8 hereof.

“*Term Loan*” shall have the meaning set forth in Section 2.4 hereof.

“*Term-Out Date*” shall have the meaning set forth in Section 2.4 hereof.

“*Trustee*” shall mean U.S. Bank, National Association, as trustee under the Indenture.

“*Underlying Rating*” means the long-term underlying senior lien debt rating assigned to the Obligor by any Rating Agency.

Section 1.2. Use of Defined Terms. Terms defined in this Agreement shall have their defined meanings when used in any document, certificate, report or agreement furnished from time to time in connection with this Agreement unless the context otherwise requires.

Section 1.3. Rules of Construction. When used in this Agreement:

- (i) the singular includes the plural and the plural includes the singular;
- (ii) “or” is not exclusive;
- (iii) a reference to a law includes any amendment or modification to such law;
- (iv) a reference to a person includes its permitted successors and permitted assigns;
- (v) a reference to an agreement, instrument, document, regulation, law, statute or act shall include such agreement, instrument, document, regulation, law, statute or act as the same may be amended, modified or supplemented from time to time in accordance, if an agreement, instrument or document, with its terms and as permitted hereby; and
- (vi) all references to time shall mean New York City time, unless otherwise specified.

ARTICLE 2

TERMS OF THE LETTER OF CREDIT

Section 2.1. Issuance of Letter of Credit; Substitution or Termination of Letter of Credit.

(a) The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, to issue to the Issuing and Paying Agent, as beneficiary, its Letter of Credit (substantially in the form of Exhibit A hereto), dated the Date of Issuance and completed in accordance with such form and the terms of this Section 2.1(a). The Stated Amount of the Letter of Credit on the Date of Issuance shall be \$108,876,713. The Stated Amount may be from time to time reduced and/or reinstated in accordance with the terms of the Letter of Credit and the Obligor irrevocably approves such reductions and reinstatements. The Bank will use only its own funds in honoring a Drawing under the Letter of Credit. Unless otherwise terminated in accordance with its terms, the Letter of Credit shall expire on the Stated Expiration Date as such date may be extended from time to time in accordance with the terms hereof and thereof.

(b) The Letter of Credit shall be transferred in accordance with its terms to any successor Issuing and Paying Agent.

(c) The Obligor may at any time and at its option terminate the Letter of Credit. The Obligor hereby agrees to (i) give the Bank 30 days' prior written notice of any such termination and (ii) pay to the Bank, in immediately available funds as of the date of such termination, all Obligations payable hereunder and under the Fee Agreement, including, without limitation, all principal and interest due and owing on any Advance or Term Loan and any fee related to such termination, if any. Notwithstanding any such termination, so long as any obligations owing hereunder remain unpaid, this Agreement shall remain in full force and effect.

Section 2.2. Advances under the Letter of Credit. (a) The Issuing and Paying Agent is authorized to make Drawings under the Letter of Credit in accordance with its terms. The Obligor hereby directs the Bank to honor Drawings under the Letter of Credit as provided therein. The Bank may rely upon any such Drawing request under the Letter of Credit made by facsimile which it, in good faith, believes to have been dispatched by the Issuing and Paying Agent or its authorized agent.

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

Section 2.3. Interest on Advances. (a) Each Advance not required to be repaid on its related Advance Date pursuant to Section 2.4(a) hereof shall bear interest during the Liquidity Period (computed on the basis of a 365- or 366-day year, as applicable, and actual days elapsed) payable monthly in arrears on the first Business Day of each month (commencing on the first such date to occur after the related Advance Date) and on the last day of the related Liquidity Period at a rate per annum equal to the applicable Bank Rate.

(b) All Term Loans shall bear interest (computed on the basis of a 365- or 366- day year, as applicable, and the actual number of days elapsed) payable monthly in arrears on the first Business Day of each month for the immediately preceding calendar month (commencing on the first such date to occur after the related Term-Out Date) and on the related Maturity Date at a rate per annum equal to the applicable Bank Rate.

(c) The portion of each Advance relating to interest on the Notes shall be repaid on the related Advance Date.

Section 2.4. Repayment of Advances; Fees; and Other Payments. The Obligor agrees to reimburse the Bank, at the times, in the manner and otherwise in accordance with the terms of this Agreement, for any Drawing honored by the Bank under the Letter of Credit and to pay all other amounts specified herein and in the Fee Agreement, together with interest thereon, pursuant to the terms hereof.

(a) *Repayment of Advances.* Upon honoring a Drawing under the Letter of Credit, the Bank will be subrogated to the extent permissible by law to the rights of the Holders of the Notes to which an Advance related. The Obligor shall pay or cause to be paid to the Bank, by 4:00 P.M., New York City time, on the Advance Date the full amount of such Advance. Any payment received after 4:00 P.M., New York City time, shall be deemed received as of the next Business Day. Notwithstanding the above, so long as no Default, Event of Default or Rating Event has occurred and is continuing on the related Advance Date, the portion of such Advance relating to the principal of the Notes may remain outstanding during the Liquidity Period and shall be repaid on the related Advance Maturity Date; *provided*, that if all conditions set forth in Section 2.4(e) hereof shall have been met as of the related Advance Maturity Date, such Advance shall be converted to a term loan (a “*Term Loan*”) and shall be payable as provided in Section 2.4(e) hereof.

(b) *Fees.* The Obligor hereby agrees to perform the obligations provided for in the Fee Agreement, including, without limitation, the payment of any and all fees and expenses provided for therein, at the times and in the amounts set forth therein. The terms and provisions of the Fee Agreement are hereby incorporated herein by reference as if fully set forth herein. All references to amounts or obligations due hereunder or in this Agreement shall be deemed to include all amounts and obligations (including without limitation fees and expenses) under the Fee Agreement.

(c) *Manner and Place of Payments; and Interest Calculation.* (i) All payments to be made to the Bank hereunder or in connection herewith, whether by the Obligor, or the Issuing and Paying Agent or by the Issuing and Paying Agent on behalf of the Obligor, shall be made to the Bank at its Payment Account in U.S. Dollars in immediately available funds. Subject to Section 2.4(a) hereof, all such payments shall be made to the Bank as aforesaid not later than 4:00 P.M., New York City time, on the date due at its Payment Account; and funds received after 4:00 P.M., New York City time, shall be deemed to have been received on the next succeeding Business Day.

(ii) Whenever a payment is due to the Bank under this Agreement, the Obligor shall be deemed to have made such payment at the time such payment is received by the Bank.

(iii) All fees payable hereunder and under the Fee Agreement shall be calculated on the basis of the actual days elapsed and a year of 360 days and shall be payable as set forth in the Fee Agreement.

(d) *Reserved.*

(e) *Term Loans.* In the event the portion of any Advance used to pay the principal of any Notes on the maturity date thereof has not been repaid in full by the last day of the Liquidity Period (the “*Term-Out Date*”) (*provided however* that if the Liquidity Period ends as the result of the occurrence of an event set forth in clause (iii) or (iv) of the definition of the term “Liquidity Period” such Advance shall become due and payable on the last day of the Liquidity Period and shall not become a Term Loan), then, provided (i) (A) no Default, Event of Default or Rating Event has occurred and is continuing on such date and (B) all representations and warranties of the Obligor set forth in Section 4 hereof (other than the representations set forth in Section 4(j) hereof or incorporated herein by reference), are true and correct in all material respects, in each case as of the related Term-Out Date and (ii) the sum of the Notes outstanding, plus, if applicable, interest on such Notes to their stated maturity dates, plus all unreimbursed Advances and all Term Loans then outstanding including the Term Loan then proposed to be made, shall not exceed the Stated Amount on such Term-Out Date, then such Advance shall be converted to a Term Loan. Each Term Loan shall be for a maximum five (5) year term commencing on the related Advance Date and ending not later than the Maturity Date. The Obligor shall pay the principal amount of each Term Loan in equal semiannual installments over the term of the applicable Term Loan (together with interest thereon in accordance with Section 2.3(b) hereof) to be made on each Semiannual Payment Date commencing with the first Semiannual Payment Date following the Term-Out Date until paid in full on or prior to the Maturity Date (the foregoing period with respect to each Term Loan herein referred to as an “*Amortization Period*”). The entire then outstanding principal amount of such Term Loan shall be due and payable on the related Maturity Date. The Obligor may prepay each Term Loan, in whole or in part, at any time, *provided* that such prepayment is accompanied by all interest accrued thereon with respect to the amount of such Term Loan prepaid.

(f) *Mandatory Prepayment.* In the event that the Issuing and Paying Agent issues any Notes while any Advance or Term Loan remains unpaid, the Obligor shall apply the proceeds of any such Note, first, to the payment of principal or interest on any Notes maturing on such date and, second, to the prepayment of such outstanding Advances and Term Loans. Any prepayment in part under this Section 2.4(f) shall be applied against each such Advance or Term Loan, as applicable, in the order in which each such Advance or Term Loan, as applicable, was made.

Section 2.5. Liability of Bank. As between the Obligor and the Bank, the Obligor assumes all risks of the acts, omissions, or misuse of the Letter of Credit by the Issuing and Paying Agent. Neither the Bank nor any of its officers and directors shall be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letter of Credit, even if it

should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning, or purporting to transfer or assign, the Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the Issuing and Paying Agent to comply fully with conditions required in order to draw upon the Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, facsimile transmission or otherwise, whether or not they be in cipher; (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under the Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the Issuing and Paying Agent or the Trustee of the proceeds of any drawing under the Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Bank; except that the Obligor shall have a claim against the Bank, and the Bank shall be liable to the Obligor, to the extent of any direct, as opposed to consequential, damages suffered by the Obligor that the Obligor proves were caused by the Bank's gross negligence or willful misconduct (x) in determining whether documents presented under the Letter of Credit comply strictly with the terms of the Letter of Credit or (y) in failing to make lawful payment under the Letter of Credit after the proper presentation to the Bank by the beneficiary thereof of a drawing strictly complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank 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; *provided*, that if the Bank shall receive both prior written and telephonic notification from both the Obligor and the beneficiary that sufficiently identifies, in the opinion of the Bank, documents to be presented to the Bank that are not to be honored, the Bank will not honor such documents.

Section 2.6. Obligations Absolute. The payment obligations of the Obligor under this Agreement and the Fee Agreement are absolute, independent, irrevocable and unconditional, and shall be paid strictly in accordance with the terms of this Agreement and the Fee Agreement under all circumstances, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Letter of Credit or any of the Financing Documents;
- (b) any amendment or waiver of or any consent or departure from the terms and conditions of all or any of the Financing Documents;
- (c) the existence of any claim, set-off, defense, or other right that the Obligor may have at any time, whether in connection with this Agreement, the transactions contemplated herein or in the other Financing Documents or any unrelated transaction, against the Trustee, the Issuing and Paying Agent or any other beneficiary or the Bank, or any transferee of the Letter of Credit (or any persons or entities for whom the Trustee, the Issuing and Paying Agent, any such beneficiary, or any such transferee may be acting), or any other person or entity;

(d) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid, or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) payment by the Bank to the Issuing and Paying Agent under the Letter of Credit against presentation of a draft or certificate which does not strictly comply with the terms of the Letter of Credit; or

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding this Section, the Bank acknowledges the Obligor may have the right to bring a collateral action with respect to one or more of the foregoing circumstances in accordance with Section 2.5 hereof. The Obligor's payment obligations shall remain in full force and effect pending the final disposition of any such action.

Section 2.7. Increased Costs. (a) If the Bank or any Participant shall have determined that a Change of Law has occurred, the result of which is to (A) change the basis of taxation of payments to the Bank or such Participant of any amounts payable hereunder (except for taxes on the overall net income of the Bank or such Participant), (B) impose, modify or deem applicable any reserve, special deposit, capital requirement, liquidity ratio or similar requirement against performing or maintaining its obligations under this Agreement or maintaining the Letter of Credit or assets held by, or deposited with or for the account of, the Bank or such Participant or (C) impose on the Bank or any Participant any other condition regarding this Agreement, or the Letter of Credit, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to the Bank or such Participant of performing or maintaining its obligations hereunder or maintaining the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank or Participant hereunder or under the Fee Agreement, then, the Obligor shall pay to the Bank or such Participant at such time and in such amount as is set forth in paragraph (c) of this Section 2.7, such additional amount or amounts as will compensate the Bank or such Participant for such increased costs or reductions in amount received or receivable.

(b) If the Bank or any Participant shall have determined that a Change of Law has occurred that shall impose, modify or deem applicable any capital adequacy, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or such Participant allocates capital resources to its commitments, including its obligations under the Letter of Credit) that either (A) affects or would affect the amount of capital or liquidity to be maintained by the Bank or such Participant or (B) reduces or would reduce the rate of return on the Bank's or such Participant's or the Participant's or the Bank's controlling corporation's capital to a level below that which the Bank or such Participant could have achieved but for such circumstances (taking into consideration the Bank's or the Participant's or the Bank's or the Participant's controlling corporation's policies with respect to capital adequacy) then, the Obligor shall pay to the Bank or such Participant at such time and in such amount as is set forth in paragraph (c) of this Section 2.7, such additional amount or amounts as will compensate the Bank or the Participant or the Bank's or the Participant's controlling corporation for such costs of maintaining such increased capital or such reduction in

the rate of return on the Bank's or the Participant's or the Bank's or the Participant's controlling corporation's capital related to the maintenance of this Agreement and the Letter of Credit.

(c) All payments of amounts referred to in paragraphs (a) and (b) of this Section 2.7 shall be due and payable in full on the next Quarterly Payment Date that is at least thirty (30) calendar days after the Obligor's receipt of notice thereof. Interest on the sums due as described in paragraphs (a) and (b) of this Section 2.7, and in the preceding sentence, shall begin to accrue from the Quarterly Payment Date when the payments are first due at a rate per annum equal to the Default Rate until such amounts have been paid in full and shall be payable on demand and in accordance with the terms hereof. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank, the Participant or the controlling corporation of the Bank as a result of any event mentioned in paragraph (a) or (b) of this Section 2.7 setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank or such Participant to the Obligor and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by such certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like as the Bank or such Participant in good faith determines to be appropriate.

(d) A Participant shall not be entitled to receive any greater payment under this Section 2.7 than the Bank would have been entitled to receive with respect to the participation sold to such Participant.

(e) Failure or delay on the part of the Bank to demand compensation pursuant to the foregoing provisions of this Section 2.7 shall not constitute a waiver of the Bank's right to demand such compensation; *provided* that the Obligor shall not be required to compensate the Bank or any Participant pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than one hundred twenty (120) days prior to the date that the Bank, notifies the Obligor of the Change in Law giving rise to such increased costs or reductions and of the Bank's or such Participant's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred twenty (120) days period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.8. Taxes. (a) To the extent permitted by law, any and all payments by the Obligor hereunder, under the Fee Agreement or under the Revolving Note shall be made, in accordance with Section 2.6 hereof, free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of the Bank (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of the Bank's applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). To the best knowledge of the undersigned office of the Bank and without conducting any due diligence, as of the Date of Issuance there are no such Taxes currently imposed or required to be withheld or deducted. If the Obligor shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder, under the Fee Agreement or under the Revolving Note, then, to the extent permitted by law, (i) the sum payable shall be increased as may be necessary so that after

making all required withholdings or deductions (including those Taxes payable solely by reason of additional sums payable under this Section 2.8) the Bank receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the Obligor shall make such withholdings or deductions and (iii) the Obligor shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, to the extent permitted by law, the Obligor agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise under the laws of the United States or the State or any other taxing jurisdiction from any payment made hereunder, under the Revolving Note or under the Fee Agreement or from the execution or delivery or otherwise with respect to this Agreement, the Revolving Note or the Letter of Credit (hereinafter referred to as “*Other Taxes*”).

(c) If the Obligor fails to pay Taxes and/or Other Taxes (including Taxes imposed by any jurisdiction on amounts payable under this Section 2.8) required to be paid by the Obligor pursuant to clause (a) or (b) in accordance with applicable law, then the Obligor will indemnify and hold harmless the Bank, and reimburse the Bank, as applicable, for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.8) paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payments by the Obligor pursuant to this Section shall be made within 30 days from the date the Bank makes written demand therefor which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof.

(d) Within 30 days after the date of any payment of Taxes by the Obligor, the Obligor shall furnish to the Bank with respect to which such payment was made, at its address referred to in Section 8.2 hereof, the original or a certified copy of a receipt evidencing payment thereof. The Obligor shall compensate the Bank for all reasonable losses and expenses sustained by the Bank as a result of any failure by such party to so furnish such copy of such receipt.

(e) Any amounts paid by the Obligor to the Bank pursuant to this Section 2.8 which are subsequently recovered by the Bank from any taxing agency shall be repaid to the Obligor within 30 days of receipt thereof by the Bank.

(f) Without prejudice to the survival of any other agreement of the Obligor hereunder, the agreements and obligations contained in this Section 2.8 shall survive the payment in full of fees, principal and interest hereunder, under the Fee Agreement and under the Revolving Note.

Section 2.9. Payment on Non-Business Days. Whenever any payment to be made hereunder, under the Fee Agreement or under the Revolving Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day (and if so made, shall be deemed to have been made when due), and such extension of time shall in each such case be included in the computation of the payment of interest due hereunder.

Section 2.10. Book Entries. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Obligor resulting from Advances and Term Loans and the amounts of principal and interest payable and paid from time to time hereunder and under the Revolving Note. In any legal action or proceeding in respect of this Agreement or the Letter of Credit, the entries made in such account or accounts shall, in the absence of manifest error, be conclusive evidence of the existence and amounts of the obligations of the Obligor therein recorded.

Section 2.11. Term of Agreement. The term of this Agreement shall be until the later of (x) the Maturity Date and (y) the payment in full of the principal of and interest and all other amounts due hereunder and under the Letter of Credit, the Fee Agreement and the Revolving Note.

Section 2.12. Extension of Stated Expiration Date; Reduction in Stated Amount.

(a) *Extension of Stated Expiration Date.* On the Date of Issuance, the Stated Expiration Date shall be September 12, 2023; *provided* that such date shall be subject to extension as set forth below and in the Letter of Credit or as the Obligor and the Bank may otherwise agree. At least 120 days prior to the current Stated Expiration Date, the Obligor may request in writing that the Bank extend the Stated Expiration Date for an additional period as the parties may agree by delivery to the Bank of a Request for Extension. Within 30 days of the date of any such Request for Extension, the Bank will notify the Obligor in writing of the decision by the Bank in its absolute discretion whether to extend for such additional period the Stated Expiration Date, including in such notice the extended Stated Expiration Date and the conditions of such consent (including conditions relating to legal documentation and the consent of the Issuing and Paying Agent). If the Bank does so agree to extend, the Bank shall deliver an executed Notice of Extension to the Issuing and Paying Agent. If the Bank shall not so notify the Obligor, the Bank shall be deemed to have denied any such extension.

(b) *Reduction in Stated Amount.* The Obligor may elect to reduce the Stated Amount of the Letter of Credit from time to time prior to the Letter of Credit Expiration Date by delivery of a Request for Decrease in Stated Amount to the Bank, upon receipt of which the Bank will notify the Issuing and Paying Agent by means of a notice as set forth in the Letter of Credit. Upon such reduction, the Stated Amount of the Letter of Credit shall not be less than the principal amount of all outstanding Notes plus, if applicable, interest on such Notes to their stated maturity dates. Upon any such reduction, the Obligor shall pay any fees set forth in the Fee Agreement related to such reduction, if any.

Section 2.13. Revolving Note. To evidence the indebtedness of the Obligor due and owing to the Bank under this Agreement with respect to amounts drawn under the Letter of Credit, the Obligor shall issue the Revolving Note, substantially in the form of Exhibit B attached hereto, to the Bank on the Date of Issuance. The Bank shall note on the grid attached to the Revolving Note principal amounts owing to the Bank, and the maturity schedule therefor pursuant to Sections 2.4(a) and 2.4(e) hereof respecting outstanding Advances and Term Loans

with interest until payment in full pursuant to the terms of the Revolving Note; *provided however* that the failure of the Bank to make any such notation shall not limit or otherwise affect the Obligations of the Obligor hereunder and under the Fee Agreement.

Section 2.14. Maximum Rate; Payment of Fee. To the fullest extent permitted by law, if the rate of interest payable hereunder, under the Revolving Note or under the Fee Agreement shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period; and (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (ii) the Maximum Rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof, the Revolving Note or the Fee Agreement, if applicable, ceases to exceed the Maximum Rate, at which time the Obligor shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, under the Revolving Note or under the Fee Agreement, as applicable, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder, under the Revolving Note and under the Fee Agreement, as applicable, until all deferred Excess Interest is fully paid to the Bank. Upon the repayment in full of any Obligation bearing Excess Interest, in consideration for the limitation of the rate of interest otherwise payable hereunder, under the Revolving Note and under the Fee Agreement, the Obligor shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest on such Obligation.

Section 2.15. Note Operations.

(a) *Issuance Generally.* The Obligor will permit Notes to be issued, and authorize the Issuing and Paying Agent to issue Notes, only in accordance with the terms of the Indenture, the Issuing and Paying Agent Agreement and this Agreement.

(b) *No-Issuance Notices; Final Drawing Notice.* Notes may be issued from time to time prior to the Stated Expiration Date in accordance herewith and with the Indenture and the Issuing and Paying Agent Agreement so long as (i) the Issuing and Paying Agent is not in receipt of Notice of No Issuance that has not been rescinded or (ii) the Issuing and Paying Agent is not in receipt of the Final Drawing Notice. The Bank may deliver a Notice of No Issuance or a Final Drawing Notice at any time when an Event of Default or a Rating Event shall have occurred and be continuing. A Notice of No Issuance or the Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided however* that a Notice of No Issuance or the Final Drawing Notice received by the Issuing and Paying Agent after 12:30 P.M. New York time, on any day on which Notes are being issued shall be effective on the next succeeding day. A Notice of No Issuance or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Notice of No Issuance or the Final Drawing Notice in writing shall not render such Notice of No Issuance or the Final Drawing Notice ineffective. The Bank will furnish a copy of any Notice of No Issuance or the Final Drawing Notice to the Obligor promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Notice of No Issuance or the Final Drawing Notice.

Section 2.16. Default Rate. If the principal amount of any Obligation is not paid when due and/or upon the occurrence of any other Event of Default or Rating Event, the Obligations shall bear interest until paid in full at the Default Rate, payable on demand. Interest that accrues hereunder at the Default Rate shall be computed on the basis of a year of a 365 or 366-day year, as applicable, and actual days elapsed.

ARTICLE 3

CONDITIONS

Section 3.1. Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit shall be subject to the fulfillment of the following conditions precedent on or before the Date of Issuance thereof, in a manner satisfactory to the Bank and its counsel:

(a) The Bank shall have received an opinion or opinions addressed to the Bank, or reliance letters addressed to the Bank, of Bond Counsel or special counsel to the Obligor, as applicable, each in form and substance satisfactory to the Bank and its counsel, dated the Date of Issuance.

(b) The Bank shall have received an opinion or opinions addressed to the Bank, or reliance letters addressed to the Bank, of special counsel to the Issuing and Paying Agent, in form and substance satisfactory to the Bank and its counsel, dated the Date of Issuance.

(c) (i) The ratings assigned **[by [Moody's, S&P and Fitch]** to the Notes shall be not less than "[_]," "[_]" and "[_]," respectively, (ii) the Bank shall have received a copy of the rating letters or other documents evidencing such ratings, and (iii) such rating shall continue to be in effect on the Date of Issuance.

(d) The Bank shall have received on the Date of Issuance the Revolving Note executed and delivered by the Obligor.

(e) The Bank shall have received on the Date of Issuance, certified copies or executed originals, as the Bank may request, of the Financing Documents, the Offering Memorandum and any other documents which the Bank may reasonably request evidencing that all such Financing Documents are in full force and effect and that all necessary actions required to be taken in connection with the authorization, execution, issuance, delivery and performance of this Agreement and the other Financing Documents, the Offering Memorandum and any other document required to be delivered pursuant to or in connection with this Agreement or the other Financing Documents, the Offering Memorandum, or the transactions contemplated hereby or thereby has been taken.

(f) The Bank shall have received such certifications as to matters of fact, evidence of corporate authority, including copies of any necessary resolutions authorizing

the execution and delivery of the Financing Documents, and copies of all governmental consents, permits, licenses and approvals, and other documents as shall be reasonably requested by the Bank, and the form and substance of any order or other official action granting any consent, permit, license or approval shall be satisfactory to the Bank.

(g) (i) The representations and warranties set forth in Section 4 of this Agreement shall be true and correct as of the Date of Issuance; (ii) except as disclosed to the Bank or in the Offering Memorandum no material adverse change shall have occurred in the condition or operations (financial or otherwise) of the Obligor, including but not limited to the Obligor's ratings from any Rating Agency, between the date of the audited financial statements for the most recent Fiscal Year of the Obligor received by the Bank pursuant to Section 3(k) hereof and the Date of Issuance, (iii) on or prior to the Date of Issuance no material transactions or obligations (other than in the ordinary course of business) shall have been entered into by the Obligor subsequent to such financial statements, except as disclosed in the Offering Memorandum or to the Bank in writing; and (iv) on the Date of Issuance no Default, Event of Default or Rating Event, shall have occurred and be continuing, and the Obligor shall have delivered to the Bank a certificate dated the Date of Issuance certifying as to the accuracy of the representations and warranties set forth in Section 4 of this Agreement and with respect to clauses (ii), (iii) and (iv) immediately above.

(h) All conditions precedent to the issuance of the Notes shall have been satisfied.

(i) The appointments of the Issuing and Paying Agent and each Dealer shall have been made.

(j) The Bank shall have received electronically (i) the three most recent audited financial statements of the Obligor, and (ii) the operating budget for the Obligor's Fiscal Year 201[6]-201[9].

(k) The Bank shall have received a certificate or certificates of one or more Authorized Representatives of the Obligor, the Issuing and Paying Agent and each Dealer dated the Date of Issuance certifying the name, incumbency and signature of each individual authorized to sign this Agreement, the other Financing Documents and the other documents or certificates to be delivered by the Obligor, the Issuing and Paying Agent or each Dealer pursuant hereto, thereto or the Letter of Credit, on which the Bank may conclusively rely until a revised certificate is similarly delivered.

(l) The Bank shall have received an electronic copy of the investment policy, guidelines and permitted investments of the Obligor, certified as of a recent date to the Date of Issuance, each of which shall be satisfactory to the Bank and, to the extent that the foregoing are available to the Bank on the Obligor's website on the Date of Issuance, the foregoing condition shall have been deemed satisfied.

(m) The Bank shall have received written evidence satisfactory to the Bank that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for the Revolving Note and that a rating of at least investment grade has been assigned to the Revolving Note by at least one Rating Agency.

(n) The Bank shall have received satisfactory evidence that the long-term unenhanced rating assigned to Senior Lien Bonds is at least "[Aa2]" from Moody's, "[AAA]" from S&P and "[AA+]" from Fitch.

(o) (i) No Default, Event of Default or Rating Event shall have occurred and be continuing as of the Date of Issuance or will result from the execution and delivery by the Obligor of this Agreement or the issuance of the Letter of Credit, (ii) the representations and warranties made by the Obligor in Section 4 hereof shall be true and correct in all material respects on and as of the Date of Issuance, as if made on and as of such date, (iii) the conditions precedent to the issuance of the Letter of Credit set forth in this Section 3.1 shall have been satisfied, (iv) no material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of the Obligor shall have occurred since June 30, [2017/2018], except as disclosed in writing to the Bank prior to the Date of Issuance and (v) the Bank shall have received a certificate, given and made as of the Date of Issuance, from the Obligor to the foregoing effect.

(p) All other legal matters pertaining to the execution and delivery of this Agreement and the other Financing Documents, the Offering Memorandum, the issuance of the Notes and the Letter of Credit shall be satisfactory to the Bank and its counsel and the Bank shall have received such other statements, certificates, agreements, documents and information with respect to the Obligor and the matters contemplated by this Agreement as the Bank may request.

Section 3.2. Payment of Certain Fees and Expenses. The Bank shall have received payment of all fees and expenses payable (including, without limitation, the reasonable fees and expenses of counsel to the Bank not to exceed \$75,000 and the reasonable fees and expenses of foreign counsel to the Bank, McDermott Will & Emery LLP, in an amount equal to \$5,000) on the Date of Issuance and which have been invoiced by the Bank to the Obligor within fifteen (15) days after the later to occur of (i) the Date of Issuance and (ii) the receipt of an invoice from the Bank to the Obligor with respect to such fees and expenses payable on the Date of Issuance.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties. In order to induce the Bank to enter into this Agreement and to issue the Letter of Credit, the Obligor represents and warrants as of the Date of Issuance, the commencement of each Liquidity Period and as of each Term-Out Date as follows:

(a) *Corporate Existence and Power.* The Obligor is a duly and validly created and existing public agency of the State and has the requisite power to carry on its present and proposed activities, and has and had full power, right and authority to issue and sell the Notes, enter into and deliver or adopt this Agreement, the Financing Documents to which it is a party, and any and all instruments and documents required to be executed, adopted or delivered pursuant to or in connection herewith or therewith and to perform each and all of the matters and things herein and therein provided for and has the requisite power to carry on its business as now conducted and has, as of the Date of Issuance, full power, right and authority to deliver the Offering Memorandum.

(b) *Approvals.* The Obligor has taken all requisite action to authorize or approve, as appropriate, the execution or adoption, issuance and delivery of, and the performance of its obligations under, this Agreement, the other Financing Documents to which it is a party, the Offering Memorandum and any and all instruments and documents required to be executed, adopted or delivered pursuant to or in connection herewith or therewith, and to pledge thereto the Revenues (subject to the prior pledge and Lien provided for in the Senior Lien Bond Indenture to secure the Senior Lien Obligations) for the payment of the Notes and the Obligations.

(c) *Binding Effect.* Each Financing Document to which the Obligor is a party has been duly executed and delivered or adopted by the Obligor and each constitutes the valid and legally binding obligation of the Obligor, which obligation is enforceable in accordance with its terms, subject to the limitations imposed by bankruptcy, insolvency, fraudulent conveyance, receivership, conservatorship, reorganization, arrangement, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights.

(d) *Contravention.* The execution or adoption, delivery and performance by the Obligor of its obligations under this Agreement and the other Financing Documents to which it is a party, the Offering Memorandum and any and all instruments or documents required to be executed in connection herewith or therewith, were and are within the powers of the Obligor and will not violate any provision of any applicable law, regulation, decree or governmental authorization, and will not violate or cause a default under any provision of any contract, agreement, mortgage, indenture or other undertaking to which it is a party or which is binding upon it or any of its property or assets, and will not result in the imposition or creation of any Lien, charge, or encumbrance upon any of its properties or assets pursuant to the provisions of any such contract, agreement, mortgage, indenture or undertaking other than that imposed in the Financing Documents on the Revenues, subject to the prior pledge and Lien provided for in the Senior Lien Bond Indenture to secure the Senior Lien Obligations.

(e) *Compliance; No Event of Default or Rating Event.* The Obligor is in compliance with the terms and conditions of (i) this Agreement, (ii) each of the other Financing Documents to which it is a party, (iii) any law or regulation related to the issuance of Debt, and (iv) each agreement or instrument relating to any Debt, in each case non-compliance with which could result in a material adverse effect on the financial

condition of the Obligor or the Obligor's ability to satisfy its obligations under this Agreement and the other Financing Documents; and (v) no Default, Event of Default or Rating Event has occurred and is continuing.

(f) *Financial Information.* The Obligor has delivered to the Bank an electronic copy of the Obligor's audited financial statements for the fiscal year ended June 30, [2017/2018], which collectively comprise the basic financial statements: the government-wide statement of net assets and statement of activities and the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balance, together with the required reconciliations from the fund financial statements to the government-wide statements, and the statement of fiduciary net assets for the Obligor's agency fund accompanied by all required notes to the financial statements, certified by a firm of independent certified public accountants of recognized standing. The data on which such financial statements are based is true and correct. Such financial statements present fairly the government-wide net assets and the funds' financial position of the Obligor as of such date and the government-wide activities and funds' revenues, expenditures, and changes in fund balances for the period then ended. Such financial statements have been prepared in accordance with GAAP. No material adverse change in the financial condition, business, assets, liabilities or prospects of the Obligor shall have occurred since June 30, [2017/2018].

(g) *Litigation.* Except as described in the Offering Memorandum or as otherwise disclosed in writing by the Obligor to the Bank, there is no action, suit, investigation or proceeding pending, or to the best knowledge of the Obligor, threatened, against or affecting the Obligor before any court, arbitrator or administrative or governmental body which (i) could result in any material adverse change in the financial position of the Obligor and its ability to repay the Notes, (ii) in any manner draws into question the validity or enforceability of this Agreement, any other Financing Document, any Financing Law or any Lien created hereby or thereby, (iii) in any manner could affect the issuance of the Notes, (iv) in any way contests the existence, organization or powers of the Obligor, or (v) could materially adversely affect the ability of the Obligor to satisfy its obligations under or in respect of this Agreement and each of the other Financing Documents.

(h) *No Limitation on Interest Rate.* There is no limitation under California law on the rate of interest payable by the Obligor with respect to the Obligations, the Revolving Note or any other obligations payable to the Bank hereunder, under the Fee Agreement or under any Financing Document.

(i) *Tax Status of Interest on Notes.* It is the intention of the Obligor and the Bank that the interest on the Notes be excluded from the gross income of the owners thereof for Federal income tax purposes by reason of the provisions of Section 103 of the Code, or any substantially similar successor provision hereinafter enacted. To that end, the Obligor represents to the Bank that it has not taken any action or inaction, and has no actual knowledge of any action that any other Person has taken, which would cause

interest on all of the Notes to be includable in the gross income of the recipients thereof for Federal income tax purposes.

(j) *Immunity.* The Obligor is not exempt from, or immune to, liability or suit in connection with any legal proceedings to enforce or collect any Obligation under this Agreement, the Fee Agreement, and/or the other Financing Documents; and the Obligor is subject to services of process and legal proceedings may be commenced and maintained against the Obligor for enforcement and collection in respect of any of the Obligor's obligations under this Agreement, recognizing, however, that the procedural requirements of the California civil and commercial law which apply to the Obligor are, in many respects, different from the procedural requirements which would apply to an individual, partnership, corporation or other private entity under similar circumstances.

(k) *Obligor for Incurrence of Obligations.* The Obligor is authorized to enter into this Agreement, the Fee Agreement and the other Financing Documents and the transactions contemplated hereby by Law.

(l) *ERISA; Plans; Employee Benefit Plans.* The Obligor is not subject to ERISA and maintains no Plans.

(m) *Offering Memorandum.* The Offering Memorandum and any supplements, amendments and updates thereto, furnished by the Obligor and used by the Dealer (including amendments, supplements and replacements thereof), until such time as they shall have been subsequently amended, updated or replaced, shall not contain any untrue, incorrect or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(n) *Margin Regulations.* The Obligor is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds furnished by the Bank under this Agreement or the Letter of Credit 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.

ARTICLE 5

SECURITY

Section 5.1. Pledge of Revenues and Funds. (a) In accordance with the terms of the Senior Lien Bond Indenture, the Indenture and the Issuing and Paying Agent Agreement, the obligations of the Obligor under this Agreement, the Revolving Note and the Fee Agreement, including, without limitation, the Reimbursement Obligations, Advances, Term Loans and amounts payable under the Revolving Note, shall be secured by a Lien on and a pledge of (i) Revenues on a basis junior and subordinate in all respects to the Lien and pledge of Revenues contained in or permitted by the Senior Lien Bond Indenture securing the payment of Senior

Lien Obligations and subject to the prior application of Revenues pursuant to subsections (1), (2) and (3) of Section 5.02 thereof, (ii) amounts held in the Series A Note Fund, the Series B Note Fund and the accounts therein until the amounts deposited therein are used for authorized purposes, subject to the right of the holders of the Notes for such amounts to be used to pay the principal of and interest on the Notes, (iii) amounts held in the Credit Facility Fund until the amounts deposited therein are used for authorized purposes, *provided, however*, amounts in the Credit Facility Fund attributable to and derived from Advances shall be used first to pay the principal of and interest on the Notes in full, (iv) amounts held in the Proceeds Fund until such amounts are used to pay or otherwise encumbered to pay for the costs of the Project, (v) the proceeds from the sale of any Sales Tax Debt or other obligations issued for the purpose of repaying or refunding any of the obligations of the Obligor hereunder and under the Fee Agreement, and (vi) to the extent authorized by the Indenture, the proceeds of the Notes or amounts held in any of the funds or accounts established under the Indenture, and the Obligor by execution of this Agreement does hereby grant such pledge and Lien to secure the repayment of the Advances, Term Loans and any other amounts due to the Bank pursuant to this Agreement. All Reimbursement Obligations payable to the Bank pursuant to this Agreement and the Revolving Note shall be and are hereby equally and ratably secured by and payable from a Lien on and pledge of the sources identified in clauses (i) through (vi) above, subject only to the exceptions noted therein. With respect to Reimbursement Obligations, such rights of the Bank are to be on a parity with the rights of the holders of the Notes and on a parity with any Additional Commercial Paper and any provider of liquidity or credit support for such Additional Commercial Paper, in each case other than Senior Lien Obligations. The security described in clauses (i) through (vi) above shall be immediately subject to the Lien and the pledge made pursuant to the Indenture and hereby without any further act, and the Lien of this pledge shall be valid and binding as against the Obligor, the Issuing and Paying Agent, the Dealer, the holders of any Notes or any Sales Tax Debt, irrespective of whether such parties have notice thereof.

(b) In accordance with the terms of the Senior Lien Bond Indenture, the Indenture and the Issuing and Paying Agent Agreement, the Obligations of the Obligor (other than Reimbursement Obligations and the principal of and interest on any Notes and Parity Debt) under this Agreement, the Revolving Note and the Fee Agreement, including, without limitation, Letter of Credit Fees and amounts payable under the Revolving Note, shall be secured by a Lien on and a pledge of (i) Revenues on a basis junior and subordinate in all respects to the Lien and pledge of Revenues contained in or permitted by the Senior Lien Bond Indenture securing the payment of Senior Lien Obligations and subject to the prior application of Revenues pursuant to subsections (1), (2), (3) and (4) of Section 5.02 thereof, (ii) amounts held in the Series A Note Fund, the Series B Note Fund and the accounts therein until the amounts deposited therein are used for authorized purposes, subject to the right of the holders of the Notes for such amounts to be used to pay the principal of and interest on the Notes, (iii) amounts held in the Credit Facility Fund until the amounts deposited therein are used for authorized purposes, *provided, however*, amounts in the Credit Facility Fund attributable to and derived from Advances shall be used first to pay the principal of and interest on the Notes in full, (iv) amounts held in the Proceeds Fund until such amounts are used to pay or otherwise encumbered to pay for the costs of the Project, (v) the proceeds from the sale of any Sales Tax Debt or other obligations issued for the purpose of repaying or refunding any of the obligations of the Obligor hereunder and under the Fee Agreement, and (vi) to the extent authorized by the Indenture, the proceeds of the Notes or

amounts held in any of the funds or accounts established under the Indenture, and the Obligor by execution of this Agreement does hereby grant such pledge and Lien to secure the repayment of Letter of Credit Fees and any other amounts due to the Bank pursuant to this Agreement. All Obligations (other than Reimbursement Obligations and the principal of and interest on any Notes and Parity Debt) payable to the Bank pursuant to this Agreement and the Revolving Note shall be and are hereby equally and ratably secured by and payable from a Lien on and pledge of the sources identified in clauses (i) through (vi) above, subject only to the exceptions noted therein. With respect to Obligations (other than Reimbursement Obligations and the principal of and interest on any Notes and Parity Debt), such rights of the Bank are to be on a parity with any provider of liquidity or credit support for such Additional Commercial Paper. The security described in clauses (i) through (vi) above shall be immediately subject to the Lien and the pledge made pursuant to the Indenture and hereby without any further act, and the Lien of this pledge shall be valid and binding as against the Obligor, the Issuing and Paying Agent, the Dealer, the holders of any Notes or any Sales Tax Debt, irrespective of whether such parties have notice thereof.

Section 5.2. Nature of the Obligations. The obligations of the Obligor hereunder, under the Fee Agreement and under the Revolving Note are special limited obligations of the Obligor payable solely from the Revenues, subject to any prior pledge and lien as provided in the Senior Lien Bond Indenture, the proceeds from the sale of any Sales Tax Debt or other obligations issued for the purpose of repaying or refunding any of the obligations of the Obligor hereunder and under the Revolving Note and, to the extent authorized by the Indenture, the proceeds of the Notes or amounts held in any of the funds or accounts established under the Indenture.

ARTICLE 6

COVENANTS OF THE OBLIGOR

So long as the Letter of Credit is outstanding and until all Obligations of the Obligor shall have been paid in full, the Obligor shall do the following:

Section 6.1. Affirmative Covenants.

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

- (i) As soon as available and in any event within 210 days after the end of each Fiscal Year of the Obligor, an electronic copy of the following audited financial statements for the Fiscal Year then ended which collectively comprise the Obligor's basic financial statements: the government-wide statement of net assets and statement of activities and the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balance, together with the required reconciliations from the fund financial statements to the government-wide statements, and the statement of fiduciary net assets for the Obligor's agency fund accompanied by all required notes to the financial statements, certified by a firm of independent certified public accountants of

recognized standing selected by the Obligor, together with a certificate of the chief financial officer of the Obligor in the form of Exhibit C hereof;

(ii) Promptly after adoption thereof and in any event within 90 days after the beginning of each Fiscal Year, an electronic copy of the final budget of the Obligor for each Fiscal Year during the term of this Agreement;

(iii) Within 30 days following a request by the Bank, any other relevant financial information as may be so requested by the Bank;

(iv) Promptly upon completion thereof, a copy of any material adverse notice or other material adverse communications received by the Obligor from any governmental authority;

(v) Promptly upon obtaining knowledge of any condition or event which constitutes an Event of Default or Rating Event, notice of such condition or event, and within ten days thereafter, a certificate signed by an Authorized Representative of the Obligor specifying in reasonable detail the nature and period of existence thereof and what action the Obligor has taken or proposes to take with respect thereto;

(vi) As promptly as practicable, written notice to the Bank of all material litigation filed against the Obligor and all proceedings before any court or governmental authority which relate to the Sales Tax Revenues, the Ordinance, the Sales Tax, this Agreement, the Letter of Credit, the Financing Law, the Notes or any of the other Financing Documents, the Offering Memorandum or any Senior Lien Bond Indenture;

(vii) Certified copies of any amendments or modifications to the Financing Law or any other legislation which may adversely impact upon the Sales Tax Revenues or the Obligor's ability to perform its obligations under the Notes, the other Financing Documents, the Offering Memorandum or the Preliminary Offering Memorandum;

(viii) Written notice as soon as possible after receiving the same (1) the filing of a complaint against the Obligor in any court or administrative agency, where the amount claimed is in excess of Ten Million Dollars (\$10,000,000), (2) the filing of any action or the occurrence of any activity which would could lead to an initiative or referendum which could annul, amend, modify or replace the Financing Law or which could lead to the diminution or reallocation of the Revenues, the Sales Tax Revenues or any portion thereof or (3) any other event which, in the reasonable judgment of the Obligor, is likely to have a material adverse effect on the financial condition or operations of the Obligor or affect the ability of the Obligor to perform its obligations under the Notes, this Agreement or under any other Financing Document;

(ix) Notice of any resignation of the Issuing and Paying Agent or either Dealer immediately upon receiving such resignation; and

(x) Such other information regarding the business, affairs and financial condition of the Obligor as the Bank may from time to time reasonably request.

(b) *Maintenance of Books and Records.* The Obligor will keep proper books of records and accounts, in electronic or hard copy form in which full, true and correct entries in accordance with GAAP will be made of all dealings or transactions in relation to its business and activities.

(c) *Access to Books and Records; Request for Additional Information.* The Obligor will permit any representative designated by the Bank to visit any of the offices of the Obligor to examine the books and financial records, including minutes of meetings of the Board of the Obligor, or any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Obligor with its principal officials, and shall provide such additional information concerning the Notes or the Obligor as the Bank may reasonably request, all at such reasonable times and as often as the Bank may reasonably request. The Bank agrees to maintain the confidentiality of all such books, records and information regarding the Obligor; *provided, however*, that the Bank shall not be precluded from disclosing such information or the contents of such books and records to the extent required by statute, rule, regulation or judicial process or upon the lawful demand of any court or agency having jurisdiction over the Bank.

(d) *Compliance with Documents.* The Obligor agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the other Financing Documents. To the extent that any such incorporated provision permits the holders of one or more Notes to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the holders of one or more Notes, for purposes of this Agreement, then such provision shall not be complied with only if it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the Bank's written approval of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Obligor with respect thereto made pursuant to the other Financing Documents shall be effective to terminate or amend such covenants and agreements and defined terms or release of the Obligor with respect thereto without the prior written consent of the Bank. Notwithstanding any termination or expiration of any such Financing Document, the Obligor shall continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement.

(e) *Further Assurances.* From time to time hereafter, the Obligor will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request and are necessary for the purposes of implementing or effectuating the provisions of this Agreement and each of the other Financing Documents or for the purpose of more fully perfecting or renewing the Bank's rights with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the Obligor which may be deemed to be a part thereof) pursuant hereto or thereto. Upon the exercise by the Bank of any power, right, privilege or remedy pursuant to this

Agreement and each of the other Financing Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Obligor will, to the extent permitted by law, execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Bank may be required to obtain for such governmental consent, approval, registration, qualification or authorization.

(f) *Maintenance of Existence.* The Obligor shall (i) preserve and maintain its existence as a public agency organized and existing under the laws of the State, and its rights, franchises and privileges material to the conduct of its business, and (ii) not liquidate or dissolve, or combine, merge or consolidate with or into any other entity.

(g) *Licenses Permits Etc.* The Obligor will take all necessary and appropriate action to ensure the continuance in force of all material consents, licenses, permits, orders, decrees, approvals, authorizations, registrations and filings obtained or made in connection with this Agreement, the Notes or the other Financing Documents or necessary to authorize the adoption or the execution, delivery and performance by the Obligor of this Agreement, the other Financing Documents and all other agreements to be delivered in connection with any thereof.

(h) *Sources of Payments.* The Obligor shall make, or cause to be made, such payments from the sources and in the manner provided in the Indenture as are necessary to provide for the payment of the principal and interest with respect to the Obligations and the Notes when due and to pay any and all other amounts when due hereunder.

(i) *Preservation of Pledge.* The Obligor shall take any and all actions necessary or reasonably requested by the Bank to maintain the pledges and security interests described in Section 5 hereof.

(j) *Taxes and Liabilities.* The Obligor shall pay, or cause to be paid, all its Debt and other 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 an adverse effect on the ability of the Obligor to satisfy its obligations under this Agreement or under any other Financing Document; *provided* that the Obligor shall have the right to defer payment or performance of obligations to Persons other than the Bank so long as it is contesting in good faith the validity of such obligations by appropriate legal action and no final order or judgment has been entered with respect to such obligations.

(k) *Invalidity.* In the event this Agreement, the Fee Agreement, the Letter of Credit, the Notes or the Indenture or any provision thereof is declared null and void or ceases to be valid and binding on the Obligor, as determined in a final judgment rendered by a court of competent jurisdiction, and such event, in the judgment of the Bank, would or could adversely affect or reduce the amount that otherwise would be paid to the Bank when due under this Agreement or the Fee Agreement or otherwise affect the security of the Bank, the Obligor will immediately take all necessary actions, including, if required, the authorization, execution and delivery of any additional or substitute indentures, trust agreements, resolutions or other agreements and the

appointment of any additional or substitute trustee, to ensure that all payments required to be paid under the Indenture and this Agreement are paid when due.

(l) *Compliance with Laws and Other Obligations.* The Obligor will comply with all applicable laws (including, without limitation, ERISA, to the extent applicable), rules, regulations, orders and directions of any governmental authority, including, but not limited to, rules, regulations, orders and directions and the Obligor's investment policy and guidelines, and all agreements and obligations binding on the Obligor, noncompliance with which would have a material adverse effect on the Obligor, its financial condition, assets, or ability to satisfy its obligations under this Agreement and the other Financing Documents to which the Obligor is a party, *provided* that the Obligor may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to the Obligor.

(m) *Replacement of Bank.* In the event the Bank elects not to extend the Stated Expiration Date pursuant to Section 2.1(a) hereof, the Obligor agrees to use its best efforts to substitute an Alternate Credit Facility for the Bank or refund, repay or otherwise defease all outstanding Notes and all Obligations hereunder, under the Fee Agreement and the Revolving Note, on or prior to the Stated Expiration Date. In addition, the Obligor agrees that in connection with it obtaining an Alternate Credit Facility to replace the Letter of Credit, such Alternate Credit Facility shall provide for repayment to the Bank of any Advance and Term Loan, or the Obligor will otherwise provide available funds to refund, repay or otherwise defease all installments of any Advance and Term Loan, on or prior to the date due and in accordance with Section 2.4(e) hereof, and to pay all other Obligations hereunder and under the Revolving Note on the date due.

(n) *Transfer of Revenues.* The Obligor shall cause the Senior Lien Bond Indenture to provide, so long as the Letter of Credit is in effect or any Obligations are outstanding or remain unpaid, that the Senior Lien Trustee shall forward any and all Revenues, subject to the prior application of such Revenues as required by the terms of the Senior Lien Bond Indenture, including subsection (1), (2) and (3) of Section 5.02 thereof, directly to the Trustee for disbursement pursuant to the Indenture.

(o) *Changes to Financing Laws.* The Obligor shall vigorously oppose any rescission of or amendment to or any other action under or in connection with the Sales Tax Revenues (including, without limitation, any modification of the Financing Laws) which would or could materially reduce the amount of the Sales Tax Revenues or the allocation of the Revenues, subject to the prior application of such Revenues as required by the terms of the Senior Lien Bond Indenture, including subsection (1), (2) and (3) of Section 5.02 thereof, to the payment of the Notes or the Obligations of the Obligor hereunder or which would or could in any manner materially impair or adversely affect the rights of the Obligor to any or all of the Revenues or to the security of the Bank.

(p) *Senior Lien Ratings.* The Obligor shall maintain long term unenhanced ratings of the Senior Lien Obligations, if any, from any two of Moody's, S&P or Fitch.

(q) *Bank Agreements.* In the event that the Obligor shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement under which, directly or indirectly, any Person

or Persons undertakes to make loans or extend credit or liquidity to the Obligor in connection with any Senior Lien Obligations, any Parity Debt or other Sales Tax Debt or provide credit enhancement with respect thereto, which Bank Agreement (i) includes the right to accelerate the payment of the principal of or interest on any Senior Lien Obligations, any Parity Debt or Sales Tax Debt or the right to cause the redemption or mandatory tender of any Senior Lien Obligations, any Parity Debt or other Sales Tax Debt prior to its maturity and/or (ii) provides that any outstanding principal, advance, loan or drawing thereunder may or shall be amortized over a period shorter than the Amortization Period set forth in Section 2.6(b) hereof or may or shall be repaid more frequently than the frequency of payments set forth in Section 2.6(b) hereof (collectively, the “*Additional Rights*”), the Obligor shall promptly notify the Bank and provide the Bank with a copy of the provisions establishing any such Additional Rights, which shall be acknowledged by the Bank within five (5) days of its receipt of such provisions, and if, within 60 days of its acknowledgment of such provisions, the Bank so requests, the Obligor shall promptly enter into an amendment to this Agreement to include such Additional Rights, provided that until such amendment is entered into, the Bank shall maintain the benefit of such Additional Rights; and provided further that if the Bank shall fail to request any amendment within the 60 day period set forth above (or sooner if the Bank rejects the amendment), the Bank shall no longer have the benefit of such Additional Rights. If the Obligor shall amend any such Bank Agreement such that it no longer provides for such Additional Rights (except for waivers of such Additional Rights), then, without the consent of the Bank, this Agreement shall automatically no longer contain the Additional Rights thereunder and the Bank shall no longer have the benefits of any such Additional Rights.

(r) *Issuing and Paying Agent and Dealer.* The Obligor shall at all times maintain an Issuing and Paying Agent and Dealer for each series of Notes reasonably acceptable to the Bank. The Obligor agrees to cause each Dealer to use its best efforts to sell Notes up to the Maximum CP Interest Rate applicable to Notes in order to repay maturing Notes. If any Advance remains outstanding for a period of thirty (30) consecutive calendar days or either Dealer fails to perform its duties under the related Dealer Agreement, at the written direction of the Bank, the Obligor shall cause the related Dealer (that has been unable to sell rollover Commercial Paper Notes or fails to perform its duties) to be replaced with a Dealer reasonably satisfactory to the Bank within thirty (30) calendar days of the receipt of such written direction. Any Dealer Agreement with a successor Dealer shall provide that such dealer may resign upon at least sixty (60) days’ prior written notice to the Obligor, the Issuing and Paying Agent and the Bank.

(s) *Sovereign Immunity.* To the extent that the Obligor has or hereafter may acquire under any applicable law any right to immunity from legal proceedings, on the grounds of sovereign or governmental immunity or any other similar doctrine, to the extent permitted by law, the Obligor hereby irrevocably waives such rights to immunity for itself in respect of any claims arising under or related to this Agreement or any other Financing Document.

(t) *Bonding Capacity.* The Obligor shall at all times maintain the ability under the Indenture and the Senior Lien Bond Indenture to issue long-term bonded indebtedness secured by Sales Tax Revenues in an amount at least equal to the sum of (i) the aggregate principal amount of the Notes and any Additional Commercial Paper authorized under the Indenture, plus (ii) the aggregate amount of accrued interest to maturity on all Notes and any Additional

Commercial Paper, plus (iii) any other obligations (other than with respect to principal and interest on Notes and any Additional Commercial Paper) owing to any credit enhancer or liquidity provider on the Notes and any Additional Commercial Paper.

(q) *Monthly Reporting of Outstanding Notes.* The Obligor shall cause the Issuing and Paying Agent to provide to the Bank a statement listing all outstanding Notes and the principal amount thereof and the maturity of such Notes on the fifteenth (15th) calendar day of each calendar month, pursuant to the Issuing and Paying Agent Agreement.

Section 6.2. Negative Covenants. So long as the Letter of Credit is outstanding and until all of the Obligations of the Obligor to the Bank shall have been paid in full, the Obligor shall not do any of the following, without the prior written consent of the Bank:

(a) *Removal of Issuing and Paying Agent or Dealer.* Cause the removal of the Trustee, the Issuing and Paying Agent or either Dealer or the appointment of successors thereto without the prior written consent of the Bank (such consent not to be unreasonably withheld). Any Issuing and Paying Agent and Trustee, respectively, shall have capital of not less than \$500,000,000, and any such Issuing and Paying Agent or Trustee or its respective parent organization shall have an underlying rating from Moody's or S&P of at least "A3" (or its equivalent) or "A-" (or its equivalent), respectively. Any Dealer shall either (i) be an entity listed on Exhibit H hereto or its successor, or (ii) have capital of not less than \$100,000,000, and such Dealer or its parent organization shall have an underlying rating from Moody's or S&P of at least "A3" (or its equivalent) or "A-" (or its equivalent), respectively;

(b) *Actions.* Take any action, or cause the Trustee, Issuing and Paying Agent or either Dealer to take any action, under the Financing Documents inconsistent with the rights of the Bank under this Agreement, subject to the provisions of the Indenture including, without limitation, its obligations to make payments to the Bank;

(c) *Income Tax Status.* Take any action, or omit to take any action under present or future laws, rules, regulations or official interpretations thereof, including, without limitation, making payments to the United States, restricting yield on investments, and making necessary filings, which, if taken or omitted, would cause interest on the Notes to become includable in the gross income of the owners thereof for federal income tax purposes;

(d) *Violate Any Law.* Violate any law, rule, regulation, or governmental order to which the Obligor is subject (including but not limited to any rule, regulation or governmental order to which the Obligor is subject, and the Obligor's investment policy and guidelines), which violation could materially and adversely affect its financial condition, business or results of operations or its ability to perform its obligations under this Agreement, the Notes or any other Financing Document;

(e) *Offering Memorandum; Use of Bank's Name.* (i) Permit the marketing of the Notes pursuant to any Offering Memorandum unless the Bank shall have approved in

writing of the description of the Bank contained in such Offering Memorandum, and (ii) include in an offering document for the Notes any information concerning the Bank (other than identifying the Bank as a party to this Agreement and the issuer of the Letter of Credit) that is not supplied in writing, or otherwise consented to in writing, by the Bank expressly for inclusion therein;

(f) *Amendments.* Consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with Financing Documents, the Ordinance or the Sales Tax Revenues (including, without limitation, consenting or agreeing to any modification of Financing Documents, the Act, the Ordinance, the Sales Tax Law or any other law affecting such Sales Tax Revenues) which would or could reduce the amount of the Sales Tax Revenues or the allocation of the Revenues, subject to the prior application of such Revenues pursuant to the terms of the Senior Lien Bond Indenture, including subsection (1), (2) and (3) of Section 5.02 thereof, to the payment of the Notes or the Obligations of the Obligor hereunder or under the Fee Agreement or under the other Finance Documents or which would or could in any manner impair or adversely affect the rights, interests, security or remedy of the Bank hereunder or under any Financing Document, or the rights of the Obligor to any or all of the Revenues or to the security of the Bank or agree to any amendment or supplement of the Indenture whatsoever; *provided, however*, the foregoing covenant shall not prohibit the issuance of Senior Lien Obligations, Additional Commercial Paper or Parity Debt or Debt payable and secured on a basis subordinate to the Notes, as permitted by the Indenture;

(g) *No Liens.* Create or suffer to be created any pledge of or Lien on the Revenues or any of the funds pledged to the Bank pursuant to Section 5.1 hereof, other than the pledges and Liens permitted by the Senior Lien Bond Indenture, the Indenture or otherwise in this Agreement, and the Obligor will take all actions and do all things necessary to maintain the pledge of and the Lien on the Revenues and such funds, *provided* that the Obligor may create or suffer to be created any pledge of or Lien on the Revenues and such funds as contemplated by such documents on the date hereof or that are payable and secured on a basis subordinate to the Notes, *provided* that after giving effect to such pledge or Lien, the Obligor would not otherwise be in default of this Agreement.

(h) *Expenditure of Money.* (i) Expend or cause to be expended the proceeds of a drawing under the Letter of Credit for any purpose other than to pay the principal of and interest on Notes on their respective maturity dates and, to the extent any such drawing under the Letter of Credit is in excess of the amount needed to pay the principal of and interest on the Notes, to reimburse such excess amount to the Bank, or (ii) expend or cause to be expended the proceeds of the Notes for any purpose other than for payment of the costs of the Project, the payment of amounts owed to the Bank under this Agreement or the payment of the principal of and interest on Notes;

(i) *Permitted Investments.* Invest any moneys in any of the funds established under the Indenture or the Issuing and Paying Agent Agreement in any investments other than investments permitted pursuant to the terms of the Indenture;

(j) *Investment Practices.* Deviate from the investment policies of the Obligor or from the applicable provisions of the Government Code of the State, as in effect from time to time;

(k) *Issuance of Notes.* Instruct the Issuing and Paying Agent to authenticate or deliver any Note if, immediately after the authentication and delivery of, and receipt of payment for, such Note, the aggregate principal amount of Notes then to be Outstanding under the Indenture plus, if applicable, interest on such Notes to their stated maturity dates, would exceed the Stated Amount; or instruct the Issuing and Paying Agent to authenticate or deliver any Note if the Issuance and Paying Agent has received a No-Issuance Notice or a Final Drawing Notice, unless and until such No-Issuance Notice is rescinded;

(l) *Additional Sales Tax Debt.* Issue or incur any additional Sales Tax Debt other than as permitted by the Indenture and the Senior Lien Bond Indenture; *provided* in no event shall the Obligor issue or incur any additional Sales Tax Debt the principal payment of which would constitute an Excludable Principal Payment (as defined in the Indenture) other than Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds) Series A and Series B in accordance with the terms and conditions of the Indenture and the Issuing and Paying Agent Agreement.

(m) *Swap Termination Payments.* Enter into any Swap Contract unless any and all termination payments that may become owing by the Obligor thereunder shall be subordinate to the Reimbursement Obligations payable to the Bank hereunder and under the Fee Agreement. The Obligor shall not permit any Lien on any portion of the Revenues securing any swap termination payments to be *pari passu* with or senior to the Lien on the Revenues created pursuant to the Indenture, the Issuing and Paying Agent Agreement or this Agreement to secure the payment of the principal of and interest on the Notes, the Revolving Note, Advances, Term Loans and other Reimbursement Obligations, and shall in no event provide cash collateral to secure its obligations under any such Swap Contract; or

(n) *Alternate Credit Facility.* The Obligor shall not permit an Alternate Credit Facility to become effective with respect to less than all of the Notes without the prior written consent of the Bank.

(o) *Margin Regulations.* No portion of the proceeds of any drawings under the Letter of Credit or Advances hereunder shall be used by the Obligor (or the Issuing and Paying Agent or any other Person on behalf of the Obligor) for the purpose of “purchasing” or “carrying” any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U of the Board of Governors of the Federal Reserve System or any other regulation of the Obligor or to

violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Drawings or Advances and such use of proceeds.

(p) *Condition Precedent to Initial Issuance of Notes.* The initial issuance of Notes following the effectiveness of this Agreement shall not occur until the Revolving Note shall have been assigned a long-term rating of at least “Baa3” from Moody’s. The Issuing and Paying Agent shall acknowledge the foregoing covenant of the Obligor in a certificate addressed to the Bank and dated the Date of Issuance.

ARTICLE 7

EVENTS OF DEFAULT AND RATING EVENT

Section 7.1. Events of Default. If any of the following Events of Default shall occur and be continuing:

(a) The Obligor shall fail to pay, or cause to be paid, when due (i) the principal of or interest on any Reimbursement Obligation or (ii) any other amount payable hereunder or under the Fee Agreement, and such default shall continue unremedied for five (5) Business Days; or

(b) The issuance of any Notes shall result in a violation by the Obligor of any law, rule or regulation, or any order of any court, governmental agency or regulatory body, or any indenture or loan or credit agreement (including this Agreement), or any other agreement or instrument, applicable to the Obligor or to such issuance; or

(c) (i) An “event of default” shall occur and be continuing under any other Financing Documents other than the Dealer Agreement or any Senior Lien Bond Indenture, and the expiration of any applicable grace period shall have occurred or (ii) any “event of default” under any Bank Agreement shall have occurred and be continuing beyond the expiration of any applicable grace period; or

(d) The Obligor shall default in the performance of any term, covenant or agreement contained in Section 6.1(f), (i), (n), (p), (s), (t) or 6.2 hereof or the condition set forth in Section 3.2 hereof; or

(e) The Obligor shall default in the performance of any other covenant or agreement contained in this Agreement and such default shall continue for 30 days after the earlier of (i) written notice of such default shall have been given to the Obligor by the Bank and (ii) the Obligor has actual knowledge of such default, without cure or correction to the satisfaction of the Bank; *provided* that so long as the Obligor, in the sole discretion of the Bank, shall be proceeding with due diligence to remedy any default in the due performance or observance of such covenant or agreement which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, but can be cured, then such thirty (30) day period shall be extended to the extent necessary to enable the Obligor to complete the remedying of such default through the

exercise of due diligence, but in no event to exceed a period of sixty (60) days from the date of such default without receipt of prior written consent of the Bank; or

(f) Any representation or warranty on the part of the Obligor contained in this Agreement or in any other Financing Document or in any certificate furnished or delivered by the Obligor to the Bank pursuant hereto or thereto or in connection herewith or therewith, shall prove to have been incorrect in any material respect when made or when effective or when reaffirmed, as the case may be; or

(g) The Obligor shall default in the payment of principal of or interest on any Debt of the Obligor payable from or secured by Sales Tax Revenues in a principal amount of \$1,000,000 or more, and the continuance of such default beyond any applicable grace period, if any, provided in the instrument under which such Debt was created; or

(h) (i) Any event or condition shall occur which results in the acceleration of the maturity of any Debt of the Obligor payable from or secured by Sales Tax Revenues or Guarantee thereof of the Obligor outstanding in a principal amount of \$1,000,000 or more, or enables the holder of such Debt of the Obligor payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to accelerate the maturity thereof (whether or not such Debt is accelerated) or with the giving of notice or lapse of time or both would enable the holder of such Debt of the Obligor payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to accelerate the maturity thereof (whether or not such Debt is accelerated); or

(ii) Any event of default shall occur which results in the mandatory tender or redemption of any Debt of the Obligor payable from or secured by Sales Tax Revenues or Guarantee thereof of the Obligor outstanding in a principal amount of \$1,000,000 or more, or enables the holder of such Debt of the Obligor payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to demand purchase or redemption thereof (whether or not such Debt is purchased or redeemed) or with the giving of notice or lapse of time or both would enable the holder of such Debt of the Obligor payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to require the purchase or redemption thereof (whether or not such Debt is purchased or redeemed); or

(i) Any funds on deposit in, or otherwise to the credit of, any funds or accounts established under the Indenture (other than any rebate fund relating to federal tax rebate liability) shall become subject to any writ, judgment, warrant or attachment, execution or similar process by a court of competent jurisdiction; or

(j) (i) The Obligor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking

reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the Obligor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Obligor any case, proceeding or other action of a nature referred to in clause (i) and the same shall remain undismissed for a period of 90 days; or (iii) there shall be commenced against the Obligor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 90 days from the entry thereof; or (iv) the Obligor shall take 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 Obligor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due or shall repudiate or declare a moratorium on the payment of its debts; or

(k) One or more final non-appealable judgment or order by a court of competent jurisdiction shall be rendered against the Obligor, which, individually or in the aggregate, equal or exceed payment of money in excess of \$15,000,000 not covered by insurance, and such judgment or judgments, as applicable, shall not be satisfied for a period of sixty (60) days; or

(l) The Obligor shall fail to preserve the pledge made in Section 5 hereof or in the Indenture or any legislation is enacted, repealed, reenacted, amended or otherwise modified, and such repeal, reenactment, amendment, modification or enactment, in the sole opinion of the Bank, dilutes or eliminates the pledge of or security interest of the Bank granted in such Section 5 hereof or in the Indenture; or

(m) A moratorium shall have been declared or announced by the Obligor or any Governmental Authority with competent jurisdiction with respect to any Debt of the Obligor secured by or payable from Sales Tax Revenues senior to or on a parity with the Notes;

(n) The dissolution or termination of the existence of the Obligor; or

(o) (i) Any material provision of any Financing Document shall cease to be valid and binding, (ii) any material provision of any Financing Law shall cease to be valid and binding in a manner that materially adversely affects the security for, or the ability of the Obligor to pay the Notes, the Revolving Note or any other Obligations, or (iii) the Obligor or any Governmental Authority shall contest, in each case, any such provision or the Obligor or any agent on behalf of the Obligor shall deny that it has any further liability under the Financing Documents.

Section 7.2. Remedies. Upon the occurrence and during the continuance of any Event of Default or a Rating Event, the Bank may, at the same or different times, so long as such Event of

Default or such Rating Event shall not have been remedied, take one or more of the following actions: (i) by notice to the Obligor, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Obligor; *provided*, that, upon the occurrence of an Event of Default described under Section 7.1(j) hereof such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing); (ii) exercise all of the rights and remedies available to the Bank under this Agreement, any other Financing Document, any applicable law or at equity; (iii) instruct the Obligor and the Issuing and Paying Agent to immediately cease issuing, delivering and selling additional Notes by delivering to the Obligor and the Issuing and Paying Agent a Notice of No Issuance; and (iv) instruct the Obligor and the Issuing and Paying Agent to immediately cease issuing, delivering and selling additional Notes, instruct the Issuing and Paying Agent to make a final drawing under the Letter of Credit in accordance with its terms, by delivering a Final Drawing Notice (the effect of which shall be to cause the Letter of Credit Expiration Date to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent).

Section 7.3. Miscellaneous. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or any Financing Document, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Bank in this Agreement, it shall not be expressly required. In the event any provision contained in this Agreement should be breached by any party and thereafter duly waived in accordance herewith, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, relief or modification of this Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties thereto duly authorized by this Agreement. No notice to or demand on the Obligor in any case shall entitle the Obligor to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand.

ARTICLE 8

MISCELLANEOUS

Section 8.1. Amendments Etc. No amendment, modification 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 8.2. Addresses for Notices; Payments to the Bank. All notices and other communications provided for hereunder shall be in writing and mailed or delivered to the applicable party at the addresses indicated below:

If to the Obligor by U.S. Postal Service:

San Bernardino County Transportation Authority
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715
Attention: Chief Financial Officer
Phone: (909) 884-8276
Fax: (909) 885-4407

If to the Bank, with respect to credit matters:

Barclays Bank plc
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: Cassandra Bolz
Telephone: (212) 526-3974
Email: cassandra.bolz@barclays.com

and

Barclays Bank plc
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: James Saakvitne
Telephone: (212) 528-1053
Email: james.saakvitne@barclayscapital.com

If to the Issuing and Paying Agent:

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attention: Global Corporate Trust
Phone: (212) 361-6151
Fax: (212) 361-6153

If to the Dealer:

BofA Securities, Inc.
One Bryant Park, Ninth Floor
New York, New York 10036
Attention: Tax Exempt Money Market Desk

Telephone: 212-449-5101
Facsimile: 646-736-6960
Email: DG.TEMM@BAML.COM

RBC Capital Markets, LLC
3 World Financial Center
200 Vesey Street, 8th Floor
New York, NY 10281
Attention: Short Term Municipal Trading Manager
Telephone: (212) 618-2019

or as to each party at such other address as shall be designated by such party in a written notice to the other party. All such notices and other communications shall, when mailed certified or registered mail, be effective three days after the date of deposit in the mail, addressed as aforesaid.

Section 8.3. No Waiver; Remedies. No failure on the part of the Bank 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 other further exercise thereof or the exercise of any other right. No notice to or demand on the Obligor in any case shall entitle the Obligor to any other or further notice or demand in the same, similar or other circumstances. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 8.4. Indemnification. To the extent permitted by law, the Obligor hereby indemnifies and holds harmless the Bank from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever (including, without limitation, the fees and expenses of counsel) which the Bank may incur or suffer (or which may be claimed against the Bank by any Person or entity whatsoever) by reason of or in connection with the offering and sale of the Notes (including, without limitation, by reason of any inaccuracy in any material respect, or any untrue statement or alleged untrue statement of any material fact, contained in the Offering Memorandum or any amendment or supplement thereto, or by reason of the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading), the execution and delivery of this Agreement, the Letter of Credit, any other Financing Document or the transfer of the Letter of Credit, or payment or failure to pay under the Letter of Credit, or any impairment or potential impairment of the Sales Tax; *provided, however*, that the Obligor shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (a) the willful misconduct or gross negligence of the Bank in determining whether a certificate presented under the Letter of Credit complied with the terms of the Letter of Credit or (b) the Bank's willful failure or gross negligence in failing to pay under the Letter of Credit after the proper presentation to it by the Issuing and Paying Agent of a certificate strictly complying with the terms and conditions of the Letter of Credit; *provided further*, that in the case of any action or proceeding alleging an inaccuracy in a material respect, or an untrue statement, with respect to information supplied in writing by the Bank contained in

the Offering Memorandum (the “*Bank Information*”), if, in any such action or proceeding, it is finally determined that the Bank was liable in providing Bank Information which contained an inaccuracy in any material respect or an untrue statement of a material fact, then the Obligor shall not be required to indemnify the Bank pursuant to this Section for any claims, damages, losses, liabilities, costs or expenses to the extent caused by such inaccuracy or untrue statement. Nothing in this Section 8.4 is intended to limit any other obligations of the Obligor contained in Section 2 hereof. The provisions of this Section 8.4 shall survive the termination of this Agreement and payment of the Obligations.

Section 8.5. Survival of this Agreement. All covenants, agreements, representations and warranties made in this Agreement shall survive the issuance by the Bank of the Letter of Credit and shall continue in full force and effect so long as the Letter of Credit shall be unexpired or any sums drawn or due thereunder or any other Obligations shall be outstanding and unpaid, including but not limited to the Term Loan, regardless of any investigation made by any person and so long as any amount payable hereunder remains unpaid. Whenever in this Agreement the Bank is referred to, such reference shall be deemed to include the successors and assigns of the Bank and all covenants, promises and agreements by or on behalf of the Obligor which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank. The rights and duties of the Obligor, however, may not be assigned or transferred, except as specifically provided in this Agreement or with the prior written consent of the Bank, and all obligations of the Obligor hereunder shall continue in full force and effect notwithstanding any assignment by the Obligor of any of its rights or obligations under any of the Financing Documents or this Agreement or any entering into, or consent by the Obligor to, any supplement or amendment to, or termination of, any of the Financing Documents or this Agreement.

Section 8.6. Fees and Expenses. The Obligor shall pay or cause to be paid, reasonable fees and expenses, including taxes and recording costs or charges, if any, payable or incurred by the Bank in connection with the execution and delivery of the Financing Documents (including the reasonable fees and expenses of counsel to the Bank). In addition, the Obligor shall pay or cause to be paid, any and all fees and expenses, including taxes and recording costs or charges, if any, payable or incurred by the Bank subsequent to the Date of Issuance in connection with the performance, administration, interpretation and enforcement of the Financing Documents, and any amendments, modifications, supplements, consents and waivers with respect thereto, and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such fees, expenses, taxes, costs and charges, if any, *provided* that the Bank agrees promptly to notify the Obligor of any such fees, expenses and taxes, if any. In addition, the Obligor agrees to pay, after the occurrence of an Event of Default or a Rating Event, all costs and expenses (including attorneys’ fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the Obligor hereunder or under the Fee Agreement or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement or the Fee Agreement in the nature of a “workout” or of any insolvency or bankruptcy proceedings of the Obligor.

Section 8.7. Severability. Any provision of this Agreement and the Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or

non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 8.8. GOVERNING LAW; OTHER MATTERS. THIS AGREEMENT AND THE LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK; *PROVIDED* THAT THE POWER AND AUTHORITY OF THE OBLIGOR TO EXECUTE, DELIVER AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. THE PARTIES HERETO FURTHER IRREVOCABLY CONSENT TO THE SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY AT ITS ADDRESS SET FORTH IN SECTION 8.2 HEREOF, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE PARTIES HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 8.9. Participations. The Bank may at any time, without the consent of, or notice to, the Obligor, sell participations to any Person (other than a natural person or the Obligor) (each, a “*Participant*”) in all or a portion of the Bank’s rights and obligations under this Agreement and obligations under the Letter of Credit and such participants shall be entitled to the rights and benefits of this Agreement and the other Financing Documents, including, without limitation, Sections 2.7 and Article 8 hereof, to the same extent as if they were a direct party hereto; *provided* that (i) the Bank’s obligations under the Agreement and the Letter of Credit shall remain unchanged, (ii) the Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Obligor or the Issuing and Paying Agent, as applicable, shall continue to deal solely and directly with the Bank in connection with the Bank’s rights under this Agreement and its obligations under the Letter of Credit, including enforcement of this Agreement and approvals of any amendments, modifications or waiver of any provision of this Agreement. Furthermore, a Participant shall not be entitled to receive any greater payment under Section 2.7 or 2.8 hereof than the Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Issuer’s prior written consent.

Section 8.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one document, and shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto.

Section 8.11. Certificates Etc. In connection with the execution and delivery of this Agreement, the parties hereto may rely on any certificates delivered by or on behalf of each other respective party hereto as representations and warranties as to the matters therein certified.

Section 8.12. Table of Contents; Headings. Table of Contents and section and subsection 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 8.13. Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement,

document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

Section 8.14. Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A JURY TRIAL IN RESPECT OF ANY LITIGATION (WHETHER AS CLAIM, COUNTERCLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE) OR OTHER CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS AND THE ACT. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL, TO THE EXTENT PERMITTED BY LAW, IS A MATERIAL INDUCEMENT FOR THE BANK TO ENTER INTO THIS AGREEMENT AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE AUTHORITY AND THE BANK IS MADE IN RELIANCE UPON SUCH WAIVER. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL. THE OBLIGOR REPRESENTS AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS PROVISION WITH ITS LEGAL COUNSEL AND THAT IT HAS, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY AND VOLUNTARILY WAIVED ANY JURY TRIAL RIGHTS IT MAY HAVE FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL. IF AND TO THE EXTENT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON, THE PARTIES HERETO HEREBY CONSENT TO THE ADJUDICATION OF ANY AND ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO DETERMINE ANY AND ALL ISSUES IN SUCH REFERENCE WHETHER FACT OR LAW. EACH PARTY HERETO ACKNOWLEDGES AND REPRESENTS THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION, AND THAT IT HAS REVIEWED THIS WAIVER AND CONSENT, AND KNOWINGLY AND INTENTIONALLY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCES FOLLOWING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOICE ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURES SECTION 638 AS PROVIDED HEREIN.

Section 8.15. Waiver of Rules of Construction. The Obligor hereby waives any and all provisions of law (including, without limitation, California Civil Code Section 1654) to the effect that an ambiguity in a contract or agreement should be interpreted against the party responsible for its drafting.

Section 8.16. Assignment to Federal Reserve. The Bank may assign and pledge all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned Obligations made by the Obligor to the Bank in accordance with the terms of this Agreement shall satisfy the Obligor's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.17. Dealing with the Obligor, the Issuing and Paying Agent and/or the Dealer. The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Obligor, the Issuing and Paying Agent, and/or the Dealer regardless of the capacity of the Bank hereunder.

Section 8.18. USA Patriot Act; Government Regulations. The Bank hereby notifies the Obligor that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), the Bank is required to obtain, verify and record information that identifies the Obligor, which information includes the name and address of the Obligor and other information that will allow the Bank to identify the Obligor in accordance with the Patriot Act. The Obligor shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, and shall comply with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended.

The Obligor 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 the Office of Foreign Assets Control (“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 Obligor or from otherwise conducting business with the Obligor and (b) to ensure that the proceeds of the Commercial Paper Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 8.19. ENTIRE AGREEMENT. THIS AGREEMENT AND THE FEE AGREEMENT TOGETHER WITH THE REVOLVING NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

Section 8.20. 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 Financing Document), the Obligor acknowledges and agrees, and acknowledges its Affiliates’ understanding, that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm’s-length commercial transactions between the Obligor, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the Obligor has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Obligor is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Obligor, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the Obligor with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Financing Documents; and (c) the Bank and its Affiliates may be engaged in a broad

range of transactions that involve interests that differ from those of the Obligor, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Obligor. To the fullest extent permitted by law, the Obligor, hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

[REMAINDER OF PAGE LEFT BLANK]

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

SAN BERNARDINO COUNTY TRANSPORTATION
AUTHORITY

By: _____

Name: _____

Title: _____

BARCLAYS BANK PLC

By: _____

Name: _____

Title: _____

EXHIBIT A

IRREVOCABLE DIRECT PAY LETTER OF CREDIT
(_____)

EXHIBIT B

[FORM OF REVOLVING NOTE]

REVOLVING NOTE

CUSIP: [_____]

Date: September 12, 2019

Registered Owner: BARCLAYS BANK PLC

Principal Amount: Not to Exceed ONE HUNDRED EIGHT MILLION EIGHT HUNDRED SEVENTY-SIX THOUSAND SEVEN HUNDRED THIRTEEN DOLLARS (\$108,876,713)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (including its successors and assigns, the "*Obligor*"), for value received, hereby promises to pay to BARCLAYS BANK PLC (including its successors and assigns, the "*Bank*"), or registered assigns, under the Reimbursement Agreement hereinafter referred to, at the principal office of the Bank at 745 Seventh Avenue, 19th Floor, New York, New York 10019, the sum of ONE HUNDRED EIGHT MILLION EIGHT HUNDRED SEVENTY-SIX THOUSAND SEVEN HUNDRED THIRTEEN DOLLARS (\$108,876,713) or, if less, the aggregate principal amount of all drawings paid by the Bank under the Letter of Credit and all Advances and Term Loans made by the Bank pursuant to the Reimbursement Agreement, together with accrued and unpaid interest thereon.

The unpaid principal amount hereof from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Reimbursement Agreement (subject to the limitations set forth in Section 2.3(d) thereof).

Payments of both principal and interest are to be made in lawful money of the United States of America.

Annexed hereto and made a part hereof is a grid (the "*Grid*") on which shall be shown all drawings paid by the Bank and all Advances and Term Loans outstanding from time to time under the Reimbursement Agreement and the amounts of principal and interest payable and paid from time to time under the Reimbursement Agreement. The Obligor hereby appoints the Bank as its agent to endorse the principal amounts owing to the Bank and the maturity schedule therefor pursuant to Section 2.4(a) and 2.4(e) of the Reimbursement Agreement respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of this Revolving Note (the "*Note*"), and the date and the amount of each such drawing, Advance or Term Loan or principal or interest repayment made hereunder. In any legal action or proceeding in respect of this Note, the entries made in such accounts shall be prima facie evidence of the existence and the amounts of the obligations of the Obligor recorded therein.

This Note is issued in accordance with the provisions of the hereinafter defined Reimbursement Agreement relating to the duly authorized issue of San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax

Bonds), Series A and Series B issued pursuant to an Issuing and Paying Agent Agreement, dated as of September 1, 2019, the "*Issuing and Paying Agent Agreement*"), each by and between the Obligor and U.S. Bank, National Association, as issuing and paying agent (the "*Issuing and Paying Agent*") and an Indenture, dated as of September 1, 2019, by and between the Obligor and U.S. Bank, National Association, as trustee (the "*Trustee*"). This Note has been issued to the Bank to evidence the obligation of the Obligor to repay unreimbursed drawings, Advances and Credit Provider Loans (as each such term is defined in the Indenture) incurred under, and subject to the terms and provisions of, a Reimbursement Agreement dated as of September 1, 2019 (the "*Reimbursement Agreement*"), as the same may at any time be amended or modified and in effect, by and between the Obligor and the Bank, to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid prior to its due date or its interest rate adjusted or its due date accelerated.

The Obligor hereby agrees to pay or cause to be paid all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise. This Note is a limited obligation of the Obligor and payable, both as to principal and interest, solely from a pledge of (i) the Revenues (as defined in the Reimbursement Agreement and as further described in and limited by the terms of the Indenture), subject to the prior pledge and lien as provided in the Senior Lien Bond Indenture and after the application of the Revenues pursuant to the terms of the Senior Lien Bond Indenture, and (ii) certain moneys the Trustee holds in funds and accounts it has established pursuant to the Indenture as set forth in the Indenture, and not out of any other fund or moneys of the Obligor. Reference is hereby made to the Indenture, the Issuing and Paying Agent Agreement and the Senior Lien Bond Indenture for the provisions with regard to the nature and extent of the Revenues.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. The Note does not constitute an indebtedness of the Obligor within the meaning of any constitutional or statutory debt limitation or restriction. Unless otherwise specified, capitalized terms not otherwise defined herein have the meaning set forth in the Reimbursement Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Reimbursement Agreement precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolution of the Obligor duly adopted.

The Obligor hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY has caused this Note to be duly executed in its name by the manual or facsimile signature of an Authorized Officer as of September 12, 2019.

SAN BERNARDINO COUNTY TRANSPORTATION
AUTHORITY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

REVOLVING NOTE GRID

DRAWINGS ADVANCES AND TERM LOANS AND PAYMENTS OF PRINCIPAL AND INTEREST

DATE	ADVANCE OR TERM LOAN	AMOUNT OF ADVANCE OR TERM LOAN	PRINCIPAL AMOUNT OF ADVANCES OR TERM LOANS REPAID	AMOUNT OF INTEREST ON ADVANCES OR TERM LOANS REPAID	AGGREGATE ADVANCE OR TERM LOAN BALANCE	NOTATION MADE BY

Note: Additional pages of this Revolving Note and Revolving Note Grid may be attached to the Revolving Note as may be necessary to record certain information regarding each drawing, Advance or Term Loan.

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

I, _____, Chief Financial Officer of San Bernardino County Transportation Authority (the “*Obligor*”) do hereby certify that to the best of my knowledge, no Default or Event of Default or Rating Event, each as defined in that certain Reimbursement Agreement dated as of September 1, 2019 between the Obligor and Barclays Bank plc has occurred and is continuing at _____, _____.

DATED: _____, _____

SAN BERNARDINO COUNTY TRANSPORTATION
AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT D

REQUEST FOR DECREASE OF STATED AMOUNT

Irrevocable Direct Pay Letter of Credit No. _____

Barclays Bank plc
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: Cassandra Bolz
Telephone: (212) 526-3974
Email: cassandra.bolz@barclays.com

Ladies and Gentlemen:

The undersigned, a duly authorized representative of the undersigned San Bernardino County Transportation Authority (the "*Obligor*"), hereby certify to Barclays Bank plc (the "*Bank*"), with reference to Irrevocable Letter of Credit No. [_____] (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.12(b) of the Reimbursement Agreement dated as of September 1, 2019 (the "*Reimbursement Agreement*", to which reference is made for the definition of capitalized terms not otherwise defined herein), by and between the Obligor and the Bank, the Obligor hereby elects to reduce the Stated Amount of the Letter of Credit in the amount of \$_____, effective as of _____ (the "*Decrease Date*").

2. The Decrease Date for which such decrease is requested is _____, which is not more than five (5) days after the date the Bank receives this Request for Decrease in Stated Amount.

3. The new Stated Amount of the Letter of Credit will be \$_____. The aggregate principal amount of Notes outstanding under the Indenture (and, if applicable, interest on the Notes to their stated maturity dates), will not exceed the new Stated Amount of the Letter of Credit. As of the Decrease Date and upon such reduction, the Stated Amount will not be less than the aggregate principal amount of all outstanding Notes (and, if applicable, interest on the Notes to their stated maturity dates).

IN WITNESS WHEREOF, the undersigned has executed and delivered this certificate as of
the ____ day of _____, ____.

Very truly yours,

SAN BERNARDINO COUNTY TRANSPORTATION
AUTHORITY

By: _____

Name: _____

Title: _____

cc: **[Issuing and Paying Agent],**
as Issuing and Paying Agent

EXHIBIT E

REQUEST FOR EXTENSION

Barclays Bank plc
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: Municipal Credit Group
Telephone: (212) 528-1053
Facsimile: (917) 254-1353

cc: Via Facsimile to (917) 254-1353

Re: Request for Extension of Irrevocable Transferable
Direct-Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

Pursuant to Section 2.12 of that certain Reimbursement Agreement, dated as of September 1, 2019 (the "*Reimbursement Agreement*"), by and between the San Bernardino County Transportation Authority (the "*Authority*") and Barclays Bank plc (the "*Bank*"), the Authority hereby requests that the Letter of Credit Expiration Date be extended for a [____-**year**] extension. All capitalized terms contained herein which are not specifically defined herein shall be deemed to have the definition set forth in the Reimbursement Agreement.

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

Very truly yours,

SAN BERNARDINO COUNTY TRANSPORTATION
AUTHORITY

By: _____
Name: _____
Title: _____

cc: **[Issuing and Paying Agent]**,
as Issuing and Paying Agent

EXHIBIT F

NOTICE OF NO ISSUANCE

[Dated Date]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Global Corporate Trust

Re: San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Ladies and Gentlemen:

Pursuant to Sections 2.15(b) and 7.2 of that certain Reimbursement Agreement, dated as of September 1, 2019 (the “*Reimbursement Agreement*”), by and between the San Bernardino County Transportation Authority (the “*Authority*”) and the undersigned, as Bank, you are hereby notified that (a) either (1) an “Event of Default” under Section 7.2 of the Reimbursement Agreement has occurred and is now continuing or (2) a Rating Event under Section 7.2 has occurred and is now continuing; and (b) upon receipt of this notice, no new Notes shall be issued or authenticated, delivered and sold on or after the date hereof. Capitalized terms used herein and not defined herein having their respective meanings set forth in the Reimbursement Agreement.

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

Very truly yours,

BARCLAYS BANK PLC, as Bank

By: _____
Name: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank National Association, as Issuing and Paying Agent, hereby accepts this Notice of No Issuance on _____, 20__ (the “*Acceptance Date*”) and acknowledges that it has ceased issuing Notes as of the Acceptance Date; *provided, however*, that the failure of U.S. Bank National Association to acknowledge this Notice of No Issuance shall not affect the effectiveness of this Notice of No Issuance.

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

By _____
Name _____
Title _____

cc: San Bernardino County Transportation Authority
[DEALER]

EXHIBIT G

RESCISSION OF NOTICE OF NO ISSUANCE

[DATE]

U.S. Bank National Association
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Global Corporate Trust

Re: San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct-Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, pursuant to the Reimbursement Agreement by and between Barclays Bank plc (the “*Bank*”), and the San Bernardino County Transportation Authority dated as of September 1, 2019 (as amended or supplemented from time to time pursuant to its terms, the “*Reimbursement Agreement*”), hereby notifies you as Issuing and Paying Agent for the above-referenced Notes (the “*Notes*”) that further Notes may be issued pursuant to the terms of the Barclays Bank plc which may be supported by the Letter of Credit. The Stated Amount of the Letter of Credit is reinstated to an amount equal to \$_____. The Letter of Credit will continue to be reinstated in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has executed this Rescission of Notice of No Issuance as of the ____ day of _____, 20__.

BARCLAYS BANK PLC

By _____
Name _____
Title _____

EXHIBIT H

PRE-APPROVED DEALERS

[To Come]

ATTACHMENT “A”
“SCOPE OF WORK”

TERMS AND CONDITIONS

For purposes of your institution's proposal, please assume the following terms and conditions:

Obligor:	SBCTA.
Size of Facility:	Up to \$100 million principal amount plus interest.
Security:	Reimbursement obligations are payable from Measure I Sales Tax revenues on parity with the Measure I Commercial Paper Notes and on a subordinate basis to the Measure I Senior Lien Bonds.
Term:	Proposals are requested for a LOC and Alternative Bank Products of two or more years (with a preference for at least three to four years) with provisions for renewal.
Term out period:	Minimum term out period of three years. A longer term-out period will be a positive factor in the SBCTA's review of proposals.
Interest Rate on any unreimbursed bank advances, including "bank bonds":	The interest rate proposed should be quoted on a Prime Rate or Fed Funds basis.
Representations, Warranties, Covenants and Other Terms:	Customary representations and warranties including organization of SBCTA, authorization and validity of related documents, financial information, no material adverse change, full disclosure, no material litigation, approvals, no violation of agreements, solvency and absence of default or event of default.
Opinions:	Bank Counsel will be expected to provide a validity opinion, and an accuracy opinion with respect to the summary of the bank documents in the offering document.
Governing Law:	California.
Other:	A draft form of Reimbursement Agreement is provided. Banks must submit proposed additions, deletions or amendments to the terms of this Agreement that your institution feels are absolutely necessary as a condition to providing a commitment.

Minimum Credit Ratings:

LOC proposers must have long-term ratings at least equivalent to A3 and A- from at least two nationally recognized credit rating agencies, as well as two short-term ratings of at least P-1, A-1, or F1.

Termination Fee:

No termination fee due if termination is due to invocation of increased costs provision, downgrade of provider below P-1, A-1 or F-1, or refinancing of the CP notes with long-term financing.

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [_____]

September 12, 2019

U.S. Bank National Association
as Beneficiary
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Global Corporate Trust

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Ladies and Gentlemen:

At the request and for the account of San Bernardino County Transportation Authority (the “*Authority*”), as applicant (the “*Applicant*”), pursuant to the Reimbursement Agreement dated as of September 1, 2019 between Barclays Bank PLC (the “*Bank*”) and the Applicant (as amended or supplemented from time to time pursuant to its terms, the “*Reimbursement Agreement*”), the Bank hereby delivers this Irrevocable Direct Pay Letter of Credit (this “*Letter of Credit*”) in your favor, as Beneficiary (the “*Beneficiary*”), and as issuing and paying agent (in such capacity, the “*Issuing and Paying Agent*”) under the Issuing and Paying Agent Agreement dated as of September 1, 2019 (as amended and supplemented to date, the “*Issuing and Paying Agent Agreement*”), between the Applicant and U.S. Bank National Association, for the benefit of the holders of the Applicant’s above-referenced series of Notes issued under the Issuing and Paying Agent Agreement (collectively, the “*Notes*”) in accordance with the following terms and conditions.

1. *Expiration.* This Letter of Credit automatically shall expire at the close of business on the “*Stated Expiration Date.*” As used herein, “*Stated Expiration Date*” shall mean the earliest of:

(a) September 12, 2023 (the “*Letter of Credit Expiration Date*”); *provided* that, if on or before such date, or such later date to which the term of this Letter of Credit is extended, as provided herein, the Bank provides you with a written notice in the form of Exhibit G hereto that this Letter of Credit shall be extended, the term of this Letter of Credit shall be extended to the date provided in such notice;

Page 1 of 23 of Letter of Credit

(b) the date upon which the Bank receives your certificate regarding termination (or, if a later effective date is stipulated in such certificate, then such later date) in the form of Exhibit D or Exhibit E hereto appropriately completed, together with this Letter of Credit; and

(c) the first to occur of (i) the date which is fifteen (15) calendar days after you have received a Final Drawing Notice in the form of Schedule I hereto from the Bank stating that an Event of Default or a Rating Event has occurred and is continuing under the Reimbursement Agreement and requesting that you make a Final Drawing (as defined in paragraph 5) hereunder, pursuant to a demand for payment in the form of Exhibit B hereto, or (ii) the date, following receipt of such Final Drawing Notice, upon which you have drawn upon this Letter of Credit the amount required thereby and as permitted under this Letter of Credit and the proceeds of the drawing have been distributed to you.

In the event such expiration date shall not be a Business Day (as hereinafter defined), then this Letter of Credit shall expire on the next succeeding Business Day.

2. *Stated Amount.* The amount available to be drawn by you under this Letter of Credit in accordance with the terms and conditions herein stated shall be \$108,876,713, which amount, as from time to time reduced and reinstated as provided in paragraphs 3 and 4, is hereinafter referred to as the “*Stated Amount.*” Of the Stated Amount, up to \$100,000,000 is available for the payment of the unpaid principal of the Notes (the “*Principal Portion*”) and up to \$8,876,713 is available for the payment of the unpaid interest accrued on the Notes (the “*Interest Portion*”) (270 days of interest at 12% per annum based on a year of 365 days). The Bank hereby undertakes to honor (as set out in 7(a) hereof) draws made hereunder and in strict conformity herewith.

3. *Reductions in the Stated Amount.* The Stated Amount shall be reduced automatically from time to time as follows:

(a) Upon our honoring of a Drawing (as defined in paragraph 5) hereunder, the Stated Amount shall be reduced by an amount equal to the amount of such demand for payment.

(b) Upon the Bank’s receipt of your certificate in the form of Exhibit C hereto appropriately completed, the Stated Amount shall be reduced by an amount equal to the amount specified in such certificate, provided that no reduction under this clause (b) shall duplicate any reduction under (a) above.

4. *Reinstatement.* Unless you shall have received a Notice of No Issuance in the form of Exhibit F to the Reimbursement Agreement or a Final Drawing Notice in the form of Schedule I hereto from the Bank, reductions under paragraph 3(a) by reason of a Maturity Drawing (as defined in paragraph 5) hereunder pursuant to a certificate in the form of Exhibit A hereto properly completed shall be reinstated automatically to the extent the Bank receives reimbursement for the amounts so drawn. Any such automatic reinstatement shall be in an amount equal to the amount of such reimbursement. Reductions under paragraph 3(a) by reason

of a Final Drawing (as defined in paragraph 5) hereunder pursuant to a certificate in the form of Exhibit B hereto and reductions under paragraph 3(b) shall not be subject to reinstatement.

5. *Drawings.* Funds under this Letter of Credit are available to you, against presentation of a certificate signed by your duly authorized officer in the form of Exhibit A hereto (each a “*Maturity Drawing*”) or Exhibit B hereto (the “*Final Drawing*”) properly completed (Maturity Drawings and the Final Drawing are herein collectively referred to as “*Drawings*” and Exhibits A and B, properly completed, are herein collectively referred to as “*Drawing Certificates*”).

6. *Method and Notice of Presentment.*

(a) Each Drawing hereunder shall be in the form of the appropriate Drawing Certificate, shall be dated the date of presentation, and shall be delivered to the Bank in person, by first class registered or certified mail or by an express delivery service and properly addressed and prepaid; or, by confirmed facsimile, at such number or numbers as we shall notify you from time to time in writing provided that presentment of a Drawing Certificate hereunder by facsimile shall be followed by delivery on the next Business Day to the Bank of an information copy of the original Drawing Certificate. The Bank shall have no duty and will not examine original Drawing Certificate confirming presentation by facsimile. In the event of presentation by facsimile, the facsimile is considered the sole original presentation. A Drawing shall be presented during the Bank’s business hours on a Business Day on or prior to the Expiration Date hereof at the office of the Bank at Barclays Bank PLC, 745 Seventh Avenue, New York, New York 10019, by Facsimile: (212) 412-5011, Attention: Letter of Credit [____], or at such other address as the Bank may notify you in writing from time to time. As used herein, “*Business Day*” for so long as The Depository Trust Company (“*DTC*”) shall be the depository for the Notes, any day on which DTC is scheduled to be open for money market instrument settlement services, and is other than: (i) a Saturday, Sunday or day upon which banking institutions in the State of California or the State of New York are authorized or obligated by law or executive order to be closed; and (ii) a day upon which commercial banks are authorized or obligated by law or executive order to be closed in New York, New York.

(b) Prior to the delivery of any Drawing Certificate, you shall give the Bank telephonic notice of your intention to deliver such Drawing Certificate, stating the method of presentment and the amount of such Drawing Certificate; *provided, however*, your failure to give such notice shall not affect our obligation to honor Drawings which are otherwise made in strict conformity with the terms and conditions hereof. The telephonic notice required hereunder shall be given to the Bank at (212) 320-7534, (212) 320-7533 or (212) 320-6122, or such other person or persons as we shall notify you in writing from time to time. Such telephonic notice may be waived in the Bank’s sole discretion.

7. *Time, Method and Manner of Payment.*

(a) If a Drawing Certificate is presented on a Business Day on or prior to the Stated Expiration Date and in strict conformity with the terms and conditions hereof, payment shall be made to you on the same Business Day, if the Drawing is received by us at or prior to 11:00 a.m., the Bank will pay not later than 2:00 p.m. on such Business Day or such later date as you may specify in such Drawing. If we receive your Drawing Certificate in strict conformity with the terms and conditions hereof, after 11:00 a.m., but prior to 4:00 p.m. on a Business Day, payment shall be made to you by 2:00 p.m. on the next Business Day. Upon such presentation the Bank shall be obligated to advance funds in an amount equal the amount of such Drawing. All times referenced herein are as of New York, New York time.

(b) Payment under this Letter of Credit shall be made by Fedwire in immediately available funds to Account Name: U.S. Bank, ABA #: 091-000-022, Account #: [____], Attn: [____] Ref: San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A and Series B. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent and authenticated to our satisfaction. For the purposes of determining compliance with the times for payment specified in (a) above, payment shall be deemed to have been made by us when we have delivered appropriate wire transfer instructions to an appropriate Federal Reserve Bank.

(c) All payments made by the Bank under this Letter of Credit shall be made with the Bank's own funds.

8. *Transferability.* This Letter of Credit is transferable in whole only to your successor as Issuing and Paying Agent. Any such transfer (including any successive transfer) shall be effected by the presentation to us of this Letter of Credit accompanied by a request designating your successor in the form of Exhibit F, attached hereto, with the signature of the officer signing on your behalf, authenticated to us at BARCUS33 via Authenticated SWIFT MT799 as well as an acknowledgement of the transferee signed by its officer on their behalf and authenticated by another one of its officers. Transfers to designated foreign nationals specially designated nationals are not permitted as being contrary to the U.S. Treasury Department or Foreign Assets Control Regulations. Upon our endorsement of such transfer, the transferee instead of the beneficiary shall, without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the beneficiary's place; *provided that*, in such case, any certificates of the Issuing and Paying Agent to be provided hereunder shall be signed by one who states herein that he is a duly authorized officer or agent of the transferee.

9. *Governing Law.* Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance

with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

10. *Irrevocability.* This Letter of Credit shall be irrevocable.

11. *No Third-Party Negotiation.* A Drawing under this Letter of Credit may be made only by you or any successor Beneficiary that is also a successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement and shall be presented directly to the Bank and shall not be negotiated to or by any third party.

12. *Address for Communications.* Notices and other communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at the address referenced in paragraph 6(a), specifically referring therein to this Irrevocable Direct Pay Letter of Credit No. [_____].

13. *Complete Agreement.* This Letter of Credit, including Schedule I and Exhibits A through G hereto, sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Notes, the Issuing and Paying Agent Agreement and the Reimbursement Agreement). Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not cause such documents or instruments to be deemed incorporated herein.

We hereby agree with you to honor your demand for payment presented in strict compliance with the terms and conditions of this Letter of Credit.

Very truly yours,

BARCLAYS BANK PLC

By:_____

Name:_____

Title:_____

SCHEDULE I

FINAL DRAWING NOTICE

[DATE]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Global Corporate Trust

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, under the Reimbursement Agreement dated as of September 1, 2019 (the “*Reimbursement Agreement*”) between the San Bernardino County Transportation Authority and Barclays Bank PLC (the “*Bank*”), pursuant to which the above-referenced Irrevocable Direct Pay Letter of Credit No. [_____] dated September 12, 2019 (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) was issued, hereby notifies you as Issuing and Paying Agent for the above-referenced Notes (collectively, the “*Notes*”) as follows: (i) an Event of Default or a Rating Event, each as defined in the Reimbursement Agreement, has occurred and is continuing, (ii) you may not issue any Notes on or after the date you receive this notice, (iii) you are hereby requested to make a Final Drawing as prescribed in the Letter of Credit and (iv) in accordance with the terms of the Letter of Credit, the Letter of Credit shall automatically terminate on the Stated Expiration Date, which in the case of this Final Drawing Notice shall be the first to occur of (A) the date which is fifteen (15) calendar days after you have received this Final Drawing Notice, or (B) the date, following receipt of this Final Drawing Notice, upon which you have drawn upon the Letter of Credit the amount required thereby and as permitted under the Letter of Credit and the proceeds of the drawing have been distributed to you.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this Final Drawing Notice as of this
_____ day of _____, _____.

BARCLAYS BANK PLC

By: _____
Name: _____
Title: _____

EXHIBIT A

CERTIFICATE FOR MATURITY DRAWING

Barclays Bank PLC
745 Seventh Avenue
New York, New York 10019
Attention: Letter of Credit Department

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank National Association, as Beneficiary and Issuing and Paying Agent (the “*Beneficiary*”), hereby certifies to Barclays Bank PLC (the “*Bank*”) with respect to the above-referenced Irrevocable Direct Pay Letter of Credit (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Beneficiary, that:

1. The Beneficiary is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and Beneficiary under the Letter of Credit and is making this demand for payment of the principal of and interest on the Notes in accordance with the Issuing and Paying Agent Agreement, which amount is payable on _____ (the “*Payment Date*”).

2. The following amounts are owed on Notes maturing on the Payment Date [complete as appropriate]

(a) \$_____ constitutes the principal of Notes; and

(b) \$_____ constitutes interest on Notes.

3. Demand is hereby made under the Letter of Credit for \$_____, which amount does not exceed the lesser of the sum of the amounts specified in (2) (a) and (b) above and the Stated Amount.

4. The proceeds hereof shall be deposited in the [**Series A Note Fund**][**Series B Note Fund**] (as defined in the Issuing and Paying Agent Agreement) and shall be applied solely to the payment of Notes in accordance with the Issuing and Paying Agent Agreement.

5 (a) Payment of this Drawing Certificate is requested at or before 2:00 p.m. New York time, on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) and (ii) the Business Day on which this Drawing is received by the Bank at or before 11:00 a.m. New York time and in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this Drawing Certificate shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the ____ day of _____, ____.

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

By: _____
Name: _____
Title: _____

EXHIBIT B

CERTIFICATE FOR FINAL DRAWING

Barclays Bank PLC
745 Seventh Avenue
New York, New York 10019
Attention: Letter of Credit Department

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank National Association, as Beneficiary and Issuing and Paying Agent (the “*Beneficiary*”), hereby certifies to Barclays Bank PLC (the “*Bank*”) with respect to the above-referenced Irrevocable Direct Pay Letter of Credit (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Beneficiary, that:

1. The Beneficiary is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Beneficiary under the Letter of Credit and is making this Drawing for amounts sufficient to pay the principal of and interest on the Notes outstanding at their respective maturity in accordance with the Issuing and Paying Agent Agreement. Payment for this demand for payment shall be made on _____ (the “*Payment Date*”).

2. (a) We are in receipt of the written notice from you described in paragraph 1(c) of the Letter of Credit.

(b) The following amounts will be due and owing on the Notes currently outstanding at the respective maturity: [complete as appropriate]

(i) \$_____ constitutes the principal of Notes; and

(ii) \$_____ constitutes interest on Notes.

3. Demand is hereby made under the Letter of Credit for \$_____, which amount does not exceed the lesser of the sum of the amounts specified in 2(b)(i) and (ii) above and the Stated Amount.

4. The proceeds hereof shall be deposited in the [Series A Note Fund][Series B Note Fund] (as defined in the Issuing and Paying Agent Agreement) and shall be applied solely to the payment of the Notes in accordance with the Issuing and Paying Agent Agreement.

5. (a) Payment of this Drawing Certificate is requested at or before 2:00 p.m. New York time, on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) and (ii) the Business Day on which this Drawing is received by the Bank at or before 11:00 a.m. New York time and in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this Drawing Certificate shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

6. The Letter of Credit shall be returned to the Bank upon our receipt of payment of this demand for payment and no additional amounts shall be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the ____ day of _____, ____.

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

By: _____
Name: _____
Title: _____

EXHIBIT C

CERTIFICATE REGARDING REDUCTION OF STATED AMOUNT

Barclays Bank PLC
745 Seventh Avenue
New York, New York 10019
Attention: Letter of Credit Department

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank National Association, as Beneficiary and Issuing and Paying Agent (the “*Beneficiary*”), hereby certifies to Barclays Bank PLC (the “*Bank*”) with respect to the above-referenced Irrevocable Direct Pay Letter of Credit (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent, that:

1. The Applicant has instructed the Beneficiary to reduce the Stated Amount of the Letter of Credit.

2. The Principal Portion shall be reduced by an amount equal to \$_____ and the Interest Portion shall be reduced by \$_____ which is 270 days’ interest at 12% per annum (based on a year of 365 days) on the amount of the reduction in the Principal Portion.

3. Pursuant to paragraph 3 of the Letter of Credit, the Stated Amount shall be reduced automatically by \$_____, such reduction to be allocated so that the Principal Portion and the Interest Portion of the Stated Amount are reduced by the amounts stated in paragraph 2, upon receipt by the Bank of this Certificate.

4. In connection with the delivery of this Certificate, the Issuing and Paying Agent hereby represents that the Stated Amount of the Letter of Credit shall not be reduced below the principal amount of Notes outstanding plus 270 days’ of interest at 12% per annum based on a year of 365 days.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of
the ____ day of _____, ____.

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

By: _____
Name: _____
Title: _____

EXHIBIT D

TERMINATION CERTIFICATE

Barclays Bank PLC
745 Seventh Avenue
New York, New York 10019
Attention: Letter of Credit Department

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank National Association, as Beneficiary and Issuing and Paying Agent (the “*Beneficiary*”), hereby certifies to Barclays Bank PLC (the “*Bank*”) with respect to the above-referenced Irrevocable Direct Pay Letter of Credit (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Beneficiary, that all outstanding Notes have been paid in full in accordance with the Issuing and Paying Agent Agreement, and that the Beneficiary has been instructed by the Applicant to terminate the Letter of Credit.

This Certificate is being delivered to terminate the Letter of Credit, the original of which is attached hereto and being surrendered to you herewith.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of
the ____ day of _____, ____.

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

By: _____
Name: _____
Title: _____

EXHIBIT E

TERMINATION CERTIFICATE—ALTERNATE CREDIT FACILITY

Barclays Bank PLC
745 Seventh Avenue
New York, New York 10019
Attention: Letter of Credit Department

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank National Association, as Beneficiary and Issuing and Paying Agent (the “*Beneficiary*”), hereby certifies to Barclays Bank PLC (the “*Bank*”) with respect to the above-referenced Irrevocable Direct Pay Letter of Credit (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Beneficiary, that the conditions precedent to the acceptance of an Alternate Credit Facility (as defined in the Indenture) as provided in Section 6.09 of the Subordinate Indenture, dated as of September 1, 2019 (the “*Indenture*”), between the Applicant and U.S. Bank National Association, as trustee, have been satisfied, all Drawings made under the Letter of Credit and in strict conformity therewith have been paid and that the Beneficiary has been instructed by the Applicant to terminate the Letter of Credit.

This Certificate is being delivered to terminate the Letter of Credit, the original of which is attached hereto and being surrendered to you herewith.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of
the ____ day of _____, ____.

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

By: _____

Name: _____

Title: _____

EXHIBIT F

NOTICE OF TRANSFER

[DATE]

Barclays Bank PLC
745 Seventh Avenue
New York, New York 10019
Attention: Letter of Credit Department

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("*Credit*") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee) "*Transferee*"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

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

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form

and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

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

Transferor represents and warrants that (a) the Transferee is the Transferor's successor as Issuing and Paying Agent under the Issuing and Paying Agent Agreement, (b) the enclosed Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred

The Effective Date of this Transfer shall be the date hereafter on which Transferring Bank effects such transfer by giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

Following the Bank's receipt of this request accompanied by the original Letter of Credit and the Beneficiary's authenticated SWIFT message validating the signatures appearing below, the Effective Date of the transfer shall be the date hereafter on which the Bank endorses the Letter of Credit and forwards the same to the Transferee as successor beneficiary.

(SIGNATURE PAGE FOLLOWS)

This Transfer is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

EXHIBIT G

NOTICE OF EXTENSION

[DATE]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Global Corporate Trust

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds),
Series A and Series B

Irrevocable Direct Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of Barclays Bank PLC (the “*Bank*”), hereby advises you, with respect to the above-referenced Irrevocable Direct Pay Letter of Credit No. [_____] dated September 12, 2019 (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in your favor, that:

1. At the request and for the account of the Applicant, we hereby extend the date referenced in paragraph 1(a) of the Letter of Credit (as such date may have been extended previously from time to time) to _____, 20__.
2. Except as specifically provided in paragraph (1) above, all of the terms and conditions of the Letter of Credit remain unchanged and in full force and effect.
3. This Notice of Extension shall be and constitute part of the Letter of Credit.
4. This Notice of Extension may be executed in one or more counterparts which together shall constitute a single instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice of Extension as of the ____ day of _____, 20__.

BARCLAYS BANK PLC

By:_____

Name:_____

Title:_____

Contract Summary Sheet

General Contract Information

Contract No: 20-1002256 Amendment No.: _____ Sole Source? No

Vendor No.: 03508 Vendor/Customer Name: Barclays Bank PLC

Description: Fee for Bank Credit Services for letter of credit for Commercial Paper Program

Estimated Start Date: 9/4/2019 Expiration Date: 9/4/2023 Revised Expiration Date: _____

List Any SBCTA Related Contracts Nos.: 19-1002086 and (19-1002122, 19-1002123, 20-1002269)

Dollar Amount							
Original Contract		\$	1,600,000.00	Original Contingency		\$	-
Prior Amendments		\$	-	Prior Amendments		\$	-
Current Amendment		\$	-	Current Amendment		\$	-
Total/Revised Contract Value		\$	1,600,000.00	Total Contingency Value		\$	-
	Total Dollar Authority (Contract Value and Contingency)					\$	1,600,000.00

Contract Authorization

Board of Directors _____ Date: 9/4/2019 _____ Committee _____ Item # _____

Contract Management (Internal Purposes Only)

Payable				Other Contracts				Administrative Budget Adjustment			
Accounts Payable											
Total Contract Funding: \$								1,600,000.00			
GL:	2080	40	0860	0827	52150	42106802	1,381,068.00				
GL:	6010	40	0860	0827	52150	48005007	178,932.00				
GL:	2080	40	0860	0827	52150	42106802	35,412.00				
GL:	6010	40	0860	0827	52150	48005007	4,588.00				
GL:							-				
GL:							-				
GL:							-				
GL:							-				
GL:							-				
GL:							-				
GL:							-				
GL:							-				
GL:							-				
GL:							-				

Accounts Receivable									
Total Contract Funding: \$					-	Reversion Date: _____			
Funding Agreement No: _____									
GL									-
GL									-
GL									-
GL									-
GL									-

Beatriz Valdez

Hilda Flores

Project Manager (Print Name)

Task Manager (Print Name)

Additional Notes: Costs for the letter of credit of \$100 million at 39 basis points per year, plus estimated draw fees, transfer fees and other miscellaneous expenses of \$40,000 based on fee agreement rates. Related contract # 19-1002086 is the main agreement and this contract is an exhibit of contract 19-1002086; therefore a contract amendment must take place at the same time. The other related contracts in parenthesis performed services related to the LOC and most likely will need an amendment at the same time.

20-1002256 Barclays Fee Agreement

For copies of the 20-1002256 Fee Agreement please submit a written request to the SBCTA Clerk of the Board, or submit a public information request on our website at: <http://www.gosbcta.com/news-resources/contact-us.html>.

Contract Summary Sheet

General Contract Information

Contract No: 19-1002122 Amendment No.: _____ Sole Source? No

Vendor No.: 03549 Vendor/Customer Name: BOFA SECURITIES, INC.

Description: Fee for services performed as dealer of commercial paper

Estimated Start Date: 9/4/2019 Expiration Date: 9/4/2023 Revised Expiration Date: _____

List Any SBCTA Related Contracts Nos.: 19-1002123, 19-1002086, 20-1002256, 20-1002269

Dollar Amount							
Original Contract		\$	100,000.00	Original Contingency		\$	-
Prior Amendments		\$	-	Prior Amendments		\$	-
Current Amendment		\$	-	Current Amendment		\$	-
Total/Revised Contract Value		\$	100,000.00	Total Contingency Value		\$	-
	Total Dollar Authority (Contract Value and Contingency)					\$	100,000.00

Contract Authorization

Board of Directors _____ Date: 9/4/2019 _____ Committee _____ Item # _____

Contract Management (Internal Purposes Only)

Payable							Other Contracts							Administrative Budget Adjustment																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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Accounts Receivable			
Total Contract Funding: \$		-	
Funding Agreement No: _____		Reversion Date: _____	
GL:	-	GL:	-
GL:	-	GL:	-
GL:	-	GL:	-
GL:	-	GL:	-
GL:	-	GL:	-

Beatriz Valdez _____ Hilda Flores _____

Project Manager (Print Name) Task Manager (Print Name)

Additional Notes: Fee for dealer is .05% (.0005 times) principal amount of Series A notes outstanding. Amount is calculated at \$50 million times .05% by four years. Related contracts are for the letter of credit or provide services related to the letter of credit (19-1002086), if an amendment is taking place please verify that if the rest of the contracts need to be amended too. (* Vendor ID in process.)

**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SUBORDINATE SALES TAX REVENUE COMMERCIAL PAPER NOTES
(LIMITED TAX BONDS), SERIES A
COMMERCIAL PAPER DEALER AGREEMENT**

This COMMERCIAL PAPER DEALER AGREEMENT, dated as of September ___, 2019 (as supplemented and amended hereafter, this “Agreement”), is entered into by and between the San Bernardino County Transportation Authority (the “Issuer”) and BofA Securities, Inc. (the “Dealer”).

WHEREAS, the Issuer proposes to issue up to \$50,000,000 of its Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the “Series A Notes”) and up to up to \$50,000,000 of its Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the “Series B Notes,” and, together with the Series A Notes, the “Notes”) pursuant to an Subordinate Indenture, dated as of September 1, 2019 (as supplemented and amended hereafter, the “Subordinate Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) and an Issuing and Paying Agent Agreement, dated as of September 1, 2019 (as supplemented and amended hereafter, the “Issuing and Paying Agent Agreement”), by and between the Issuer and U.S. Bank National Association (the “Issuing and Paying Agent”), as such agreement may be modified, amended or otherwise supplemented from time to time;

WHEREAS, payment of the principal of and interest on the Notes will be supported by an Irrevocable Direct Pay Letter of Credit (the “Credit Facility”) issued by Barclays Capital Inc. (including its successors and assigns, the “Credit Provider”) with a stated principal amount of \$100,000,000 and up to \$8,876,713 of accrued interest; and

WHEREAS, the Dealer has agreed to act as a Dealer for the Series A Notes and to perform the duties imposed upon the Dealer with respect to the Series A Notes by the Indenture, the Issuing and Paying Agent Agreement and this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants made herein, and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

Section 1. Definitions. Each capitalized term not otherwise defined herein shall have the same meaning given to that term in the Indenture or, to the extent not defined in the Subordinate Indenture, the Issuing and Paying Agent Agreement.

“Authorized Representatives” shall mean the officers or employees of the Issuer authorized to act on behalf of the Issuer to effect the sale of the Notes.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Financing Documents” shall mean this Agreement, the Subordinate Indenture, the Issuing and Paying Agent Agreement, the Credit Facility, and the Notes, together with any other agreements executed and delivered by the Issuer in connection with the issuance or sale of the

Notes, and the resolution adopted by the Issuer authorizing the execution and delivery by the Issuer of thereof.

“Note Counsel” shall mean Orrick, Herrington & Sutcliffe LLP, counsel to the Issuer.

“Offering Memorandum” shall mean the Offering Memorandum, dated September __, 2019, relating to the Notes, as may be supplemented, updated or amended.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Trust Indenture Act” shall mean the Trust Indenture Act of 1939, as amended.

Section 2. Appointment of the Dealer. Subject to the terms and conditions set forth in this Agreement, the Issuer hereby appoints the Dealer as its exclusive dealer for the Series A Notes, and the Dealer hereby accepts such appointment and agrees to perform the duties and obligations imposed upon it as a Dealer under this Agreement. The Dealer acknowledges that the Issuer intends to conduct a regular evaluation of the Dealer. Such evaluation will consider, among other things, an analysis of interest rates on the Notes allocated hereunder and managed by the Dealer in comparison to the interest rates provided by other dealers. The Dealer hereby agrees that it will comply with all statutes and regulations applicable to it, including without limitation, all applicable securities laws and requirements of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or any regulatory body having jurisdiction over the Dealer, non-compliance with which would adversely affect the Notes or the Issuer.

Section 3. Issuance, Sale and Purchase of Notes.

(a) The Dealer acknowledges that the terms and conditions of the Series A Notes are set forth in the Subordinate Indenture and the Issuing and Paying Agent Agreement and that, in particular, (i) the Series A Notes shall be issued in an aggregate principal amount not to exceed \$50,000,000 outstanding at any time; (ii) no Notes may be outstanding beyond five (5) days prior to the Credit Facility Expiration Date (as defined in the Subordinate Indenture, or beyond the Sales Tax Expiration Date (as defined in the Subordinate Indenture, or beyond thirty (30) years from the date of initial issuance of Notes of such Series; (iii) each of the Series A Notes shall: (A) be issued in the denomination of \$100,000 or any integral multiple of \$1,000 in excess of \$100,000; (B) have maturities not exceeding 270 days from the date of issue, but in all events maturing not less than five (5) days before the applicable expiration date of the Credit Facility; (C) not contain any condition of redemption or right to prepay; and (D) bear such interest rates, if interest bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer, as set forth in Section 4 below, subject to the terms and conditions set forth in the Subordinate Indenture and the Issuing and Paying Agent Agreement. Notwithstanding anything to the contrary herein, to the extent of any conflict between the provisions hereof and of the Subordinate Indenture and Issuing and Paying Agent Agreement, the provisions of the Subordinate Indenture or Issuing and Paying Agent Agreement, as applicable, shall be controlling.

(b) The Dealer shall use its best efforts to solicit and arrange sales of the Series A Notes at such rates (subject to any limitations set forth in the Subordinate Indenture or the Issuing and Paying Agent Agreement) and maturities as may prevail from time to time in the commercial paper market; provided, however, the Dealer shall have no obligation to purchase Series A Notes for its own account from the Issuer. The Dealer agrees to use its best efforts to notify the Issuer if for any reason it believes that it will not be able to sell the Notes not later than 10:00 a.m. (New York, New York time) on the dates such Notes are to be issued.

(c) The Dealer and the Issuer agree that any Series A Notes for which the Dealer may arrange the sale, or which the Dealer may purchase, will be sold or purchased on the terms and conditions and in the manner provided in this Agreement, the Subordinate Indenture and the Issuing and Paying Agent Agreement. The Dealer agrees that it shall not arrange the sale of or purchase any Series A Notes following the receipt by it of written notice from the Issuer or the Issuing and Paying Agent pursuant to Section 3.01(a) of the Subordinate Indenture or Section Sections 5(e)(v) and 5(i)(v) of the Issuing and Paying Agent Agreement instructing it not to issue Series A Notes, until such time as provided in the Subordinate Indenture or the Issuing and Paying Agent Agreement, as applicable.

Section 4. Transactions in Series A Notes.

(a) All transactions in Series A Notes between the Dealer and the Issuer shall be in accordance with the Subordinate Indenture and the Issuing and Paying Agent Agreement, and the custom and practice in the commercial paper market to the extent such custom and practice is not inconsistent with the Subordinate Indenture or Issuing and Paying Agent Agreement.

(b) As early as possible, but not later than 11:00 a.m., New York, New York time on the day on which any Series A Notes are to be issued or sold hereunder, the Dealer shall notify the Issuer of the confirmed terms of the maturities, prices and interest rates (which interest rates shall not exceed 12% per annum) at which the Dealer has purchased and/or will arrange the sale of the Series A Notes, as applicable, and the Dealer shall provide the Issuer with any other information required for the Issuer, the Issuing and Paying Agent, the Trustee or the Dealer to deliver such Series A Notes under the terms and conditions of the Subordinate Indenture and the Issuing and Paying Agent Agreement. As long as the terms of the Series A Notes conform to the direction from the Issuer in any standing letter of instructions then in effect, the Dealer shall not be required to obtain additional direction or confirmation from the Issuer. In the absence of any standing letter of instructions, the Issuer must confirm the terms of the transactions proposed by the Dealer. Such confirmation or notification shall be delivered electronically or by telephone to the Issuer and the Issuing and Paying Agent in the Dealer's customary manner.

(c) Not later than 12:00 noon, New York, New York time on the day of each transaction, the Dealer shall, absent a standing letter of instructions, confirm each transaction, if any, made with or arranged by the Dealer. Such confirmation shall be delivered electronically or by telephone to the Issuer and the Issuing and Paying Agent in the Dealer's customary manner.

Section 5. Payment and Delivery of the Series A Notes. The Dealer shall pay for the Series A Notes, if any, purchased by the Dealer or sold by the Dealer in immediately available funds in the manner provided for in the Issuing and Paying Agent Agreement not later

than 12:00 noon (New York, New York time) on the business day such Series A Notes are delivered to the Dealer. All Series A Notes will be delivered to The Depository Trust Company in accordance with the Issuing and Paying Agent Agreement.

Section 6. Offering Memorandum.

(a) The Issuer will prepare or cause to be prepared and distribute to investors and potential investors in the Series A Notes the Offering Memorandum containing information about the Issuer in form and substance reasonably acceptable to the Dealer. The Dealer shall not provide prospective or actual purchasers of the Notes with any written offering materials, disclosure documents or other documents or information in connection with the solicitation of purchases and sales of the Notes other than the Offering Memorandum and any supplements, amendments or updates thereto and the Issuing and Paying Agent Agreement, the Subordinate Indenture the Letter of Credit or the Reimbursement Agreement, as the same may be amended, supplemented or replaced from time to time.

(b) If it is reasonably determined by the Dealer that updating or supplementing of the Offering Memorandum is necessary to ensure that the Offering Memorandum and the ongoing offer and sale of Series A Notes thereunder comply with federal or state securities laws, the Issuer will promptly update the Offering Memorandum in form and substance reasonably satisfactory to the Dealer.

(c) Upon the request of the Dealer, the Issuer will promptly prepare and distribute an updated Offering Memorandum with respect to the Series A Notes; provided that the Issuer shall not be required to prepare an amended Offering Memorandum more than once every 24 months unless an update to the Offering Memorandum or the offer and sale of the Series A Notes is necessary (in the reasonable determination of the Dealer) to comply with applicable law, including, without limitation, SEC Rule 10b-5 under the Exchange Act.

(d) In connection with any amendment, update or supplement of the Offering Memorandum relating to Series A Notes issued subsequent to the initial issuance of the Series A Notes, the Issuer agrees to provide, on the date of the issuance and sale of the Series A Notes to which such Offering Memorandum relates: (i) a certificate of an Authorized Representative of the Issuer (in form and substance reasonably satisfactory to the Dealer) as of the date of such amendment, update or supplement of the Offering Memorandum to the effect that the Offering Memorandum, as so amended, updated or supplemented, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) an opinion of Note Counsel (as hereinafter defined) (in form and substance reasonably satisfactory to the Dealer), dated as of the date of such amendment, update or supplement, to the effect that (A) any descriptions of any of the Financing Documents (as hereinafter defined) contained in the Offering Memorandum, as so amended, updated or supplemented, are true and correct in all material respects (or words of similar import).

Section 7. Deliverable Obligations of Issuer. The Issuer agrees that, on or prior to the date Series A Notes are first issued, the Issuer shall deliver to the Dealer:

(a) A certificate signed by an Authorized Representative of the Issuer (as defined in the Issuing and Paying Agent Agreement): (i) setting forth a list of the Authorized Representatives, (ii) certifying as to the incumbency of those Authorized Representatives authorized to sign Series A Notes on the Issuer's behalf and containing the true signatures of each of such persons (it being agreed that the Dealer may rely upon such authorization until otherwise notified in writing by the Issuer), and (iii) certifying as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained herein, contained in the Subordinate Indenture and contained in the other Financing Documents;

(b) An opinion of Note Counsel, addressed to the Dealer, that is in form and substance satisfactory to the Dealer;

(c) Opinions of counsel to the Issuer and the Credit Provider, addressed to the Dealer, that are in form and substance satisfactory to the Dealer;

(d) A copy of the executed Subordinate Indenture, Issuing and Paying Agent Agreement, the Notes and the Credit Facility, as then in effect;

(e) A copy of the resolution adopted by the Issuer, satisfactory in form and substance to the Dealer and certified by an Authorized Representative, authorizing execution and delivery by the Issuer of the Financing Documents; and

(f) Such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

Section 8. Representations and Warranties of the Issuer. The Issuer represents and warrants to the Dealer as of the date hereof, and as of the date of each issuance of Series A Notes (except for such representations and warranties that speak as of a certain date), as follows:

(a) The Issuer is a public entity duly established and existing under the Authority Act and the laws of the State of California, and any successor thereto.

(b) The Subordinate Indenture is in full force and effect and has not been modified or amended since adoption, and accordingly the Issuer has full power and authority to issue the Series A Notes, to enter into, perform and observe the covenants and agreements on its part contained in the Financing Documents and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents.

(c) The Financing Documents have been duly authorized, executed and delivered by the Issuer. The Financing Documents constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights.

(d) The Series A Notes have been duly authorized and executed by the Issuer and, when authenticated and delivered by the Issuing and Paying Agent, will constitute legal, valid

and binding limited obligations of the Issuer enforceable in accordance with their terms, and the terms of the Subordinate Indenture and the Issuing and Paying Agent Agreement, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights.

(e) The issuance and sale of the Series A Notes do not require registration of the Series A Notes under the Securities Act.

(f) The then-current Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) There are no consents, authorizations, permits or approvals of, or filings with, any federal or state government authority (other than the Issuer) required in connection with the issuance or sale by the Issuer of the Series A Notes, the execution and delivery of the Financing Documents and the performance of its obligations thereunder except as may be required by state securities laws (as to which no representation is made) and those which have already been obtained or made.

(h) The adoption of the resolution authorizing the Financing Documents and the execution, delivery and performance by the Issuer of the Financing Documents do not and will not result in a breach or violation of, conflict with, or constitute a default under any constitutional provision, law, regulation, order, consent decree, judgment, agreement, indenture, deed of trust, mortgage or other instrument to which the Issuer is a party or by which the Issuer or any of its property is bound.

(i) There is no action, suit proceeding, inquiry, litigation or governmental proceeding or investigation pending, or to the knowledge of the Issuer threatened, against or affecting the Issuer or its property, and to the best knowledge of the undersigned there is no basis therefor:

(i) which might reasonably be expected to result in a material adverse change in the condition (financial or otherwise), operations or business prospects of the Issuer or in any way affect adversely the ability of the Issuer to perform its obligations under the Financing Documents;

(ii) contesting the validity or enforceability of the Financing Documents; or

(iii) contesting the existence or powers of the Issuer.

(j) At the time of each delivery of Series A Notes to the Dealer, the Issuer shall be deemed to make a representation and warranty, as of the date thereof, that (i) the Series A Notes issued on such date have been duly authorized, validly executed and, when authenticated and delivered by the Issuing and Paying Agent and, upon payment therefor, will constitute legal, valid and binding limited obligations of the Issuer enforceable in accordance with their terms, and the terms of the Subordinate Indenture and the Issuing and Paying Agent Agreement, subject

to general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights, and (ii) the representations and warranties of the Issuer set forth in this Section 8 are true and correct as if made as of such date.

Section 9. Covenants and Agreements of the Issuer. The Issuer covenants and agrees that:

(a) The Issuer will immediately notify the Dealer (i) if any event shall have occurred or information shall become known to the Issuer as a result of which (A) the Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (B) any representation or warranty of the Issuer under any of the Financing Documents is or would become false in any material respect, (ii) of any material fact that the Issuer is aware of that may affect the issuance, offering or sale of the Series A Notes or the marketability of the Series A Notes including, but not limited to (A) any material change in the financial condition of the Issuer, (B) any reduction or threatened reduction (by way of credit watch or similar rating agency action) in the ratings of the Series A Notes, (C) any adverse change in the tax treatment of interest on the Series A Notes received by the holders of the Series A Notes or (D) any other material adverse change that may affect the issuance, offer and sale of the Series A Notes or any fact or circumstance which constitutes, or with the passage of time would constitute, an event of default under the Financing Documents and (iii) any proposed action the taking of which requires an opinion of Note Counsel as to the tax status of any Series A Notes under any Financing Document.

(b) The Issuer will not permit to become effective any amendment to or modification of the Subordinate Indenture or the Financing Documents except in compliance with the terms thereof. The Issuer will give the Dealer notice of any proposed amendment to or modification of the Subordinate Indenture or the Financing Documents prior to the effective date thereof.

(c) The Issuer will provide to the Dealer as soon as the same shall be publicly available, which shall not be later than 270 days after the end of the Issuer's fiscal year, copies of the Issuer's annual audited financial statements and such additional information concerning the operations and financial condition of the Issuer as the Dealer may from time to time reasonably request. The posting of such financial statements to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) site shall satisfy the Issuer's obligation under this Section 9(c).

(d) The Issuer shall furnish such information, execute such instruments and take such other action in cooperation with the Dealer as the Dealer may reasonably request in order (i) to qualify the Series A Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Dealer may designate and (ii) to determine the eligibility of the Series A Notes for investment under the laws of such states and other jurisdictions, and will use commercially reasonable efforts to continue such qualification under clause (i) in effect so long as required for distribution of the Series A Notes by the Dealer; provided, however, that in no event shall the Issuer be required to consent to suit

or to service of process in any jurisdiction or to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject.

(e) The Issuer will not sell Series A Notes to the Dealer in the event that legal opinions provided by Note Counsel delivered in connection with the initial issuance of the Series A Notes have been withdrawn, adversely modified or retracted.

(f) The Issuer will take all actions within its control necessary to maintain the exclusion of interest on the Series A Notes from the gross income of the holders thereof for federal income tax purposes.

(g) The Issuer will not effect any credit or liquidity facility substitution pursuant to Section 6.09 of the Subordinate Indenture on any day other than a day when all Series A Notes mature or on a day on which no Series A Notes are then outstanding.

Section 10. Fees and Expenses.

(a) For the services to be performed by the Dealer under this Agreement, the Issuer agrees to pay the Dealer during each calendar year a fee equal to 0.05% of the principal amount of each of the Series A Notes outstanding sold by the Dealer calculated as follows: 0.0005 times the principal amount of the Series A Notes outstanding times the number of days such Series A Notes shall be outstanding, divided by 365 or 366 days (as appropriate); payable quarterly in arrears commencing on October 1, 2019 and on the first Business Day of each January, April, July and October thereafter.

(b) The Issuer will pay all expenses of delivering Series A Notes and reimburse the Dealer for all out-of-pocket expenses incurred by it as Dealer in connection with the provision of its services hereunder, including reasonable counsel fees and disbursements.

Section 11. Termination or Suspension. In addition to the provisions of Section 12 (entitled “Resignation and Removal of the Dealer”) hereof, the Dealer shall have the right in its sole discretion to immediately terminate or suspend its obligations under this Agreement at any time by notifying the Issuer in writing or by electronic means of its election to do so if the Dealer reasonably determines that one or more of the following events has occurred:

(a) any one or more of the Issuer’s representations and warranties made hereunder is not true and correct in any material respect;

(b) the Issuer has breached one or more of its covenants, agreements or obligations under this Agreement in any material respect;

(c) the Issuer shall fail to observe any of its covenants or agreements made under the Financing Documents in any material respect;

(d) any event shall occur or information shall become known, which, at any time, in the Dealer’s reasonable opinion, makes untrue, incorrect, incomplete or misleading in any material respect any statement or information contained in the then-current Offering Memorandum relating to the Series A Notes, as the information contained therein has been

supplemented or amended, or causes such Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement or a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that this shall only be a termination event if the Issuer refuses to amend or supplement the Offering Memorandum;

(e) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Series A Notes which, in the reasonable judgment of the Dealer, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Series A Notes) or the interest thereon, or any tax exemption granted or authorized by State of California legislation;

(f) legislation shall have been introduced in or enacted by any committee for passage by either house of the Congress or by any body of the State legislature of the State of California or recommended for passage by the President of the United States, or a decision rendered by any federal court or California court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Series A Notes, other securities of the Issuer or obligations of the general character of the Series A Notes are not exempt from registration under the Securities Act, or that the Subordinate Indenture is not exempt from qualification under the Trust Indenture Act;

(g) a stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Series A Notes, including any underlying obligations, or the execution and delivery of any document relating to the issuance, as contemplated hereby or by the Offering Memorandum, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the Securities Act, the Exchange Act or the Trust Indenture Act, each as amended and as then in effect;

(h) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the

Series A Notes, or the issuance, offering or sale of the Series A Notes, including any or all underlying obligations, as contemplated hereby or by the Offering Memorandum, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(i) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(j) any of the rating agencies then rating the Series A Notes shall either (i) downgrade the short-term ratings assigned to the Series A Notes such that the Series A Notes are not an “Eligible Security” as defined under Rule 2a-7 of the Investment Company Act; or (ii) suspend or withdraw the then current ratings assigned to the Series A Notes;

(k) a general banking moratorium is declared by either federal, New York or California authorities;

(l) the general suspension of trading on any national securities exchange;

(m) an actual or imminent default or a moratorium in respect of payment of any United States Treasury bills, bonds or Series A Notes, the effect of which in the Dealer’s judgment makes it impracticable to market the Series A Notes or to enforce contracts for the sale of the Series A Notes;

(n) there shall have occurred any new outbreak of hostilities or any material escalation in any present hostilities or other new national or international calamity, crisis or terrorist activity, the effect of such outbreak, escalation, calamity, crisis or terrorist activity on the operation of the government or financial markets of the United States, in the judgment of the Dealer, is to materially adversely affect the marketability of the Series A Notes;

(o) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(p) an “event of default” shall have occurred and be continuing under any of the Financing Documents;

(q) the Issuer shall fail to pay, or cause to be paid, when due, or shall declare a moratorium on the payment of, or shall repudiate its obligations under, any Series A Notes or any of its bonds or other evidences of indebtedness;

(r) a court of competent jurisdiction shall have entered a final, nonappealable order or judgment that any Series A Notes or any of the Issuer’s other outstanding bonds, notes or indebtedness, or obligations securing any bonds or notes (including, without limitation, the Series A Notes) or other indebtedness are illegal or unenforceable;

(s) in the reasonable judgment of the Dealer, the market price or marketability of the Series A Notes or the ability of the Dealer to enforce contracts for the sale of Series A Notes

shall have been materially adversely affected by an amendment of or supplement to the Offering Memorandum, notwithstanding the Dealer's approval or consent of such amendment or supplement prior to its distribution;

(t) there is any material adverse change in the affairs (whether financial or otherwise) of the Credit Provider or the Issuer which, in the sole judgment of the Dealer, makes it impractical or inadvisable to proceed with the remarketing of the Bonds as contemplated by this Agreement and by the Offering Memorandum;

(u) the expiration or termination of the Credit Facility unless it is being replaced by an alternate or substitute credit facility or liquidity facility acceptable to the Dealer; or

(v) any litigation shall be instituted, pending or threatened contesting the existence or powers of the Issuer or the Credit Provider.

Section 12. Resignation and Removal of the Dealer. The Dealer may at any time resign and be discharged of its duties and obligations hereunder upon providing the Issuer with sixty days (60) days' prior written notice. The Dealer may be removed at any time by the Issuer not earlier than (30) days following written confirmation by the Dealer of a written notice by the Issuer exercising its right of removal. Upon resignation or removal of the Dealer, the Issuer shall promptly cause the Issuing and Paying Agent to give notice thereof to all holders of the Series A Notes and to any rating agency which has assigned a rating to the Series A Notes.

Section 13. Dealing in Series A Notes by the Dealer.

(a) The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series A Notes, including, without limitation, any Series A Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any owner of the Series A Notes may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, account party, or agent for any committee or body of owners of the Series A Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall be deemed to characterize the Dealer as an underwriter of the Series A Notes or to obligate the Dealer to purchase any Series A Notes for its own account at any time.

(c) While the Dealer has and shall have no obligation to purchase the Series A Notes from the Issuer or to arrange any sale of the Series A Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Series A Notes from the Issuer, or arranges for the sale of Series A Notes by the Issuer, such Series A Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein and in the Subordinate Indenture or made pursuant hereto and on the terms and conditions and in the manner provided herein and in the Subordinate Indenture and the Issuing and Paying Agent Agreement.

Section 14. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the transactions contemplated by this Agreement are arm's length, commercial transactions between the Issuer and the Dealer in which the Dealer is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and that the Dealer has financial and other interests that differ from those of the Issuer; (ii) the Dealer has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Dealer has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Dealer has to the Issuer with respect to the transactions contemplated hereby expressly are set forth in this Dealer Agreement; and (iv) the Issuer has consulted its own municipal, legal, accounting, tax, financial and other advisors, as applicable to the extent it has deemed appropriate.

Section 15. Term of Agreement. This Agreement shall become effective on the date hereof and shall continue in full force and effect until terminated pursuant to the terms hereof. Notwithstanding any provision of the Financing Documents or this Agreement to the contrary, the provisions of Section 10 ("Fees and Expenses") hereof and the obligations of the Issuer and the Dealer thereunder shall survive any termination or expiration of this Agreement under Section 11 ("Termination or Suspension"), Section 12 ("Resignation and Removal of the Dealer") or this Section 15.

Section 16. Governing Law. This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402); provided, however, that the existence, capacity, authority and obligations of the Issuer shall be governed by, and construed and interpreted in accordance with, the laws of the State of California.

Section 17. Waiver of Trial by Jury. (a) To the extent permitted by law, ANY RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM, ACTION OR PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF, OR RELATING TO, THIS AGREEMENT ARE EXPRESSLY AND IRREVOCABLY WAIVED BY THE PARTIES HERETO.

Section 18. Miscellaneous.

(a) The Issuer acknowledges and agrees that the Dealer shall have no obligation under this Agreement to provide any services, provide any advice or take any other action to the extent that the Dealer determines, in its sole discretion, would cause the Dealer to be considered a "municipal advisor" as defined under Section 15B of the Exchange Act and SEC Rule 15Ba1-1.

(b) Except as otherwise specifically provided herein, all notices, demands and formal actions under this Agreement shall be in writing and either (i) hand delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid. Any such notice shall be effective when received at the address specified below for the

intended recipient (or at such other address as such recipient may designate from time to time by notice to the other party).

The Issuer:

San Bernardino County Transportation Authority
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715
Attention: Chief Financial Officer
Telephone: (909) 884-8276
Fax: (909) 885-4407

The Dealer:

BofA Securities, Inc.
One Bryant Park, Ninth Floor
New York, New York 10036
Attention: Tax Exempt Money Market Desk
Telephone: 212-449-5101
Facsimile: 646-736-6960
Email: DG.TEMM@BAML.COM

(c) This Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. The terms “successors” and “assigns” shall not include any purchaser of any of the Series A Notes merely because of such purchase. No Holder or other third party shall have any rights or privileges hereunder.

(d) The Issuer and the Dealer hereby agree that the Dealer may, with prior written notice to the Issuer, assign its rights and obligations under this Agreement to any other wholly-owned subsidiary of Bank of America Corporation to which all or substantially all of the Dealer’s municipal markets business may be transferred following the date of this Agreement.

(e) All of the representations and warranties of the Issuer and the Dealer contained herein shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or the Issuer; (ii) the offering and sale of and any payment for any Series A Notes hereunder; or (iii) the termination or cancellation of this Agreement.

(f) This Agreement and each provision hereof shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by each of the parties hereto.

(g) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(h) This Agreement may be executed in several counterparts, each of which shall be regarded as an original but all of which shall constitute one and the same document.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date hereof.

**SAN BERNARDINO COUNTY TRANSPORTATION
AUTHORITY**

By: _____
[Title]

BOFA SECURITIES, INC.

By: _____
[Title]

EXHIBIT A

EXAMPLE OF WRITTEN INSTRUCTIONS

[Date]

BofA Securities, Inc.
One Bryant Park, Ninth Floor
New York, New York 10036
Attention: [_____]

Re: San Bernardino County Transportation Authority Subordinate Sales Tax Revenue
Commercial Paper Notes (Limited Tax Bonds), Series A (the "Series A Notes")

Dear [_____]:

This letter agreement will serve to confirm the understanding of the parties hereto regarding the instructions and parameters concerning the issuance of Series A Notes. San Bernardino County Transportation Authority (the "Issuer") hereby instructs BofA Securities, Inc. (the "Dealer") to arrange for the sale of Series A Notes without any additional confirmation from the Issuer, pursuant to the following terms: (i) the interest rates on the Series A Notes shall be 12% or less; (ii) the Series A Notes shall mature up to 270 days after their date of issuance; (iii) the par amount of Series A Notes issued on any day shall not exceed the amount of Series A Notes maturing on such day; and (iv) [the Series A Notes may be issued at a discount not to exceed [_____]%.]

These standing instructions shall remain in effect until terminated by either party hereto upon five (5) days notice. If a sale of Series A Notes does not comply with the above parameters, the Dealer shall seek the approval of the Issuer pursuant to the Dealer Agreement, between the Issuer and the Dealer.

If the foregoing is satisfactory, please execute a copy of this letter. This agreement may be executed in counterpart originals.

Very truly yours,

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
[Title]

AGREED AND ACCEPTED:

BOFA SECURITIES, INC.

By: _____
[Title]

Scope of Work
19-1002122 - Dealer A

The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series A Notes, including, without limitation, any Series A Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any owner of the Series A Notes may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depositary, account party, or agent for any committee or body of owners of the Series A Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

The Dealer is not characterized as an underwriter of the Series A Notes or to obligate the Dealer to purchase any Series A Notes for its own account at any time.

While the Dealer has and shall have no obligation to purchase the Series A Notes from the Issuer or to arrange any sale of the Series A Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Series A Notes from the Issuer, or arranges for the sale of Series A Notes by the Issuer, such Series A Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein and in the Subordinate Indenture or made pursuant hereto and on the terms and conditions and in the manner provided herein and in the Subordinate Indenture and the Issuing and Paying Agent Agreement.

Contract Summary Sheet

General Contract Information

Contract No: 19-1002123 Amendment No.: _____ Sole Source? No

Vendor No.: 03550 Vendor/Customer Name: RBC Capital Markets, LLC

Description: Fee for services performed as dealer of commercial paper

Estimated Start Date: 9/4/2019 Expiration Date: 9/4/2023 Revised Expiration Date: _____

List Any SBCTA Related Contracts Nos.: 19-1002122, 19-1002086, 20-1002256, 20-1002269

Dollar Amount							
Original Contract		\$	100,000.00	Original Contingency		\$	-
Prior Amendments		\$	-	Prior Amendments		\$	-
Current Amendment		\$	-	Current Amendment		\$	-
Total/Revised Contract Value		\$	100,000.00	Total Contingency Value		\$	-
		Total Dollar Authority (Contract Value and Contingency)				\$	100,000.00

Contract Authorization

Board of Directors Date: 9/4/2019 Committee Item # _____

Contract Management (Internal Purposes Only)

Payable

Other Contracts

Administrative Budget Adjustment

Accounts Payable													
Total Contract Funding: \$							100,000.00	Total Contingency: \$					-
GL:	6010	40	0860	0827	52150	48005008	100,000.00	GL:					-
GL:								GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-
GL:							-	GL:					-

Accounts Receivable											
Total Contract Funding: \$						-	Reversion Date: _____				
Funding Agreement No: _____											
GL:						-	GL:				-
GL:						-	GL:				-
GL:						-	GL:				-
GL:						-	GL:				-
GL:						-	GL:				-

Beatriz Valdez

Hilda Flores

Project Manager (Print Name)

Task Manager (Print Name)

Additional Notes: Fee for dealer is .05% (.0005 times) principal amount of Series A notes outstanding. Amount is calculated at \$50 million times .05% by four years. This contract provides services related to the letter of credit contract #19-1002086, if an amendment to this contract is taking place please verify if the other contracts need to be amended too.

**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SUBORDINATE SALES TAX REVENUE COMMERCIAL PAPER NOTES
(LIMITED TAX BONDS), SERIES B
COMMERCIAL PAPER DEALER AGREEMENT**

This COMMERCIAL PAPER DEALER AGREEMENT, dated as of September ___, 2019 (as supplemented and amended hereafter, this “Agreement”), is entered into by and between the San Bernardino County Transportation Authority (the “Issuer”) and RBC Capital Markets, LLC (the “Dealer”).

WHEREAS, the Issuer proposes to issue up to \$50,000,000 of its Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the “Series A Notes”) and up to up to \$50,000,000 of its Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the “Series B Notes,” and, together with the Series A Notes, the “Notes”) pursuant to an Subordinate Indenture, dated as of September 1, 2019 (as supplemented and amended hereafter, the “Subordinate Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) and an Issuing and Paying Agent Agreement, dated as of September 1, 2019 (as supplemented and amended hereafter, the “Issuing and Paying Agent Agreement”), by and between the Issuer and U.S. Bank National Association (the “Issuing and Paying Agent”), as such agreement may be modified, amended or otherwise supplemented from time to time;

WHEREAS, payment of the principal of and interest on the Notes will be supported by an Irrevocable Direct Pay Letter of Credit (the “Credit Facility”) issued by Barclay Bank PLC (including its successors and assigns, the “Credit Provider”) with a stated principal amount of \$100,000,000 and up to \$8,876,713 of accrued interest; and

WHEREAS, the Dealer has agreed to act as a Dealer for the Series B Notes and to perform the duties imposed upon the Dealer with respect to the Series B Notes by the Indenture, the Issuing and Paying Agent Agreement and this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants made herein, and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

Section 1. Definitions. Each capitalized term not otherwise defined herein shall have the same meaning given to that term in the Indenture or, to the extent not defined in the Subordinate Indenture, the Issuing and Paying Agent Agreement.

“Authorized Representatives” shall mean the officers or employees of the Issuer authorized to act on behalf of the Issuer to effect the sale of the Notes.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Financing Documents” shall mean this Agreement, the Subordinate Indenture, the Issuing and Paying Agent Agreement, the Credit Facility, and the Notes, together with any other agreements executed and delivered by the Issuer in connection with the issuance or sale of the

Notes, and the resolution adopted by the Issuer authorizing the execution and delivery by the Issuer of thereof.

“Note Counsel” shall mean Orrick, Herrington & Sutcliffe LLP, counsel to the Issuer.

“Offering Memorandum” shall mean the Offering Memorandum, dated September __, 2019, relating to the Notes, as may be supplemented, updated or amended.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Trust Indenture Act” shall mean the Trust Indenture Act of 1939, as amended.

Section 2. Appointment of the Dealer. Subject to the terms and conditions set forth in this Agreement, the Issuer hereby appoints the Dealer as its exclusive dealer for the Series B Notes, and the Dealer hereby accepts such appointment and agrees to perform the duties and obligations imposed upon it as a Dealer under this Agreement. The Dealer acknowledges that the Issuer intends to conduct a regular evaluation of the Dealer. Such evaluation will consider, among other things, an analysis of interest rates on the Notes allocated hereunder and managed by the Dealer in comparison to the interest rates provided by other dealers. The Dealer hereby agrees that it will comply with all statutes and regulations applicable to it, including without limitation, all applicable securities laws and requirements of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or any regulatory body having jurisdiction over the Dealer, non-compliance with which would adversely affect the Notes or the Issuer.

Section 3. Issuance, Sale and Purchase of Notes.

(a) The Dealer acknowledges that the terms and conditions of the Series B Notes are set forth in the Subordinate Indenture and the Issuing and Paying Agent Agreement and that, in particular, (i) the Series B Notes shall be issued in an aggregate principal amount not to exceed \$50,000,000 outstanding at any time; (ii) no Notes may be outstanding beyond five (5) days prior to the Credit Facility Expiration Date (as defined in the Subordinate Indenture, or beyond the Sales Tax Expiration Date (as defined in the Subordinate Indenture, or beyond thirty (30) years from the date of initial issuance of Notes of such Series; (iii) each of the Series B Notes shall: (A) be issued in the denomination of \$100,000 or any integral multiple of \$1,000 in excess of \$100,000; (B) have maturities not exceeding 270 days from the date of issue, but in all events maturing not less than five (5) days before the applicable expiration date of the Credit Facility; (C) not contain any condition of redemption or right to prepay; and (D) bear such interest rates, if interest bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer, as set forth in Section 4 below, subject to the terms and conditions set forth in the Subordinate Indenture and the Issuing and Paying Agent Agreement. Notwithstanding anything to the contrary herein, to the extent of any conflict between the provisions hereof and of the Subordinate Indenture and Issuing and Paying Agent Agreement, the provisions of the Subordinate Indenture or Issuing and Paying Agent Agreement, as applicable, shall be controlling.

(b) The Dealer shall use its best efforts to solicit and arrange sales of the Series B Notes at such rates (subject to any limitations set forth in the Subordinate Indenture or the Issuing and Paying Agent Agreement) and maturities as may prevail from time to time in the commercial paper market; provided, however, the Dealer shall have no obligation to purchase Series B Notes for its own account from the Issuer. The Dealer agrees to use its best efforts to notify the Issuer if for any reason it believes that it will not be able to sell the Notes not later than 10:00 a.m. (New York, New York time) on the dates such Notes are to be issued.

(c) The Dealer and the Issuer agree that any Series B Notes for which the Dealer may arrange the sale, or which the Dealer may purchase, will be sold or purchased on the terms and conditions and in the manner provided in this Agreement, the Subordinate Indenture and the Issuing and Paying Agent Agreement. The Dealer agrees that it shall not arrange the sale of or purchase any Series B Notes following the receipt by it of written notice from the Issuer or the Issuing and Paying Agent pursuant to Section 3.01(a) of the Subordinate Indenture or Section Sections 5(e)(v) and 5(i)(v) of the Issuing and Paying Agent Agreement instructing it not to issue Series B Notes, until such time as provided in the Subordinate Indenture or the Issuing and Paying Agent Agreement, as applicable.

Section 4. Transactions in Series B Notes.

(a) All transactions in Series B Notes between the Dealer and the Issuer shall be in accordance with the Subordinate Indenture and the Issuing and Paying Agent Agreement, and the custom and practice in the commercial paper market to the extent such custom and practice is not inconsistent with the Subordinate Indenture or Issuing and Paying Agent Agreement.

(b) As early as possible, but not later than 11:00 a.m., New York, New York time on the day on which any Series B Notes are to be issued or sold hereunder, the Dealer shall notify the Issuer of the confirmed terms of the maturities, prices and interest rates (which interest rates shall not exceed 12% per annum) at which the Dealer has purchased and/or will arrange the sale of the Series B Notes, as applicable, and the Dealer shall provide the Issuer with any other information required for the Issuer, the Issuing and Paying Agent, the Trustee or the Dealer to deliver such Series B Notes under the terms and conditions of the Subordinate Indenture and the Issuing and Paying Agent Agreement. As long as the terms of the Series B Notes conform to the direction from the Issuer in any standing letter of instructions then in effect, the Dealer shall not be required to obtain additional direction or confirmation from the Issuer. In the absence of any standing letter of instructions, the Issuer must confirm the terms of the transactions proposed by the Dealer. Such confirmation or notification shall be delivered electronically or by telephone to the Issuer and the Issuing and Paying Agent in the Dealer's customary manner.

(c) Not later than 12:00 noon, New York, New York time on the day of each transaction, the Dealer shall, absent a standing letter of instructions, confirm each transaction, if any, made with or arranged by the Dealer. Such confirmation shall be delivered electronically or by telephone to the Issuer and the Issuing and Paying Agent in the Dealer's customary manner.

Section 5. Payment and Delivery of the Series B Notes. The Dealer shall pay for the Series B Notes, if any, purchased by the Dealer or sold by the Dealer in immediately available funds in the manner provided for in the Issuing and Paying Agent Agreement not later

than 12:00 noon (New York, New York time) on the business day such Series B Notes are delivered to the Dealer. All Series B Notes will be delivered to The Depository Trust Company in accordance with the Issuing and Paying Agent Agreement.

Section 6. Offering Memorandum.

(a) The Issuer will prepare or cause to be prepared and distribute to investors and potential investors in the Series B Notes the Offering Memorandum containing information about the Issuer in form and substance reasonably acceptable to the Dealer. The Dealer shall not provide prospective or actual purchasers of the Notes with any written offering materials, disclosure documents or other documents or information in connection with the solicitation of purchases and sales of the Notes other than the Offering Memorandum and any supplements, amendments or updates thereto and the Issuing and Paying Agent Agreement, the Subordinate Indenture the Letter of Credit or the Reimbursement Agreement, as the same may be amended, supplemented or replaced from time to time.

(b) If it is reasonably determined by the Dealer that updating or supplementing of the Offering Memorandum is necessary to ensure that the Offering Memorandum and the ongoing offer and sale of Series B Notes thereunder comply with federal or state securities laws, the Issuer will promptly update the Offering Memorandum in form and substance reasonably satisfactory to the Dealer.

(c) Upon the request of the Dealer, the Issuer will promptly prepare and distribute an updated Offering Memorandum with respect to the Series B Notes; provided that the Issuer shall not be required to prepare an amended Offering Memorandum more than once every 24 months unless an update to the Offering Memorandum or the offer and sale of the Series B Notes is necessary (in the reasonable determination of the Dealer) to comply with applicable law, including, without limitation, SEC Rule 10b-5 under the Exchange Act.

(d) In connection with any amendment, update or supplement of the Offering Memorandum relating to Series B Notes issued subsequent to the initial issuance of the Series B Notes, the Issuer agrees to provide, on the date of the issuance and sale of the Series B Notes to which such Offering Memorandum relates: (i) a certificate of an Authorized Representative of the Issuer (in form and substance reasonably satisfactory to the Dealer) as of the date of such amendment, update or supplement of the Offering Memorandum to the effect that the Offering Memorandum, as so amended, updated or supplemented, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) an opinion of Note Counsel (as hereinafter defined) (in form and substance reasonably satisfactory to the Dealer), dated as of the date of such amendment, update or supplement, to the effect that (A) any descriptions of any of the Financing Documents (as hereinafter defined) contained in the Offering Memorandum, as so amended, updated or supplemented, are true and correct in all material respects (or words of similar import).

Section 7. Deliverable Obligations of Issuer. The Issuer agrees that, on or prior to the date Series B Notes are first issued, the Issuer shall deliver to the Dealer:

(a) A certificate signed by an Authorized Representative of the Issuer (as defined in the Issuing and Paying Agent Agreement): (i) setting forth a list of the Authorized Representatives, (ii) certifying as to the incumbency of those Authorized Representatives authorized to sign Series B Notes on the Issuer's behalf and containing the true signatures of each of such persons (it being agreed that the Dealer may rely upon such authorization until otherwise notified in writing by the Issuer), and (iii) certifying as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained herein, contained in the Subordinate Indenture and contained in the other Financing Documents;

(b) An opinion of Note Counsel, addressed to the Dealer, that is in form and substance satisfactory to the Dealer;

(c) Opinions of counsel to the Issuer and the Credit Provider, addressed to the Dealer, that are in form and substance satisfactory to the Dealer;

(d) A copy of the executed Subordinate Indenture, Issuing and Paying Agent Agreement, the Notes and the Credit Facility, as then in effect;

(e) A copy of the resolution adopted by the Issuer, satisfactory in form and substance to the Dealer and certified by an Authorized Representative, authorizing execution and delivery by the Issuer of the Financing Documents; and

(f) Such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

Section 8. Representations and Warranties of the Issuer. The Issuer represents and warrants to the Dealer as of the date hereof, and as of the date of each issuance of Series B Notes (except for such representations and warranties that speak as of a certain date), as follows:

(a) The Issuer is a public entity duly established and existing under the Authority Act and the laws of the State of California, and any successor thereto.

(b) The Subordinate Indenture is in full force and effect and has not been modified or amended since adoption, and accordingly the Issuer has full power and authority to issue the Series B Notes, to enter into, perform and observe the covenants and agreements on its part contained in the Financing Documents and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents.

(c) The Financing Documents have been duly authorized, executed and delivered by the Issuer. The Financing Documents constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights.

(d) The Series B Notes have been duly authorized and executed by the Issuer and, when authenticated and delivered by the Issuing and Paying Agent, will constitute legal, valid

and binding limited obligations of the Issuer enforceable in accordance with their terms, and the terms of the Subordinate Indenture and the Issuing and Paying Agent Agreement, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights.

(e) The issuance and sale of the Series B Notes do not require registration of the Series B Notes under the Securities Act.

(f) The then-current Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) There are no consents, authorizations, permits or approvals of, or filings with, any federal or state government authority (other than the Issuer) required in connection with the issuance or sale by the Issuer of the Series B Notes, the execution and delivery of the Financing Documents and the performance of its obligations thereunder except as may be required by state securities laws (as to which no representation is made) and those which have already been obtained or made.

(h) The adoption of the resolution authorizing the Financing Documents and the execution, delivery and performance by the Issuer of the Financing Documents do not and will not result in a breach or violation of, conflict with, or constitute a default under any constitutional provision, law, regulation, order, consent decree, judgment, agreement, indenture, deed of trust, mortgage or other instrument to which the Issuer is a party or by which the Issuer or any of its property is bound.

(i) There is no action, suit proceeding, inquiry, litigation or governmental proceeding or investigation pending, or to the knowledge of the Issuer threatened, against or affecting the Issuer or its property, and to the best knowledge of the undersigned there is no basis therefor:

(i) which might reasonably be expected to result in a material adverse change in the condition (financial or otherwise), operations or business prospects of the Issuer or in any way affect adversely the ability of the Issuer to perform its obligations under the Financing Documents;

(ii) contesting the validity or enforceability of the Financing Documents; or

(iii) contesting the existence or powers of the Issuer.

(j) At the time of each delivery of Series B Notes to the Dealer, the Issuer shall be deemed to make a representation and warranty, as of the date thereof, that (i) the Series B Notes issued on such date have been duly authorized, validly executed and, when authenticated and delivered by the Issuing and Paying Agent and, upon payment therefor, will constitute legal, valid and binding limited obligations of the Issuer enforceable in accordance with their terms, and the terms of the Subordinate Indenture and the Issuing and Paying Agent Agreement, subject

to general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights, and (ii) the representations and warranties of the Issuer set forth in this Section 8 are true and correct as if made as of such date.

Section 9. Covenants and Agreements of the Issuer. The Issuer covenants and agrees that:

(a) The Issuer will immediately notify the Dealer (i) if any event shall have occurred or information shall become known to the Issuer as a result of which (A) the Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (B) any representation or warranty of the Issuer under any of the Financing Documents is or would become false in any material respect, (ii) of any material fact that the Issuer is aware of that may affect the issuance, offering or sale of the Series B Notes or the marketability of the Series B Notes including, but not limited to (A) any material change in the financial condition of the Issuer, (B) any reduction or threatened reduction (by way of credit watch or similar rating agency action) in the ratings of the Series B Notes, (C) any adverse change in the tax treatment of interest on the Series B Notes received by the holders of the Series B Notes or (D) any other material adverse change that may affect the issuance, offer and sale of the Series B Notes or any fact or circumstance which constitutes, or with the passage of time would constitute, an event of default under the Financing Documents and (iii) any proposed action the taking of which requires an opinion of Note Counsel as to the tax status of any Series B Notes under any Financing Document.

(b) The Issuer will not permit to become effective any amendment to or modification of the Subordinate Indenture or the Financing Documents except in compliance with the terms thereof. The Issuer will give the Dealer notice of any proposed amendment to or modification of the Subordinate Indenture or the Financing Documents prior to the effective date thereof.

(c) The Issuer will provide to the Dealer as soon as the same shall be publicly available, which shall not be later than 270 days after the end of the Issuer's fiscal year, copies of the Issuer's annual audited financial statements and such additional information concerning the operations and financial condition of the Issuer as the Dealer may from time to time reasonably request. The posting of such financial statements to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) site shall satisfy the Issuer's obligation under this Section 9(c).

(d) The Issuer shall furnish such information, execute such instruments and take such other action in cooperation with the Dealer as the Dealer may reasonably request in order (i) to qualify the Series B Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Dealer may designate and (ii) to determine the eligibility of the Series B Notes for investment under the laws of such states and other jurisdictions, and will use commercially reasonable efforts to continue such qualification under clause (i) in effect so long as required for distribution of the Series B Notes by the Dealer; provided, however, that in no event shall the Issuer be required to consent to suit

or to service of process in any jurisdiction or to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject.

(e) The Issuer will not sell Series B Notes to the Dealer in the event that legal opinions provided by Note Counsel delivered in connection with the initial issuance of the Series B Notes have been withdrawn, adversely modified or retracted.

(f) The Issuer will take all actions within its control necessary to maintain the exclusion of interest on the Series B Notes from the gross income of the holders thereof for federal income tax purposes.

(g) The Issuer will not effect any credit or liquidity facility substitution pursuant to Section 6.09 of the Subordinate Indenture on any day other than a day when all Series B Notes mature or on a day on which no Series B Notes are then outstanding.

Section 10. Fees and Expenses.

(a) For the services to be performed by the Dealer under this Agreement, the Issuer agrees to pay the Dealer during each calendar year a fee equal to 0.05% of the principal amount of each of the Series B Notes outstanding sold by the Dealer calculated as follows: 0.0005 times the principal amount of the Series B Notes outstanding times the number of days such Series B Notes shall be outstanding, divided by 365 or 366 days (as appropriate); payable quarterly in arrears commencing on October 1, 2019 and on the first Business Day of each January, April, July and October thereafter.

(b) The Issuer will pay all expenses of delivering Series B Notes and reimburse the Dealer for all out-of-pocket expenses incurred by it as Dealer in connection with the provision of its services hereunder, including reasonable counsel fees and disbursements.

Section 11. Termination or Suspension. In addition to the provisions of Section 12 (entitled “Resignation and Removal of the Dealer”) hereof, the Dealer shall have the right in its sole discretion to immediately terminate or suspend its obligations under this Agreement at any time by notifying the Issuer in writing or by electronic means of its election to do so if the Dealer reasonably determines that one or more of the following events has occurred:

(a) any one or more of the Issuer’s representations and warranties made hereunder is not true and correct in any material respect;

(b) the Issuer has breached one or more of its covenants, agreements or obligations under this Agreement in any material respect;

(c) the Issuer shall fail to observe any of its covenants or agreements made under the Financing Documents in any material respect;

(d) any event shall occur or information shall become known, which, at any time, in the Dealer’s reasonable opinion, makes untrue, incorrect, incomplete or misleading in any material respect any statement or information contained in the then-current Offering Memorandum relating to the Series B Notes, as the information contained therein has been

supplemented or amended, or causes such Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement or a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that this shall only be a termination event if the Issuer refuses to amend or supplement the Offering Memorandum;

(e) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Series B Notes which, in the reasonable judgment of the Dealer, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Series B Notes) or the interest thereon, or any tax exemption granted or authorized by State of California legislation;

(f) legislation shall have been introduced in or enacted by any committee for passage by either house of the Congress or by any body of the State legislature of the State of California or recommended for passage by the President of the United States, or a decision rendered by any federal court or California court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Series B Notes, other securities of the Issuer or obligations of the general character of the Series B Notes are not exempt from registration under the Securities Act, or that the Subordinate Indenture is not exempt from qualification under the Trust Indenture Act;

(g) a stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Series B Notes, including any underlying obligations, or the execution and delivery of any document relating to the issuance, as contemplated hereby or by the Offering Memorandum, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the Securities Act, the Exchange Act or the Trust Indenture Act, each as amended and as then in effect;

(h) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the

Series B Notes, or the issuance, offering or sale of the Series B Notes, including any or all underlying obligations, as contemplated hereby or by the Offering Memorandum, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(i) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(j) any of the rating agencies then rating the Series B Notes shall either (i) downgrade the short-term ratings assigned to the Series B Notes such that the Series B Notes are not an “Eligible Security” as defined under Rule 2a-7 of the Investment Company Act; or (ii) suspend or withdraw the then current ratings assigned to the Series B Notes;

(k) a general banking moratorium is declared by either federal, New York or California authorities;

(l) the general suspension of trading on any national securities exchange;

(m) an actual or imminent default or a moratorium in respect of payment of any United States Treasury bills, bonds or Series B Notes, the effect of which in the Dealer’s judgment makes it impracticable to market the Series B Notes or to enforce contracts for the sale of the Series B Notes;

(n) there shall have occurred any new outbreak of hostilities or any material escalation in any present hostilities or other new national or international calamity, crisis or terrorist activity, the effect of such outbreak, escalation, calamity, crisis or terrorist activity on the operation of the government or financial markets of the United States, in the judgment of the Dealer, is to materially adversely affect the marketability of the Series B Notes;

(o) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(p) an “event of default” shall have occurred and be continuing under any of the Financing Documents;

(q) the Issuer shall fail to pay, or cause to be paid, when due, or shall declare a moratorium on the payment of, or shall repudiate its obligations under, any Series B Notes or any of its bonds or other evidences of indebtedness;

(r) a court of competent jurisdiction shall have entered a final, nonappealable order or judgment that any Series B Notes or any of the Issuer’s other outstanding bonds, notes or indebtedness, or obligations securing any bonds or notes (including, without limitation, the Series B Notes) or other indebtedness are illegal or unenforceable;

(s) in the reasonable judgment of the Dealer, the market price or marketability of the Series B Notes or the ability of the Dealer to enforce contracts for the sale of Series B Notes

shall have been materially adversely affected by an amendment of or supplement to the Offering Memorandum, notwithstanding the Dealer's approval or consent of such amendment or supplement prior to its distribution;

(t) there is any material adverse change in the affairs (whether financial or otherwise) of the Credit Provider or the Issuer which, in the sole judgment of the Dealer, makes it impractical or inadvisable to proceed with the remarketing of the Bonds as contemplated by this Agreement and by the Offering Memorandum;

(u) the expiration or termination of the Credit Facility unless it is being replaced by an alternate or substitute credit facility or liquidity facility acceptable to the Dealer; or

(v) any litigation shall be instituted, pending or threatened contesting the existence or powers of the Issuer or the Credit Provider.

Section 12. Resignation and Removal of the Dealer. The Dealer may at any time resign and be discharged of its duties and obligations hereunder upon providing the Issuer with sixty days (60) days' prior written notice. The Dealer may be removed at any time by the Issuer not earlier than (30) days following written confirmation by the Dealer of a written notice by the Issuer exercising its right of removal. Upon resignation or removal of the Dealer, the Issuer shall promptly cause the Issuing and Paying Agent to give notice thereof to all holders of the Series B Notes and to any rating agency which has assigned a rating to the Series B Notes.

Section 13. Dealing in Series B Notes by the Dealer.

(a) The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series B Notes, including, without limitation, any Series B Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any owner of the Series B Notes may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, account party, or agent for any committee or body of owners of the Series B Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall be deemed to characterize the Dealer as an underwriter of the Series B Notes or to obligate the Dealer to purchase any Series B Notes for its own account at any time.

(c) While the Dealer has and shall have no obligation to purchase the Series B Notes from the Issuer or to arrange any sale of the Series B Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Series B Notes from the Issuer, or arranges for the sale of Series B Notes by the Issuer, such Series B Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein and in the Subordinate Indenture or made pursuant hereto and on the terms and conditions and in the manner provided herein and in the Subordinate Indenture and the Issuing and Paying Agent Agreement.

Section 14. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the transactions contemplated by this Agreement are arm's length, commercial transactions between the Issuer and the Dealer in which the Dealer is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and that the Dealer has financial and other interests that differ from those of the Issuer; (ii) the Dealer has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Dealer has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Dealer has to the Issuer with respect to the transactions contemplated hereby expressly are set forth in this Dealer Agreement; and (iv) the Issuer has consulted its own municipal, legal, accounting, tax, financial and other advisors, as applicable to the extent it has deemed appropriate.

Section 15. Term of Agreement. This Agreement shall become effective on the date hereof and shall continue in full force and effect until terminated pursuant to the terms hereof. Notwithstanding any provision of the Financing Documents or this Agreement to the contrary, the provisions of Section 10 ("Fees and Expenses") hereof and the obligations of the Issuer and the Dealer thereunder shall survive any termination or expiration of this Agreement under Section 11 ("Termination or Suspension"), Section 12 ("Resignation and Removal of the Dealer") or this Section 15.

Section 16. Governing Law. This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402); provided, however, that the existence, capacity, authority and obligations of the Issuer shall be governed by, and construed and interpreted in accordance with, the laws of the State of California.

Section 17. Waiver of Trial by Jury. (a) To the extent permitted by law, ANY RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM, ACTION OR PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF, OR RELATING TO, THIS AGREEMENT ARE EXPRESSLY AND IRREVOCABLY WAIVED BY THE PARTIES HERETO.

Section 18. Miscellaneous.

(a) The Issuer acknowledges and agrees that the Dealer shall have no obligation under this Agreement to provide any services, provide any advice or take any other action to the extent that the Dealer determines, in its sole discretion, would cause the Dealer to be considered a "municipal advisor" as defined under Section 15B of the Exchange Act and SEC Rule 15Ba1-1.

(b) Except as otherwise specifically provided herein, all notices, demands and formal actions under this Agreement shall be in writing and either (i) hand delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid. Any such notice shall be effective when received at the address specified below for the

intended recipient (or at such other address as such recipient may designate from time to time by notice to the other party).

The Issuer:

San Bernardino County Transportation Authority
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715
Attention: Chief Financial Officer
Telephone: (909) 884-8276
Fax: (909) 885-4407

The Dealer:

RBC Capital Markets, LLC
[_____]

Attention:
Telephone:
Facsimile:
Email:

(c) This Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. The terms “successors” and “assigns” shall not include any purchaser of any of the Series B Notes merely because of such purchase. No Holder or other third party shall have any rights or privileges hereunder.

(d) The Issuer and the Dealer hereby agree that the Dealer may, with prior written notice to the Issuer, assign its rights and obligations under this Agreement to any other wholly-owned subsidiary of Bank of America Corporation to which all or substantially all of the Dealer’s municipal markets business may be transferred following the date of this Agreement.

(e) All of the representations and warranties of the Issuer and the Dealer contained herein shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or the Issuer; (ii) the offering and sale of and any payment for any Series B Notes hereunder; or (iii) the termination or cancellation of this Agreement.

(f) This Agreement and each provision hereof shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by each of the parties hereto.

(g) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(h) This Agreement may be executed in several counterparts, each of which shall be regarded as an original but all of which shall constitute one and the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date hereof.

**SAN BERNARDINO COUNTY TRANSPORTATION
AUTHORITY**

By: _____
[Title]

RBC CAPITAL MARKETS, LLC

By: _____
[Title]

EXHIBIT A

EXAMPLE OF WRITTEN INSTRUCTIONS

[Date]

RBC Capital Markets, LLC
One Bryant Park, Ninth Floor
New York, New York 10036
Attention: [_____]

Re: San Bernardino County Transportation Authority Subordinate Sales Tax Revenue
Commercial Paper Notes (Limited Tax Bonds), Series A (the “Series B Notes”)

Dear [_____]:

This letter agreement will serve to confirm the understanding of the parties hereto regarding the instructions and parameters concerning the issuance of Series B Notes. San Bernardino County Transportation Authority (the “Issuer”) hereby instructs RBC Capital Markets, LLC (the “Dealer”) to arrange for the sale of Series B Notes without any additional confirmation from the Issuer, pursuant to the following terms: (i) the interest rates on the Series B Notes shall be 12% or less; (ii) the Series B Notes shall mature up to 270 days after their date of issuance; (iii) the par amount of Series B Notes issued on any day shall not exceed the amount of Series B Notes maturing on such day; and (iv) [the Series B Notes may be issued at a discount not to exceed [_____]%.]

These standing instructions shall remain in effect until terminated by either party hereto upon five (5) days notice. If a sale of Series B Notes does not comply with the above parameters, the Dealer shall seek the approval of the Issuer pursuant to the Dealer Agreement, between the Issuer and the Dealer.

If the foregoing is satisfactory, please execute a copy of this letter. This agreement may be executed in counterpart originals.

Very truly yours,

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
[Title]

AGREED AND ACCEPTED:

RBC CAPITAL MARKETS, LLC

By: _____
[Title]

Scope of Work
19-1002123 - Dealer B

The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series B Notes, including, without limitation, any Series B Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any owner of the Series B Notes may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depositary, account party, or agent for any committee or body of owners of the Series B Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

The Dealer is not characterized as an underwriter of the Series B Notes or to obligate the Dealer to purchase any Series B Notes for its own account at any time.

While the Dealer has and shall have no obligation to purchase the Series B Notes from the Issuer or to arrange any sale of the Series B Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Series B Notes from the Issuer, or arranges for the sale of Series B Notes by the Issuer, such Series B Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein and in the Subordinate Indenture or made pursuant hereto and on the terms and conditions and in the manner provided herein and in the Subordinate Indenture and the Issuing and Paying Agent Agreement.

OFFERING MEMORANDUM
DATED SEPTEMBER __, 2019

See “RATINGS” herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes, when issued in accordance with the Subordinate Indenture, the Issuing and Paying Agent Agreement and the Tax Certificate, is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See “TAX MATTERS.”

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SUBORDINATE SALES TAX REVENUE COMMERCIAL PAPER NOTES
(LIMITED TAX BONDS)

Not to Exceed \$50,000,000
Series A Notes

Not to Exceed \$50,000,000
Series B Notes

The San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the “Series A Notes”) and the San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the “Series B Notes”) and, together with the Series A Notes, the “Notes”) are deliverable in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). See Appendix C – “Book-Entry Only System.”

Payment of the Series A Notes and the Series B Notes will be supported by an Irrevocable Direct Pay Letter of Credit (the “Credit Facility”) issued by Barclays Bank PLC (the “Credit Provider”) pursuant to the terms and conditions of a Reimbursement Agreement, dated as of September 1, 2019 (the “Reimbursement Agreement”), by and between the Credit Provider and the San Bernardino County Transportation Authority (the “Authority”).

[INSERT BARCLAYS LOGO]

The Notes are limited obligations of the Authority payable, both as to principal and interest, solely from the Sales Tax Revenues and certain funds held on deposit by the Trustee under the Subordinate Indenture, dated as of July 1, 2019 (the “Subordinate Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) and by the Issuing and Paying Agent under the Issuing and Paying Agent Agreement (as defined herein), and the Authority is not obligated to pay the Notes except from such Sales Tax Revenues and such funds as provided in the Subordinate Indenture. The general fund of the Authority is not liable, and the credit or taxing power (other than as described above) of the Authority is not pledged, for the payment of the Notes or their interest. The Notes are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Sales Tax Revenues. No holder of any Note shall ever have the right to compel any other exercise of the taxing power of the Authority to pay any Note or the interest thereon.

The Authority has incurred obligations secured by Sales Tax Revenues and certain other funds on a basis senior to the Notes. Subject to certain financial covenants, the Authority may incur additional obligations secured by Sales Tax Revenues and certain other funds on a basis senior to, on parity with, or subordinate to the Notes. The Notes are not subject to prepayment or redemption prior to their maturity.

The Notes are being offered solely on the basis of the Credit Facility and the financial strength of the Credit Provider and not the operations, financial strength or condition of the Authority. Accordingly, this Offering Memorandum does not describe the financial condition of the Authority. Timely payment of the Notes is dependent upon the availability of the funds under the Credit Facility. If for any reason a Credit Provider fails to honor a properly presented and conforming drawing due under the Credit Facility, the Authority makes no representation, and no assurance can be given, that the Authority would have sufficient funds on hand and available to make the corresponding payment of principal and interest on the related Series of Notes. The ratings assigned to the Notes are based on the creditworthiness of the applicable Credit Provider.

Dealers

BofA Merrill Lynch
Series A Notes Dealer

RBC Capital Markets, LLC
Series B Notes Dealer

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INTRODUCTION

This introduction is not a summary of the Offering Memorandum. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Offering Memorandum and the documents summarized or described herein. A full review should be made of the entire Offering Memorandum for an informed investment decision.

The information in this Offering Memorandum has been obtained from the Authority, the Credit Provider and other sources believed to be reliable. The references herein to the Subordinate Indenture, the Issuing and Paying Agent Agreement, the Reimbursement Agreement and the Credit Facility do not purport to be complete or definitive, do not constitute summaries thereof, and are qualified in their entirety by reference to the provisions thereof. The information and expressions of opinion in this Offering Memorandum are subject to change without notice after the date hereof and future use of this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof. The information contained herein will not typically be distributed or updated upon each new sale of Notes, although the information may be distributed from time to time.

The purpose of this Offering Memorandum is to provide certain general information in connection with the issuance and sale from time to time by the San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the “Series A Notes”) and the San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the “Series B Notes”) and, together with the Series A Notes, the “Notes”). The Authority may issue and have outstanding at any one time an aggregate principal amount of \$100,000,000 of Notes, provided that the aggregate principal amount of any Series may not exceed the principal amount set forth on the cover of this Offering Memorandum. The Notes are not subject to prepayment or redemption prior to their maturity.

The Notes are limited obligations of the San Bernardino County Transportation Authority (the “Authority”) payable from and secured by a subordinate pledge of “Revenues,” consisting of (i) Sales Tax Revenues (defined herein), (ii) all regularly-scheduled amounts (but not termination payments) owed or paid to the Authority by any counterparty under any interest rate swap agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by the Authority to such counterparty under such interest rate swap agreement, and (iii) as and to the extent applicable, the other funds pledged under the Subordinate Indenture, dated as of July 1, 2019 (the “Subordinate Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). “Sales Tax Revenues” are the amounts collected on account of the one-half of one percent (1/2%) retail transactions and use tax (the “Sales Tax”) imposed in the County of San Bernardino (the “County”) pursuant to Local Transportation Authority and Improvement Act, Chapter 5 of Division 19 of the Public Utilities Code of the State of California (Section 180200 *et seq.*), as such may be amended from time to time hereafter (the “Transportation Act”) and the Ordinance (defined herein) on and after April 1, 2010, after deducting amounts payable by the Authority to the California Department of Tax and Fee Administration of the State of California (“CDTFA”) for costs and expenses for its services in connection with the retail transactions and use taxes collected pursuant to the Transportation Act.

Collection of the Sales Tax commenced on April 1, 1990 and was continued by the Ordinance (described below) adopted on June 2, 2004 for a period of thirty years beginning on April 1, 2010. The Sales Tax expires on March 31, 2040.

The payment of the Series A Notes and the Series B Notes will be supported by an Irrevocable Direct Pay Letter of Credit (the “Credit Facility”) issued by Barclays Bank PLC (the “Credit Provider”) pursuant to a Reimbursement Agreement, dated as of July 1, 2019 (the “Reimbursement Agreement”), by and between the Credit Provider and the Authority. See APPENDIX A – “SUMMARY OF THE CREDIT FACILITY” and APPENDIX B – “THE CREDIT PROVIDER.”

Capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the Subordinate Indenture or the Issuing and Paying Agent Agreement, dated as of July 1, 2019 (the “Issuing and Paying Agent Agreement”), between the Authority and U.S. Bank National Association, as paying agent (the “Paying Agent”).

The Notes are secured by a subordinate lien on and payable from the Revenues on a subordinate basis to any Senior Lien Debt (defined below), including the Authority’s outstanding Bonds, issued from time to time pursuant to the Indenture, dated as of March 1, 2012, between the Trustee and the Authority, as originally executed or as it may from time to time be supplemented or amended by any supplemental indenture delivered pursuant to the provisions thereof (the “Senior Bond Indenture”). Currently the Authority has outstanding \$188 million in aggregate principal amount of Senior Lien Debt. See “THE AUTHORITY AND THE SALES TAX – Senior Lien Debt.”

THE AUTHORITY AND THE SALES TAX

The Authority

The Authority is responsible for carrying out the provisions of the Ordinance (defined below) and developing and approving the program of projects in the Expenditure Plan (defined below). The Authority oversees the construction, maintenance, improvement and operation of local streets, roads and highways, as well as State highways and freeways. The Authority also provides funding for the operation of public transit systems within the County.

Senate Bill 1305, approved by the Governor on August 26, 2016 and effective on January 1, 2017, consolidated the transportation-related functions and authorities of the San Bernardino County Transportation Commission and the County’s local transportation authority, service authority for freeway emergencies, and congestion management agency into the Authority.

The Sales Tax

The Sales Tax was approved by the majority of the electorate of the incorporated and unincorporated portions of the County voting on the original Measure I ballot measure on November 7, 1989 (“Ordinance No. 89-1”) which imposed the Sales Tax in the County for a twenty-year period. On January 3, 1990, the Authority adopted an ordinance that amended certain provisions of the 1989 Ordinance. The Sales Tax was scheduled to expire on March 31, 2010. On November 2, 2004, more than two-thirds of the electorate of the County approved a continuation of the Sales Tax pursuant to Ordinance No. 04-01 (the “Ordinance”) which provided for an extension of the Sales Tax through March 31, 2040 and appended a new capital expenditure plan (the “Expenditure Plan”) for the revenue to be derived from the extension. The Sales Tax is collected by

CDTFA and transmitted to the Authority to finance transportation capital improvements and/or such other transportation improvements as permitted by the Transportation Act, the Ordinance and the Expenditure Plan. See “THE COMMERCIAL PAPER NOTES – Security for the Commercial Paper Notes.”

Senior Lien Debt

As of the date hereof, the Authority has outstanding \$188 million in aggregate principal amount of senior lien debt, consisting of the Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds), 2012 Series A (the “2012 Bonds”), currently outstanding the principal amount of \$81.4 million, and the Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds), 2014 Series A (the “2014 Bonds”), currently outstanding in the principal amount of \$106.6 million. The 2012 Bonds and the 2014 Bonds are referred to herein as the “Senior Lien Bonds.” The Authority currently has no obligations outstanding subordinate to the Senior Lien Debt, other than the Notes.

Investment Policy

The Authority’s funds are invested in accordance with an Investment Policy that was adopted by the Authority’s Board of Directors on October 2, 1996, revised most recently on June 5, 2019, and effective as of July 1, 2019. The current Investment Policy may be found at: <http://gosbcta.com/sbcta/about-sbcta/about-financial-info.html>.

Information on the Electronic Municipal Market Access Website

Pursuant to continuing disclosure undertakings of the Authority in connection with the outstanding Senior Lien Debt, the Authority is obligated to file with the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access (“EMMA”) website certain financial information and operating data and to provide notices of the occurrence of certain listed events under securities laws. No such information is incorporated herein by reference.

The information and opinions herein and in any reports or filings pursuant to the Authority’s disclosure undertakings are subject to change without notice, and neither the delivery thereof nor the delivery of this Offering Memorandum shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described therein or herein.

THE COMMERCIAL PAPER NOTES

Issuance of Commercial Paper Notes

The Notes and any Parity Debt will be issued from time to time and secured pursuant to the terms of the Subordinate Indenture. “Parity Debt” means all amounts payable with respect to principal and interest under any Credit Agreement or Credit Provider Note (as such terms are defined in the Indenture) and all indebtedness or other obligations of the Authority for borrowed money or with respect to regularly scheduled payments under any interest rate swap agreement having an equal lien upon the Revenues and therefore payable on parity with the Notes (whether or not any Notes are Outstanding); provided, however, that any payments with respect to an interest rate swap agreement which represent termination payments or unwinding payments will constitute Subordinate Obligations and will not constitute Parity Debt. The Notes will finance on a short-term basis certain transportation improvements identified in the Expenditure Plan. Proceeds of the Notes

may also be applied to pay interest, fees and expenses incurred by the Authority in connection with the Notes.

The Notes will bear interest payable at maturity at a rate not to exceed twelve percent (12%) per annum calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed and will mature on a Business Day not more than two hundred seventy (270) days after their respective dates of issuance, but in no event later than five (5) days prior to the Credit Facility expiration date, or beyond expiration of the Sales Tax. Each Series of Notes is issued pursuant to the Issuing and Paying Agent Agreement only in denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof.

The Notes are fully registered notes registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. Beneficial ownership interests in the Notes are available in book-entry form only, and purchasers of the Notes will not receive certificates representing their interests in the Notes purchased. While held in book-entry form, all payments of principal of and interest on the Notes will be made by wire transfer to DTC or its nominee as the sole registered owner of the Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See APPENDIX C – “BOOK-ENTRY ONLY SYSTEM.”

Security for Commercial Paper Notes

The Notes and any Parity Debt will be payable from, and secured by, a pledge, on a subordinate basis to Senior Lien Debt, of Revenues, consisting of (i) Sales Tax Revenues, (ii) all regularly-scheduled amounts (but not termination payments) owed or paid to the Authority by any counterparty under any interest rate swap agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by the Authority to such counterparty under such interest rate swap agreement, and (iii) as and to the extent applicable, the other funds pledged under the Subordinate Indenture. In addition, payment of the principal of and interest on the Series A Notes and the Series B Notes when due is supported by the Credit Facility. See APPENDIX A – “SUMMARY OF THE CREDIT FACILITY” and APPENDIX B – “THE CREDIT FACILITY PROVIDER.”

Subject only to the provisions of the Indenture and the Senior Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all Revenues are irrevocably pledged by the Authority to secure the punctual payment of the principal of and interest on the Notes and Parity Debt, in accordance with their respective terms, including, without limitation, obligations of the Authority with respect to principal and interest payable under the Reimbursement Agreement for amounts advanced under the Credit Facility, and shall not be used for any other purpose while any of the Notes remain Outstanding, the Credit Facility remains in effect or any Parity Debt remains unpaid. The pledge of Revenues made in the Indenture shall be irrevocable until all of the Notes are no longer Outstanding, any Credit Facility has terminated in accordance with its terms and all Parity Debt is paid or discharged.

Limited Obligations

The Notes are limited obligations of the Authority and are payable, both as to principal and interest, exclusively from the Revenues and certain funds held on deposit by the Trustee under the Indenture and by the Issuing and Paying Agent under the Issuing and Paying Agent Agreement. The Authority is not obligated to pay the Notes except from such Revenues and such funds. The general fund of the Authority is not liable, and the credit or taxing power (other than as described

above) of the Authority is not pledged, for the payment of the Notes or their interest. The Notes are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Sales Tax Revenues. No holder of any Note shall ever have the right to compel any other exercise of the taxing power of the Authority to pay any Note or the interest thereon.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body pending or, to the best of the knowledge of the Authority after reasonable investigation, threatened in any way (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Notes, (ii) challenging the validity of the Notes, or (iii) questioning the political existence of the Authority or contesting the Authority's ability to impose and collect the Sales Tax.

THE DEALERS

The Authority has appointed BofA Securities, Inc. as a Dealer with respect to the offering and sale from time to time of the Series A Notes and RBC Capital Markets, LLC as a Dealer with respect to the offering and sale from time to time of the Series B Notes.

BofA Securities, Inc., the dealer of the Series A Notes, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series A Notes.

Each Dealer and its respective affiliates together comprise a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each Dealer and its respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for Authority for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, each Dealer and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the Authority.

The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibility to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information.

No Dealer is acting as a financial or municipal advisor to the Authority in connection with the remarketing of the Notes.

MUNICIPAL ADVISOR

The Authority has retained Montague DeRose and Associates, LLC, Westlake Village, California, as municipal advisor (the “Municipal Advisor”) in connection with the Notes. The Municipal Advisor is an independent registered municipal advisor. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Offering Memorandum.

TAX MATTERS

On _____, 2019, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“Bond Counsel”), will deliver its opinion that, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes, when issued in accordance with the Subordinate Indenture, the Issuing and Paying Agent Agreement and the Tax Certificate of the Authority, dated _____, 2019 (the “Tax Certificate”), is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the payment at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity or (ii) the difference between the issue price of the short-term debt obligations and the aggregate amount to be paid at maturity of the short-term debt obligations (the “original issue discount”). For this purpose, the issue price of the short-term debt obligations is the first price at which a substantial amount of the short-term debt obligations is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of Dealer, placement agents or wholesalers). Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat either the stated interest payable at maturity or the original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Prospective purchasers of Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the prospective purchaser elects original issue discount treatment.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of notes, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Authority has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Notes may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the beneficial owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt notes is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of notes presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the Authority or the beneficial owners to incur significant expense.

RATINGS

The Series A Notes have received ratings of “_”/“_” from S&P Global Ratings, “_”/“_” from Moody’s Investors Service and “_”/“_” from Fitch Ratings based on the delivery of the Credit Facility supporting payment of the Series A Notes. The Series B Notes have received ratings of “_”/“_” from S&P Global Ratings, “_”/“_” from Moody’s Investors Service and “_”/“_” from Fitch Ratings based on the delivery of the Credit Facility supporting payment of the Series B Notes.

The Authority furnished to such rating agencies certain information and materials regarding the Notes. In addition, the Credit Provider furnished certain information to such rating agencies regarding the Credit Provider and its Credit Facility. There is no assurance the rating on any Series of Notes will continue for any given period or that it will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant and, therefore, any prospective purchaser should confirm the rating prior to purchasing any Series of Notes. Any such change in or withdrawal of any such rating could have an adverse effect on the market for or market price of such Series of Notes. The above ratings are not recommendations to buy, sell or hold any Series of Notes. The Authority has not undertaken to provide notice to the holders of the Notes of any change in the ratings on any Series of Notes.

The ratings on the Notes of any Series may be adversely affected by a downgrade of the credit rating of the Credit Provider. Although the Authority has covenanted to maintain a Credit Facility for the Notes, it is not obligated to replace the Credit Provider in the event of a downgrade of the Credit Provider’s rating. The Authority has not covenanted to provide notice to holders of the Notes of any downgrade of the credit ratings of the Credit Provider.

LEGAL MATTERS

Orrick Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, has rendered the legal opinion described in “TAX MATTERS” above, the form of which is set forth in APPENDIX D hereto. Bond Counsel is not passing upon and undertakes no responsibility for the accuracy, completeness or fairness of the information contained in this Offering Memorandum.

ADDITIONAL INFORMATION

Information herein concerning the Authority is limited. No attempt has been made to summarize the Issuing and Paying Agent Agreement or the Credit Facility. The descriptions of and reference to such documents contained herein do not purport to be complete, and such references to and descriptions of such documents and all other documents and other items described herein are qualified in their entirety by reference to each such document and item.

Copies of the Credit Facility (portions of which may be in redacted form) and the Issuing and Paying Agent Agreement may be obtained from the Dealers.

No dealer or other person has been authorized by the Authority to give any information or to make any representations other than those contained in this Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority.

APPENDIX A

SUMMARY OF THE CREDIT FACILITY

The following summaries of the Credit Facility and the Reimbursement Agreement do not purport to be comprehensive or definitive and are subject in all respects to all of the terms and provisions of the Credit Facility and the Reimbursement Agreement, to which reference is made hereby. Investors are urged to obtain and review copies of the Credit Facility and the Reimbursement Agreement in order to understand all of their respective terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Credit Facility or the Reimbursement Agreement, as applicable, and reference thereto is made for full understanding of their import.

The Credit Facility

On September 12, 2019, in accordance with the terms of the Reimbursement Agreement, dated as of September 1, 2019 (the “Reimbursement Agreement”), by and between Barclays Bank PLC (the “Credit Provider”) and the Authority, the Credit Provider will deliver an Irrevocable Direct Pay Letter of Credit (the “Credit Facility”) in an original stated amount of \$108,876,713 (the “Stated Amount”), which is the sum of the total aggregate principal amount of the Series A Notes and the Series B Notes (collectively, the “Notes”) supported by the Credit Facility (\$100,000,000), plus interest accrued thereon at an assumed rate of 12% per annum for a period of 270 days, on the basis of a 365-day year in an amount equal to \$8,876,713. The Stated Amount of the Credit Facility may be reduced and reinstated from time to time pursuant to the provisions of the Credit Facility. U.S. Bank National Association, as Issuing and Paying Agent, may draw upon the Credit Facility to pay the unpaid principal amount of the Notes on their respective stated maturity dates, together with accrued and unpaid interest thereon. All payments made by the Credit Provider pursuant to the Credit Facility shall be made from funds of the Credit Provider and not from the funds of any other Person.

The Credit Facility will automatically expire at the close of business, on the date which is the earliest to occur of (the “Stated Expiration Date”): September 12, 2023, as such date may be extended by the Credit Provider upon delivery of a written notice of extension of the Credit Facility; the date upon which the Credit Provider receives the certificate of the Issuing and Paying Agent (or, if a later effective date is stipulated in such certificate, then such later date), appropriately completed stating that (i) all outstanding Notes have been paid in full in accordance with the Issuing and Paying Agent Agreement and the Authority has instructed the Issuing and Paying Agent to terminate the Credit Facility or (ii) the Issuing and Paying Agent has accepted an Alternate Credit Facility in accordance with the Subordinate Indenture, all drawings made under the Credit Facility have been paid and the Authority has instructed the Issuing and Paying Agent to terminate the Credit Facility; and the first to occur of the date which is 15 calendar days after the Issuing and Paying Agent receives a final drawing notice from the Credit Provider stating that an Event of Default or a Rating Event (each as defined below) has occurred and is continuing under the Reimbursement Agreement and requesting the Issuing and Paying Agent to make a final drawing under the Credit Facility, or the date, following receipt of such final drawing notice, upon which the Issuing and Paying Agent has drawn upon the Credit Facility the amount required thereby and as permitted by the Credit Facility and the proceeds of such drawing have been distributed to the Issuing and Paying Agent.

The Reimbursement Agreement

General. The Reimbursement Agreement sets forth the terms and conditions whereby the Authority is required to repay to the Credit Provider any amounts drawn by the Issuing and Paying Agent under the Credit Facility.

Rating Event. As set forth in the Reimbursement Agreement, “Rating Event” means the occurrence of (i) S&P or Fitch assigning a long-term unenhanced rating to any Senior Lien Bonds (as defined in the Reimbursement Agreement) of the Authority, or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating (as defined in the Reimbursement Agreement), below “BBB-” (or its equivalent) or suspending or withdrawing such rating for credit related reasons, (ii) Moody’s assigning a long-term unenhanced rating to any Senior Lien Bonds of the Authority or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating, below “Baa3” (or its equivalent) or suspending or withdrawing such rating for credit related reasons, or (iii) either (x) S&P or Fitch assigns a long-term unenhanced rating to any Senior Lien Bonds of the Authority, or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating, below “A-” (or its equivalent), which such rating continues below “A-” for 180 consecutive days, or (y) Moody’s assigns a long-term unenhanced rating to any Senior Lien Bonds of the Authority, or, in the event no Senior Lien Bonds are then outstanding, an Underlying Rating, below “A3” (or its equivalent), which such rating continues below “A3” for 180 consecutive days.

Events of Default. If any of the following events occur, each such event will be an “Event of Default” under the Reimbursement Agreement:

(a) The Authority shall fail to pay, or cause to be paid, when due (i) the principal of or interest on any Reimbursement Obligation or (ii) any other amount payable under the Reimbursement Agreement or under the Fee Agreement, and such default shall continue unremedied for five (5) Business Days; or

(b) The issuance of any Notes shall result in a violation by the Authority of any law, rule or regulation, or any order of any court, governmental agency or regulatory body, or any indenture or loan or credit agreement (including the Reimbursement Agreement), or any other agreement or instrument, applicable to the Authority or to such issuance; or

(c) (i) An “event of default” shall occur and be continuing under any other Financing Documents other than the Dealer Agreement or any Senior Lien Bond Indenture, and the expiration of any applicable grace period shall have occurred or (ii) any “event of default” under any Bank Agreement shall have occurred and be continuing beyond the expiration of any applicable grace period; or

(d) The Authority shall default in the performance of certain terms, covenants or agreements contained in the Reimbursement Agreement or the condition set forth in Section 3.2 of the Reimbursement Agreement; or

(e) The Authority shall default in the performance of any other covenant or agreement contained in the Reimbursement Agreement and such default shall continue for 30 days after the earlier of (i) written notice of such default shall have been given to the Authority by the Credit Provider and (ii) the Authority has actual knowledge of such default, without cure or correction to the satisfaction of the Credit Provider; provided that so long as the Authority, in the sole discretion of the Credit Provider, shall be proceeding with due diligence to remedy any default in the due performance or observance of such covenant or agreement which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, but can be cured, then such thirty (30) day period shall be extended to the extent necessary to enable the Authority to complete the remedying of such default through the exercise of due diligence, but in no event to exceed a period of sixty (60) days from the date of such default without receipt of prior written consent of the Credit Provider; or

(f) Any representation or warranty on the part of the Authority contained in the Reimbursement Agreement or in any other Financing Document or in any certificate furnished or

delivered by the Authority to the Credit Provider pursuant to the Reimbursement Agreement or any other Financing Document or in connection with the Reimbursement Agreement or with any other Financing Document, shall prove to have been incorrect in any material respect when made or when effective or when reaffirmed, as the case may be; or

(g) The Authority shall default in the payment of principal of or interest on any Debt of the Authority payable from or secured by Sales Tax Revenues in a principal amount of \$1,000,000 or more, and the continuance of such default beyond any applicable grace period, if any, provided in the instrument under which such Debt was created; or

(h) (i) Any event or condition shall occur which results in the acceleration of the maturity of any Debt of the Authority payable from or secured by Sales Tax Revenues or Guarantee thereof of the Authority outstanding in a principal amount of \$1,000,000 or more, or enables the holder of such Debt of the Authority payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to accelerate the maturity thereof (whether or not such Debt is accelerated) or with the giving of notice or lapse of time or both would enable the holder of such Debt of the Authority payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to accelerate the maturity thereof (whether or not such Debt is accelerated); or

(ii) Any event of default shall occur which results in the mandatory tender or redemption of any Debt of the Authority payable from or secured by Sales Tax Revenues or Guarantee thereof of the Authority outstanding in a principal amount of \$1,000,000 or more, or enables the holder of such Debt of the Authority payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to demand purchase or redemption thereof (whether or not such Debt is purchased or redeemed) or with the giving of notice or lapse of time or both would enable the holder of such Debt of the Authority payable from or secured by Sales Tax Revenues or Guarantee thereof or any Person acting on such holder's behalf to require the purchase or redemption thereof (whether or not such Debt is purchased or redeemed); or

(i) Any funds on deposit in, or otherwise to the credit of, any funds or accounts established under the Indenture (other than any rebate fund relating to federal tax rebate liability) shall become subject to any writ, judgment, warrant or attachment, execution or similar process by a court of competent jurisdiction; or

(j) (i) The Authority shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the Authority shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Authority any case, proceeding or other action of a nature referred to in clause (i) and the same shall remain undismissed for a period of 90 days; or (iii) there shall be commenced against the Authority any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 90 days from the entry thereof; or (iv) the Authority shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in subclause (i), (ii) or (iii) of this clause (j) 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 they become due or shall repudiate or declare a moratorium on the payment of its debts; or

(k) One or more final non appealable judgment or order by a court of competent jurisdiction shall be rendered against the Authority, which, individually or in the aggregate, equal or exceed payment of money in excess of \$15,000,000 not covered by insurance, and such judgment or judgments, as applicable, shall not be satisfied for a period of sixty (60) days; or

(l) The Authority shall fail to preserve the pledge made in Section 5 of the Reimbursement Agreement or in the Indenture or any legislation is enacted, repealed, reenacted, amended or otherwise modified, and such repeal, reenactment, amendment, modification or enactment, in the sole opinion of the Credit Provider, dilutes or eliminates the pledge of or security interest of the Credit Provider granted in such Section 5 of the Reimbursement Agreement or in the Indenture; or

(m) A moratorium shall have been declared or announced by the Authority or any Governmental Authority with competent jurisdiction with respect to any Debt of the Authority secured by or payable from Sales Tax Revenues senior to or on a parity with the Notes; or

(n) The dissolution or termination of the existence of the Authority; or

(o) (i) Any material provision of any Financing Document shall cease to be valid and binding, (ii) any material provision of any Financing Law shall cease to be valid and binding in a manner that materially adversely affects the security for, or the ability of the Authority to pay the Notes, the Revolving Note or any other Obligations, or (iii) the Authority or any Governmental Authority shall contest, in each case, any such provision or the Authority or any agent on behalf of the Authority shall deny that it has any further liability under the Financing Documents.

Remedies. Upon the occurrence and during the continuance of any Event of Default or a Rating Event, the Credit Provider may, at the same or different times, so long as such Event of Default described under the subheading “Events of Default” above under the heading “The Reimbursement Agreement” or such Rating Event described under the subheading “Rating Event” above under the heading “The Reimbursement Agreement” shall not have been remedied, take one or more of the following actions: (i) by notice to the Authority, declare all Obligations to be, an such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by the Authority; provided, that, upon the occurrence of an Event of Default described under paragraph (j) of the subheading “Events of Default” above under the heading “The Reimbursement Agreement,” such acceleration shall automatically occur (unless such automatic acceleration is waived by the Credit Provider in writing); (ii) exercise all of the rights and remedies available to the Credit Provider under the Reimbursement Agreement, any other Financing Document, any applicable law or at equity; (iii) instruct the Authority and the Issuing and Paying Agent to immediately cease issuing, delivering and selling additional Notes by delivering to the Authority and the Issuing and Paying Agent a Notice of No Issuance; and (iv) instruct the Authority and the Issuing and Paying Agent to immediately cease issuing, delivering and selling additional Notes, instruct the Issuing and Paying Agent to make a final drawing under the Credit Facility in accordance with its terms, by delivering a Final Drawing Notice (the effect of which shall be to cause the Letter of Credit Expiration Date to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent).

APPENDIX B

THE CREDIT PROVIDER

The information in this Appendix B has been provided solely by the Credit Provider and is believed to be reliable. This information has not been verified independently by the Authority or the Dealers. The Authority and the Dealers make no representation whatsoever as to the accuracy, adequacy or completeness of such information.

Certain Information Concerning Barclays Bank PLC

Barclays Bank PLC (the Bank, and together with its subsidiary undertakings, the Bank Group) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0) 20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the Group) is the ultimate holding company of the Group.

The Group is a transatlantic consumer and wholesale bank with global reach offering products and services across personal, corporate and investment banking, credit cards and wealth management anchored in the Group’s two home markets of the UK and the US. The Group is organised into two clearly defined business divisions – Barclays UK division and Barclays International division. These are housed in two banking subsidiaries – Barclays UK sits within Barclays Bank UK PLC and Barclays International sits within the Bank – which operate alongside Barclays Services Limited but, in accordance with the requirements of ring-fencing legislation, independently from one another. Barclays Services Limited drives efficiencies in delivering operational and technology services across the Group.

The Bank and the Bank Group offer products and services designed for the Group’s larger corporate, wholesale and international banking clients.

The short term unsecured obligations of the Bank are rated A-1 by Standard & Poor’s Credit Market Services Europe Limited, P-1 by Moody’s Investors Service Ltd. and F1 by Fitch Ratings Limited and the long term unsecured unsubordinated obligations of the Bank are rated A by Standard & Poor’s Credit Market Services Europe Limited, A2 by Moody’s Investors Service Ltd. and A+ by Fitch Ratings Limited.

Based on the Bank Group’s audited financial information for the year ended 31 December 2018, the Bank Group had total assets of £877,700m (2017: £1,129,343m), total net loans and advances of £1,36,959m (2017: £324,590m), total deposits of £1,99,337m (2017: £399,189m), and total equity of £47,711m (2017: £65,734m) (including non-controlling interests of £2m (2017: £1m)). The profit before tax of the Bank Group for the year ended 31 December 2018 was £1,286m (2017: £1,758m) after credit impairment charges and other provisions of £643m (2017: £1,553m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2018.

Barclays Bank PLC is responsible only for the information contained in this Appendix B under the heading “Certain Information Concerning Barclays Bank PLC” and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Offering Memorandum. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Offering Memorandum.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption “– General” below has been provided by DTC. The Authority makes no representations as to the accuracy or completeness of such information. Further, the Authority undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC’s websites as described under “– General,” including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The Beneficial Owners of the Notes should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE NOTES UNDER THE SUBORDINATE INDENTURE; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES, IF APPLICABLE; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE NOTES; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF NOTES; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers,

banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). S&P Global Ratings has rated DTC “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes. DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Notes documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant

and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

The Authority, the Trustee and the Dealer cannot and do not give any assurances that DTC, the DTC Participants or others will distribute payments of principal or interest on the Notes paid to DTC or its nominee as the registered owner, or will distribute any notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Offering Memorandum. The Authority, the Trustee and the Dealer are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Notes or for an error or delay relating thereto.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF NOTES AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

September __, 2019

San Bernardino County Transportation Authority
San Bernardino, California

San Bernardino County Transportation Authority
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds), Series A and Series B

(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the San Bernardino County Transportation Authority (the “Issuer”) in connection with authorization of issuances of up to \$100,000,000 aggregate principal amount of commercial paper notes designated the San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the “Series A Notes”) and the San Bernardino County Transportation Authority Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the “Series B Notes” and, together with the Series A Notes, the “Notes”). The Notes are authorized to be issued pursuant to a Subordinate Indenture, dated as of September 1, 2019 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, an Issuing and Paying Agent Agreement, dated as of September 1, 2019 (the “Issuing and Paying Agent Agreement”), between the Issuer and U.S. Bank Trust National Association, as issuing and paying agent (the “Issuing and Paying Agent”), the Tax Certificate of the Issuer, dated the date hereof (the “Tax Certificate”), an opinion of counsel to the Issuer, certificates of the Issuer, the Trustee, the Issuing and Paying Agent and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof and before or after the Notes are issued. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy (as of the date hereof and as of each date of issuance from time to time of the Notes) of the factual

matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Issuing and Paying Agent Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes, possibly retroactive to the date on which the first Notes were issued. We call attention to the fact that the rights and obligations under the Notes, the Indenture, the Issuing and Paying Agent Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against county transportation authorities in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Offering Memorandum or other offering material relating to the Notes and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Indenture and the Issuing and Paying Agent Agreement have each been duly executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer.
2. The Notes when duly issued in the form authorized by and otherwise in compliance with the Indenture and the Issuing and Paying Agent Agreement, executed by a duly authorized official of the Issuer and authenticated by the Issuing and Paying Agent against payment therefor, will constitute the valid and binding obligations of the Issuer.
3. Interest on the Notes, when issued in accordance with the Indenture, the Issuing and Paying Agent Agreement and the Tax Certificate, will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and exempt from State of California personal income taxes. The amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Service Notice 94-84. Interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX E
SUMMARY OF LEGAL DOCUMENTS