

CHAPMAN DRAFT DATED MAY 20, 2020

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AMENDED AND RESTATED 2021 CREDIT AGREEMENT

Dated as of June 29, 2020

by and among

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY,

ORANGE COUNTY TRANSPORTATION AUTHORITY

and

BANK OF AMERICA, N.A.

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AMENDED AND RESTATED 2021 CREDIT AGREEMENT

(This Table of Contents is not a part of this  
Amended and Restated 2021 Credit Agreement and is only  
for convenience of reference)

SECTION	DESCRIPTION	PAGE
Parties.....		1
ARTICLE ONE	DEFINITIONS .....	2
Section 1.1.	Definitions.....	2
ARTICLE TWO	THE LOAN FACILITY .....	13
Section 2.1.	Loans.....	13
Section 2.2.	Borrowing of Loans .....	14
Section 2.3.	Bank Note .....	14
Section 2.4.	Repayment of Loans .....	14
Section 2.5.	Fees .....	15
Section 2.6.	Method of Payment; Etc. ....	15
Section 2.7.	Termination of Commitment; Reduction of Commitment .....	15
Section 2.8.	Computation of Interest and Fees .....	15
Section 2.9.	Payment Due on Non-Business Day to Be Made on Next Business Day.....	16
Section 2.10.	Default Rate .....	16
Section 2.11.	Source of Funds .....	16
Section 2.12.	Extension of Commitment Termination Date.....	16
Section 2.13.	Net of Taxes, Etc.....	16
Section 2.14.	Increased Costs .....	18
Section 2.15.	Margin Regulations.....	19
Section 2.16.	Maximum Rate; Payment of Fee .....	19
ARTICLE THREE	SECURITY.....	19
Section 3.1.	Security .....	19
ARTICLE FOUR	CONDITIONS PRECEDENT .....	20
Section 4.1.	Conditions Precedent to Effectiveness of the Agreement.....	20
Section 4.2.	Conditions Precedent to Loans .....	22
ARTICLE FIVE	REPRESENTATIONS AND WARRANTIES.....	22
Section 5.1.	Organization; Existence .....	22
Section 5.2.	Power and Authority .....	23
Section 5.3.	Due Authorization, Etc. ....	23
Section 5.4.	Necessary Actions Taken.....	23

Section 5.5.	No Contravention.....	23
Section 5.6.	Compliance .....	24
Section 5.7.	No Default.....	24
Section 5.8.	Swap Termination Payments .....	24
Section 5.9.	No Immunity.....	24
Section 5.10.	Litigation.....	24
Section 5.11.	Disclosure and Information Provided to the Bank.....	25
Section 5.12.	Financial Information.....	25
Section 5.13.	Official Signatures .....	25
Section 5.14.	Incorporation of Representations and Warranties by Reference .....	25
Section 5.15.	No Maximum Rate.....	26
Section 5.16.	Security .....	26
Section 5.17.	Environmental.....	26
Section 5.18.	No Proposed Legal Changes.....	26
Section 5.19.	OFAC.....	27
Section 5.20.	Margin Stock.....	27
Section 5.21.	Trustee.....	27
ARTICLE SIX	COVENANTS.....	27
Section 6.1.	Maintenance of Existence .....	27
Section 6.2.	Reports, Certificates and Other Information.....	28
Section 6.3.	Maintenance of Books and Records .....	29
Section 6.4.	Access to Books and Records.....	29
Section 6.5.	Compliance with Documents.....	30
Section 6.6.	Compliance with Law .....	30
Section 6.7.	Further Assurances.....	30
Section 6.8.	Budget and Appropriation.....	31
Section 6.9.	Most Favored Nations.....	31
Section 6.10.	Trustee.....	31
Section 6.11.	Ratings .....	31
Section 6.12.	Pledge of Sales Tax Revenue.....	32
Section 6.13.	Taxes, Other Governmental Authority Charges and Liabilities. ....	32
Section 6.14.	Sovereign Immunity.....	33
Section 6.15.	Negative Covenants of the Authority .....	33
Section 6.16.	Additional Debt Proceeds .....	35
Section 6.17.	Disclosure to Participants .....	35
ARTICLE SEVEN	DEFAULTS.....	35
Section 7.1.	Events of Default and Remedies.....	35
Section 7.2.	Remedies.....	38
Section 7.3.	Solely for the Benefit of Bank .....	39
Section 7.4.	Discontinuance of Proceedings.....	39
ARTICLE EIGHT	RESERVED.....	39

ARTICLE NINE	MISCELLANEOUS .....	39
Section 9.1.	Amendments, Waivers, Etc.....	39
Section 9.2.	Notices. ....	39
Section 9.3.	Survival of Covenants; Successors and Assigns.....	41
Section 9.4.	Unconditional Obligations.....	41
Section 9.5.	Liability of Bank: Indemnification .....	42
Section 9.6.	Expenses and Taxes .....	43
Section 9.7.	No Waiver; Conflict.....	44
Section 9.8.	Further Assurances.....	44
Section 9.9.	Dealing with the Authority and/or the Trustee. ....	45
Section 9.10.	Severability. ....	45
Section 9.11.	Counterparts.....	45
Section 9.12.	Table of Contents; Headings.....	45
Section 9.13.	Entire Agreement .....	45
Section 9.14.	Governing Law .....	46
Section 9.15.	USA Patriot Act; Government Regulations.....	47
Section 9.16.	No Advisory or Fiduciary Relationship.....	48
Section 9.17.	Time of the Essence .....	48
Section 9.18.	Entire Agreement .....	48
Section 9.19.	US QFC Stay Rules .....	48
Section 9.20.	EMMA Postings.....	<b>Error! Bookmark not defined.</b>
Section 9.21.	Amendment and Restatement .....	49

Exhibit A	— Form of Loan Notice
Exhibit B	— Form of Bank Note

AMENDED AND RESTATED 2021 CREDIT AGREEMENT

This AMENDED AND RESTATED 2021 CREDIT AGREEMENT dated as of June 29, 2020 (together with any amendments or supplements hereto, this “*Agreement*”), is by and among the ORANGE COUNTY TRANSPORTATION AUTHORITY, a public agency of the State of California responsible for transportation matters within the County of Orange, California (“*OCTA*”) and the ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under the laws of the State of California (the “*Authority*”) and BANK OF AMERICA, N.A., a national banking association and its successors and assigns (the “*Bank*”).

**WITNESSETH:**

WHEREAS, OCTA is a public agency of the State of California duly organized and existing pursuant to the Public Utilities Code of the State of California (Section 130000 *et seq.*) (the “*Act*”);

WHEREAS, the Authority is a local transportation authority duly organized and existing pursuant to the Local Transportation Authority and Improvement Act, being Division 19 of the Public Utilities Code of the State of California (Section 180000 *et seq.*) (the “*Act*”);

WHEREAS, the Authority is authorized pursuant to the Act to, among other things, and with voter approval, levy a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code (the “*Sales Tax Law*”) and to incur indebtedness and obligations secured by and payable from the proceeds of such tax;

WHEREAS, the Authority adopted Ordinance No. 3, named the “Renewed Measure M Transportation Ordinance and Investment Plan” (the “*Ordinance*”) on July 24, 2006, pursuant to the provisions of the Act, which Ordinance provides for the imposition of a retail transactions and use tax applicable in the incorporated and unincorporated territory of the County of Orange in accordance with the provisions of the Sales Tax Law (as herein defined) at the rate of one-half of one percent (1/2%) for a period of thirty (30) years;

WHEREAS, by its terms, the Ordinance became effective on November 8, 2006, the day after the election at which the proposition imposing the Sales Tax (as herein defined) was approved by more than two-thirds of the electors voting on the measure;

WHEREAS, the Ordinance empowers the Authority to issue, from time to time, on, before or after commencement of the collection of the Sales Tax, bonds or other evidences of indebtedness as permitted by the Ordinance and the hereinafter defined Indenture;

WHEREAS, the Authority is authorized by the Act to issue from time to time limited tax bonds (defined to include indebtedness and securities of any kind or class, including loans and other obligations), secured and payable in whole or in part from revenues of the Sales Tax;

WHEREAS, in order to accomplish the issuance and delivery of the Existing Bank Note (as herein defined) to evidence and secure the Loans (as herein defined) made by the Bank under the

Existing Agreement (as herein defined) and the other Obligations (as herein defined), the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, and its permitted successors and assigns (the “*Trustee*”) entered into the Second Supplemental Indenture, dated as of June 1, 2017 (as amended, supplemented, modified or restated from time to time in accordance with the terms hereof and thereof, referred to herein as the “*Supplemental Indenture*”), which Supplemental Indenture supplemented the Master Indenture of Trust dated as of December 1, 2010 (as amended, supplemented, modified or restated from time to time in accordance with the terms hereof and thereof, the “*Senior Lien Bond Indenture*”), between the Authority and Trustee, relating to the Authority’s Measure M2 Sales Tax Revenue Bonds (Limited Tax Bonds), as the same has been amended, supplemented, modified or restated from time to time in accordance with the terms thereof and as may be further amended, supplemented, modified or restated from time to time in accordance with the terms hereof and thereof;

WHEREAS, the Bank previously agreed to extend to the Authority the Commitment (as herein defined) and to make Loans upon the terms and conditions of that certain 2021 Credit Agreement dated as of July 1, 2017 (the “*Existing Agreement*”) by and among OCTA, the Authority, and the Bank; and

WHEREAS, the Authority and the Bank have agreed to make certain amendments to the Existing Agreement and Existing Bank Note, and, for the sake of clarity and convenience, the Authority and the Bank have agreed to amend and restate both the Existing Agreement and Existing Bank Note.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Bank to extend to the Authority the Commitment and to make Loans, the Authority and the Bank agree as follows:

**ARTICLE ONE**  
**DEFINITIONS**

*Section 1.1. Definitions.* As used in this Agreement:

“*Act*” has the meaning set forth in the recitals hereof.

“*Agreement*” means this Amended and Restated 2021 Credit Agreement, as amended, supplemented and otherwise modified from time to time in accordance with the terms hereof.

“*Annual Debt Service*” means, for the 12 month period then ended, the aggregate amount of principal and interest on all MADS Debt becoming due and payable during such 12 month period then ended. For purposes of calculating Annual Debt Service, the following assumptions shall be utilized to calculate the principal and interest on MADS Debt becoming due during such 12 month period then ended:

- (i) Assumed Debt Service shall be included in such calculation;

(ii) in determining the principal amount due in such 12 month period then ended on all MADS Debt other than Bonds, bond anticipation notes and grant anticipation notes which constitute Assumed Debt Service, 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 MADS Debt, including any mandatory sinking account payments or any scheduled redemption or payment on the basis of accreted value (as such term is defined in the document pursuant to which such debt was issued or incurred), 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 MADS Debt bears, or if any MADS 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 MADS Debt for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to (A) with respect to any Senior Lien Debt, the average of the SIFMA Municipal Swap Index for the five (5) years preceding such date of calculation and (B) with respect to any MADS Debt other than Senior Lien Debt, the average of the SIFMA Municipal Swap Index for the five years preceding the date of calculation plus two percent (2%);

(iv) if any MADS Debt bears, or if any MADS 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 MADS Debt shall be calculated at an interest rate equal to 100% of the average Three Month USD LIBOR Rate during the five (5) years preceding such date of calculation;

(v) with respect to any MADS 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 MADS Debt, the interest rate on such MADS 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, as applicable, the sum of (x) interest payable on such MADS Debt, plus (y) amounts payable by the Authority under such Interest Rate Swap Agreement, less (z) amounts receivable by the Authority under such Interest Rate Swap Agreement, is expected to be greater than the interest payable on the MADS 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 payable by the Authority under such Interest Rate Swap Agreement shall be included in the calculation of Annual Debt Service;

(vi) with respect to any MADS 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 MADS Debt for a specific

term, the interest rate on such MADS Debt shall be assumed to be equal for such term to the sum of (x) the fixed interest rate or rates to be paid on the MADS Debt, minus (y) the fixed interest rate or rates receivable by the Authority under such Interest Rate Swap Agreement, plus (z) 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, with respect to MADS Debt the interest on which is tax-exempt, the SIFMA Municipal Swap Index, and, with respect to MADS Debt the interest on which is taxable, the Three Month USD LIBOR Rate, in each case, over the five (5) years preceding the date of calculation;

(vii) if any debt features an option, on the part of the owners or an obligation under the terms of such debt, to tender all or a portion of such debt to the Authority, the Trustee or other fiduciary or agent, and requires that such debt or portion thereof be purchased if properly presented, then for purposes of determining the principal amount due during the 12 month period then ended, the options or obligations of the owners of such debt to tender the same for purchase or payment prior to the stated maturity or maturities shall be ignored solely for such purposes and not treated as a principal maturity (but shall be included as principal due during such period if a different subsection of this definition applies for purposes of determining principal maturities or amortization); and

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

*“Assumed Debt Service”* means for the 12 month period then ended the aggregate amount of principal and interest which would be payable on all Bonds, bond anticipation notes and grant anticipation notes which constitute MADS Debt, if principal were amortized on a substantially Level Debt Service basis for a period commencing on the date of issuance of such MADS Debt 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. Interest payable on all Bonds during such 12 month period then ended shall be 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. Interest on all bond anticipation notes and grant anticipation notes which constitute MADS Debt, during the 12-month period then ended shall be determined as if such MADS Debt bears interest at a variable interest rate.

*“Applicable Law”* means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all



Governmental Authorities, (ii) governmental approvals and (iii) orders, decisions, judgments, writs, injunctions and decrees of all courts (whether at law or in equity) and arbitrators.

“*Authority*” has the meaning set forth in the introductory paragraph hereof.

“*Authorized Representative*” has the meaning set forth in the Indenture.

“*Bank*” means Bank of America, N.A., a national banking association and its successors and assigns.

“*Bank Agreement*” has the meaning set forth in Section 6.9 hereof.

“*Bank Note*” has the meaning set forth in Section 2.3 hereof.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%), (iii) the LIBOR Index Rate as in effect at such time *plus* two percent (2.00%), and (iv) seven percent (7.00%). Each determination of the Base Rate by the Bank shall be conclusive absent manifest error.

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

“*BOE Agreement*” means that certain Agreement for State Administration of Authority Transactions and Use Taxes between the Authority and the BOE, adopted by the Authority on October 25, 2010 and approved by the Department of General Services of the State on December 16, 2010, as supplemented and amended from time to time in accordance with the terms hereof and thereof.

“*Bond Counsel*” means Nossaman LLP (or another nationally recognized bond counsel selected by the Authority).

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

“*Business Day*” means a day 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 or the Federal Reserve Bank is authorized or obligated by law or executive order to be closed; (iii) 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 hereunder or (iv) a day on which the principal office of the Bank is closed.

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

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

Closing Date, in the enforcement, interpretation, implementation or administration thereof, as the case may be, by any court, central bank or other administrative or Governmental Authority or comparable agency charged with the interpretation or administration thereof (in each case whether or not having the force of law), or compliance by the Bank, its Parent or any Participant with any request or directive of any such court, central bank or other administrative or Governmental Authority or comparable agency charged with the interpretation or administration thereof (in each case whether or not having the force of law) or the occurrence of the effective date of any of the foregoing if adopted prior to the Original Closing Date or any change after the Original Closing Date in the application, interpretation or enforcement of any of the foregoing.

“*Commitment*” means the Bank’s obligation to make Loans to the Authority on or after the Effective Date and on or prior to the Commitment Expiration Date in an aggregate principal amount not to exceed \$500,000,000.

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

“*Commitment Termination Date*” means the earlier of:

(a) June 28, 2021, or such later date as may be established pursuant to Section 2.13 hereof; and

(b) the date the Commitment is reduced to zero pursuant to Section 2.7 or Section 7.2 hereof.

“*Debt*” of any Person means, at any date and without duplication, (i) all obligations of such Person for borrowed money, including without limitation, all obligations secured by any of the revenues or assets of such Person and all obligations of such Person evidenced by bonds (including revenue bonds), debentures, notes or other similar instruments, (ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (iii) all obligations of such Person as lessee under capital leases, (iv) all indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person, (v) all indebtedness of others guaranteed by, or secured by any of the revenues or assets of, such Person, (vi) payment obligations of such Person under any Swap Contract and (vii) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), credit agreements, bankers’ acceptances, bank guaranties, surety bonds and similar instruments.

“*Debt Service Coverage Ratio*” means the ratio determined by dividing (i) Sales Tax Revenues for the 12-month period then ended by (ii) the Maximum Annual Debt Service on all MADS Debt then outstanding, including any such additional MADS Debt then proposed to be issued.

“*Debtor Relief Laws*” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium,

rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

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

“*Default Rate*” means a per annum interest rate equal to the Base Rate from time to time in effect plus 4.0%.

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

“*Effective Date*” means June 29, 2020, subject to the satisfaction or waiver of all of the conditions precedent set forth in Section 4.1 hereof.

“*ERISA*” means the Employee Retirement Income Security Act of 1974.

“*Existing Agreement*” means that certain 2021 Credit Agreement dated as of July 1, 2017 by and among OCTA, the Authority, and the Bank, as the same may be amended, restated, supplemented, or otherwise modified from time to time by the terms hereof and thereof.

“*Existing Bank Note*” means that certain Bank Note dated July 26, 2017 issued by the Authority in favor of the Bank in an amount not to exceed \$500,000,000, as the same may be amended, restated, supplemented, or otherwise modified from time to time by the terms hereof and thereof.

“*Event of Default*” has the meaning set forth in Section 7.1 hereof.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, 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. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

“*Fee Agreement*” means the Amended and Restated 2021 Fee Agreement dated June 29, 2020, between the Bank and the Authority, as amended, supplemented, modified or restated from time to time in accordance with its terms.

*“Fiscal Year”* means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other period designated by the Authority as its fiscal year.

*“Generally Accepted Accounting Principles”* or *“GAAP”* means generally accepted accounting principles consistently applied and maintained throughout the period indicated and consistent with the prior financial practice of the Authority, except for changes permitted by the Governmental Accounting Standards Board or any similar accounting authority of comparable standing.

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

*“Indenture”* means, collectively, the Senior Lien Bond Indenture and the Supplemental Indenture.

*“Interest Payment Date”* means the first Business Day of each month, commencing on the first Business Day of the month following the making Loans and the date on which any Loan is repaid in full.

*“Interest Rate Swap Agreement”* means: (i) with respect to an interest rate swap agreement relating to any MADS Debt other than Senior Lien Debt, an interest rate swap agreement in which the counterparty with which the Authority or the Trustee may contract is limited to entities the debt securities of which are rated in the highest short-term or one of the two highest long-term debt Rating Categories by Moody’s and S&P; and (ii) with respect to an interest rate swap agreement relating to any Senior Lien Debt or a portion thereof, (a) the term of which is not less than the term of the Senior Lien Debt to which such interest rate swap agreement relates, and (b) in which the counterparty with which the Authority or the Trustee may contract is limited to (x) entities the debt securities of which are rated in one of the two highest long-term debt Rating Categories by Moody’s and S&P or (y) entities the obligations of which under such Interest Rate Swap Agreement are either guaranteed or insured by an entity the debt securities or insurance policies of which are so rated or (z) entities the debt securities of which are rated in the third highest long-term debt rating categories by Moody’s and S&P or whose obligations are guaranteed or insured by an entity so rated, and, in each case, the obligations of which under such Interest Rate Swap Agreement are continuously and fully secured by Investment Securities described in clauses (2) of the definition thereof) which shall have a market value determined, by the party designated in such Interest Rate Swap Agreement, at least monthly (exclusive of accrued interest), at least equal to the termination value, if any, that would be payable by such counterparty under the Interest Rate Swap Agreement and which shall be deposited with a custodian acceptable to the Authority. The ratings of the counterparties in the above definition are determined as of the date of execution of the interest rate swap agreement.

*“Investment Securities”* has the meaning set forth in the Indenture.

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

“*Level Debt Service*” means a debt service schedule in which the combined annual amount of principal and interest payments remain approximately constant over the life of such debt service.

“*LIBOR Index Rate*” means a fluctuating rate of interest which can change on each Business Day. The rate will be adjusted on each Business Day to equal the London Interbank Offered Rate (or a comparable or successor rate which is approved by the Bank) for U.S. Dollar deposits for delivery on the date in question for a one month term beginning on that date. The Bank will use the London Interbank Offered Rate as published by Bloomberg (or other commercially available source providing quotations of such rate as selected by the Bank from time to time) as determined at approximately 11:00 a.m. London time on such day, as adjusted from time to time in the Bank’s sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by the Bank. If the LIBOR Index Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

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

“*Loan*” or “*Loans*” has the meaning set forth in Section 2.1 hereof.

“*Loan Notice*” means a request for a Loan, pursuant to Section 2.2(a) hereof, which shall be substantially in the form of Exhibit A attached hereto or such other form as may be approved by the Bank (including any form on an electronic platform or electronic transmission system as shall be approved by the Bank), appropriately completed and signed by an Authorized Representative.

“*MADS Debt*” means collectively, the Loans, the Obligations, any Parity Debt, any Senior Lien Debt and any Subordinate Obligations.

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

“*Material Adverse Change*” or “*Material Adverse Effect*” means any event or occurrence (including, without limitation, a change in Applicable Law) that causes a material adverse change in or a material adverse effect on (A) the validity or enforceability of, and the ability of the Authority to perform any of its obligations under, this Agreement, any of the other the Program Documents, the Act, the Sales Tax Law or the Ordinance, (B) the Authority’s ability or obligation to make payments of principal or interest on any Senior Lien Debt, any Parity Debt, the Bank Note, the Loans or the payment of any of the Obligations, (C) the validity, enforceability or perfection

of the pledge of and lien on Revenues securing the payments of principal or interest on the Bank Note, the Loans or the Obligations or (D) the rights, interests, security or remedies of the Bank under this Agreement or any of the other Program Documents; *provided however*, that a reduction in Sales Tax Revenues collected or received by the Authority, shall not, in and of itself, constitute a “Material Adverse Change” or “Material Adverse Effect” if as of the date of determination of whether a “Material Adverse Change” or “Material Adverse Effect” has occurred as required in this Agreement, the Debt Service Coverage Ratio has been equal to or greater than 2.50:1.0 at the end of each fiscal quarter of the Authority for the 12-month period then ended immediately preceding the date of determination.

“*Maximum Annual Debt Service*” means the greatest amount of principal and interest becoming due and payable on all Senior Lien Debt, the Loans, the Obligations, all Parity Debt and all Subordinate Obligations for the then current or any future Fiscal Year, calculated using the principles and assumptions set forth under the definition of Annual Debt Service.

“*Maximum Rate*” means the maximum non-usurious lawful rate of interest permitted by Applicable Law.

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

“*More Favorable Term*” has the meaning set forth in Section 6.9 hereof.

“*Obligations*” means any and all obligations of the Authority to repay the Bank the Loans and the Bank Note, including, all interest accrued thereon, the Commitment Fees, all fees and charges due and payable hereunder, under the Fee Agreement and under the Bank Note, and including interest and fees that accrue after the commencement by or against the Authority of any proceeding under any Debtor Relief Laws naming the Authority as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, the fees set forth in the Fee Agreement, and all other payment obligations of the Authority owed to the Bank under the terms of this Agreement, the Fee Agreement or the Bank Note.

“*OCTA*” means the Orange County Transportation Authority, a public entity duly organized and existing under the laws of the State.

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

“*Ordinance*” has the meaning set forth in the recitals hereof.

“*Original Closing Date*” means July 26, 2017.

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

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

*“Parity Debt”* means all Debt of the Authority for borrowed money or any interest rate swap agreement having an equal lien upon the Sales Tax Revenues and therefore payable on a parity with the Bank Note, the Loans (whether or not any Loans are outstanding) and the other Obligations; *provided, however*, that any payments with respect to an interest rate swap agreement which represent termination payments or unwinding payments shall be Subordinate Obligations.

*“Participant”* has the meaning set forth in Section 9.3(b) hereof.

*“Participation”* has the meaning set forth in Section 9.3(b) hereof.

*“Payment Office”* means Bank of America, N.A., ABA #: 026009593, Account #: 1365840632100, Ref: Orange County Transportation Authority - # 130278, Attn: BLSF&O OPERATIONS, Bank to Bank Instructions: Loan Wire Account, or such other office as the Bank may designate from time to time.

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

*“Prime Rate”* means on any day, the rate of interest per annum then most recently established 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. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

*“Program Documents”* means this Agreement, the Bank Note, the Indenture, the BOE Agreement, the Ordinance and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

*“Project”* has the meaning set forth in the TIFIA Loan Agreement.

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

*“Rating Agencies”* means any of Fitch, Moody’s or S&P, as applicable.

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

*“Risk-Based Capital Guidelines”* means (i) the risk-based capital guidelines in effect in the United States, including transition rules, and (ii) the corresponding capital regulations

promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations.

“*S&P*” means S&P Global Ratings, and any successor rating agency.

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

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

“*Sales Tax Law*” has the meaning set forth in the recitals hereof.

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

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

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

“*Senior Lien Bond Indenture*” has the meaning set forth in the recitals hereof.

“*Senior Lien Debt*” means all Debt of the Authority having a lien upon the Sales Tax Revenues that is senior to that of the Loans and the other Obligations and any Parity Debt and Subordinate Obligations.

“*SIFMA Municipal Swap Index*” has the meaning set forth in the Indenture.

“*Special Event of Default*” means the Events of Default described in Section 7.1(a)(i), (d), (e), (f), (g), (h), (i), (k), (l) or (m) hereof.

“*State*” means the State of California.

“*Subordinate Obligations*” means any obligations of the Authority secured by and payable from Sales Tax Revenues on a basis which is subordinate to the Senior Lien Debt, the Loans, the other Obligations and the Parity Debt.

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

“*Supplemental Indenture*” has the meaning set forth in the recitals hereof

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor



transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*TIFIA Loan Agreement*” means the TIFIA Loan Agreement dated as of July 26, 2017, by and between the OCTA and the United State Department of Transportation, relating to the Project, as the same may be amended, modified, supplemented or restated in accordance with the terms thereof.

“*Trustee*” has the meaning set forth in the recitals hereof.

“*Unreimbursed Loan Rate*” means solely with respect to a failure to repay a Loan on the date such Loan is made (and so long as no other Event of Default has occurred and is continuing), (i) for any day commencing on the date such Loan is made up to and including the earlier of the sixtieth (60th) day next succeeding the date such Loan is made, equal to the Base Rate from time to time in effect plus 4.0% (without regard to clause (iv) of the definition of Base Rate), and (ii) for any day commencing on the sixty-first (61st) day next succeeding the date Loan is made to and thereafter, equal to the Default Rate.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Indenture. All references in this Agreement to times of day shall be references to New York time (daylight or standard, as applicable) unless otherwise expressly provided herein. Unless otherwise inconsistent with the terms of this Agreement, all accounting terms shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Program Document, and either the Authority or the Bank shall so request, the Bank and the Authority shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; *provided that*, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) the Authority shall provide to the Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

## ARTICLE TWO THE LOAN FACILITY

*Section 2.1. Loans.* Subject to the terms and conditions hereof, the Bank agrees to make one or more term loans (each a “*Loan*” and collectively, “*Loans*”) to the Authority in an amount

not to exceed the Commitment. Loans shall be advanced on or after the Effective Date and, in any event, on or prior to the Commitment Expiration Date (the “*Borrowing*”) subject to the terms of Section 4.2 hereof and, on the Commitment Expiration Date, the Commitment shall terminate. The Bank shall not be required to make more than three (3) Loans in any calendar year. No amount of a Loan may be reborrowed once any portion of such Loan is repaid and the Commitment shall not be reinstated for any amount of any Loan repaid.

*Section 2.2. Borrowing of Loans.* (a) Each Loan shall be made upon OCTA’s irrevocable notice to the Bank, which may be given by a Loan Notice. The Loan Notice must be received by the Bank not later than 11:00 a.m. five (5) Business Days prior to the requested date of the Loan. The Loan Notice (whether telephonic or written) shall specify (i) the requested date of the Loan (which shall be a Business Day), (ii) the principal amount of the Loan to be borrowed and (iii) a certification from OCTA that the conditions precedent set forth in Section 4.2 hereof have been satisfied.

(b) Following receipt of a Loan Notice, upon satisfaction of the applicable conditions set forth in Section 4.2, the Bank shall make the requested funds available to OCTA or to such party as directed by OCTA by wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Bank by OCTA.

(c) Upon honoring the Loan Notice, the Bank shall be deemed to have made a loan to the Authority at the direction and on behalf of the Authority and OCTA and the Loan shall be deemed made to the Authority on the date the Loan Notice is honored hereunder, the proceeds of which Loan shall be used to pay the costs of the non-tolled portion of the Project and to satisfy the condition set forth in Section 13(a)(i) of the TIFIA Loan Agreement.

*Section 2.3. Bank Note.* The Loans and all other Obligations shall be made against and evidenced by the Authority’s promissory note payable to the order of the Bank in the principal amount equal to the Commitment, such note to be executed and delivered to the Bank on the Effective Date in the form of Exhibit B attached hereto with appropriate insertions (the “*Bank Note*”). The Loans and all other Obligations due and owing the Bank and all payments and prepayments on the account of the principal of and interest on the Loans and each other Obligation shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts due and owing by the Authority hereunder and under the Bank Note. Any failure to so record or any error in doing so shall not, however, limit, extinguish or in any way modify or otherwise affect the obligation of the Authority hereunder to pay any amount owing with respect to the Loans and the other Obligations. The Authority shall pay principal and interest on the Bank Note on the dates and at the rates provided for in Sections 2.3 and 2.4 hereof.

*Section 2.4. Repayment of Loans.* The Authority agrees to reimburse the Bank for the full amount of each Loan immediately upon payment by the Bank of the Loan. If the Authority does not make such reimbursement to the Bank with respect to the Loan on such date, the Loan shall bear interest at the Unreimbursed Loan Rate. Interest on the Loan shall be due and payable by the Authority in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest on the Loan and the other Obligations shall be due and payable

in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

*Section 2.5. Fees.* The Authority hereby agrees to perform the obligations provided for in the Fee Agreement, including, without limitation, the payment any and all fees and expenses provided for therein, on the dates, 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. The Fee Agreement and this Agreement shall be construed as one agreement between the Authority and the Bank and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. 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 and all obligations under the Fee Agreement shall be construed as obligations hereunder. All fees paid under this Agreement and the Fee Agreement shall be fully earned when due and nonrefundable when paid.

*Section 2.6. Method of Payment; Etc.* All payments to be made by the Authority under this Agreement shall be made in lawful money of the United States and in immediately available funds at the Payment Office of the Bank not later than 4:00 p.m. on the date when due and shall be made by wire transfer in lawful money of the United States of America in freely transferable and immediately available funds. All payments to be made by the Authority shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. All payments received by the Bank after 4:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

*Section 2.7. Termination of Commitment; Reduction of Commitment.* (a) Notwithstanding any provisions of this Agreement or any Program Document to the contrary, upon five (5) days prior written notice to the Bank, the Authority may permanently reduce the Commitment in accordance with the terms hereof.

(b) Notwithstanding any provisions of this Agreement or any Program Document to the contrary, the Authority agrees not to terminate the Commitment except upon (i) the payment to the Bank of all Obligations payable hereunder and under the Fee Agreement, including, without limitation, all principal and accrued interest due and owing on the Loan or the Bank Note and (ii) the Authority providing the Bank with thirty (30) days prior written notice of its intent to terminate Commitment.

(c) All payments to the Bank referred to in this Section 2.7 hereof shall be made in immediately available funds on or prior to the date of termination or reduction of the Commitment.

*Section 2.8. Computation of Interest and Fees.* Fees payable hereunder and under the Fee Agreement shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. All computations of interest payable by the Authority under this Agreement shall be made on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof.

*Section 2.9. Payment Due on Non-Business Day to Be Made on Next Business Day.* If any sum becomes payable pursuant to this Agreement or the Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

*Section 2.10. Default Rate.* Subject to Section 2.4, if the principal amount of a Loan and any other Obligation is not paid when due or upon the occurrence of any other Event of Default, the Loans and such other Obligations shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable upon demand.

*Section 2.11. Source of Funds.* All payments made by the Bank hereunder shall be made from funds of the Bank, and not from the funds of any other Person.

*Section 2.12. Extension of Commitment Termination Date.* If the Authority on any date which is not more than ninety (90) days prior to, but not less than sixty (60) days prior to, the then current Commitment Termination Date, submits to the Bank a written request for an extension of the Commitment Termination Date for a period as specified in such written request, the Bank will respond to such request (by providing prior written notice to the Authority) within thirty (30) days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement. If such an extension request is accepted by the Bank in its sole and absolute discretion, the then current Commitment Termination Date shall be extended to the date agreed by the Authority and the Bank.

*Section 2.13. Net of Taxes, Etc.*

(a) *Taxes.* To the extent permitted by law, any and all payments to the Bank by the Authority hereunder and under the Fee Agreement shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank (and foreclosure taxes imposed in lieu of net income taxes) by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). To the best knowledge of the undersigned officers of the Bank, there are no such taxes currently imposed or required to be withheld or deducted by the Bank. If the Authority shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder or under the Fee Agreement to the Bank, to the extent permitted by law, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to

additional sums payable under this Section 2.13), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority shall make such deductions and (iii) the Authority shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with Applicable Law. If the Authority shall make any payment under this Section 2.13 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Authority an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Authority with respect to such Taxes. In addition, to the extent permitted by law, the Authority agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of New York or any other taxing jurisdiction from any payment made hereunder or under the Fee Agreement or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). The Bank shall provide to the Authority within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Authority to the Bank hereunder *provided* that the Bank’s failure to send such notice shall not relieve the Authority of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The Authority shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.13 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the Authority shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank’s gross negligence or willful misconduct. The Bank agrees to give notice to the Authority of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank’s failure to notify the Authority promptly of such assertion shall not relieve the Authority of its obligation under this Section 2.13. Payments by the Authority pursuant to this indemnification shall be made within thirty (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. The Bank agrees to repay to the Authority any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Authority pursuant to this Section 2.13 received by the Bank for Taxes or Other Taxes that were paid by the Authority pursuant to this Section 2.13 and to contest, with the cooperation and at the expense of the Authority, any such Taxes or Other Taxes which the Bank or the Authority reasonably believes not to have been properly assessed.

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

(d) *Survival of Obligations.* The obligations of the Authority under this Section 2.13 shall survive the termination of this Agreement.

*Section 2.14. Increased Costs.* (a) If the Bank, its Parent or any Participant (each an “*Increased Cost Party*”) shall have determined that a Change of Law shall (A) change the basis of taxation of payments to such Increased Cost Party of any amounts payable hereunder or under the Fee Agreement (except for taxes on the overall net income of such Increased Cost Party), (B) impose, modify or deem applicable any reserve, special deposit or similar requirement against making or maintaining its obligations under this Agreement or assets held by, or deposit with or for the account of, such Increased Cost Party or (C) impose on such Increased Cost Party any other condition regarding this Agreement or under the Fee Agreement, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to such Increased Cost Party of making or maintaining its obligations hereunder or under the Fee Agreement, or to reduce the amount of any sum received or receivable by such Increased Cost Party hereunder, then, the Authority shall pay to the Bank, its Parent or any Participant, as applicable, at such time and in such amount as is set forth in paragraph (d) of this Section 2.14, such additional amount or amounts as will compensate such Increased Cost Party for such increased costs or reductions in amount.

(b) If the Bank, its Parent or any Participant shall have determined that a Change of Law shall impose, modify or deem applicable any capital or liquidity adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which such Increased Cost Party, allocates capital resources to its commitments, including its obligations under liquidity facilities) that either (A) affects or would affect the amount of capital to be maintained by such Increased Cost Party or (B) reduces or would reduce the rate of return on such Increased Cost Party’s capital to a level below that which such Increased Cost Party could have achieved but for such circumstances (taking into consideration such Increased Cost Party’s policies with respect to capital adequacy), then, the Authority shall pay to such Increased Cost Party, at such time and in such amount as is set forth in paragraph (d) of this Section 2.14, such additional amount or amounts as will compensate such Increased Cost Party for such cost of maintaining such increased capital or such reduction in the rate of return on such Increased Cost Party’s capital.

(c) Notwithstanding the foregoing, for purposes of this Section 2.14, (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act shall be deemed to be a Change of Law, as of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a Change of Law as of the date enacted, adopted or issued.

(d) All payments of amounts referred to in paragraph (a) and (b) of this Section 2.14 shall be due thirty (30) calendar days following the Authority’s receipt of notice thereof. Interest on the sums due as described in paragraph (a) and (b) of this Section 2.14, and in the preceding sentence, shall begin to accrue from the date when the payments were first due and shall otherwise be payable in accordance with Section 2.14 hereof; *provided*, that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank, its Parent or any Participant as a result of any event mentioned in paragraph (a) or (b) of this Section 2.14 setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by such

Increased Cost Party to the Authority and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by the above referenced certificate, such Increased Cost Party may make such reasonable estimates, assumptions, allocations and the like that such Increased Cost Party in good faith determines to be appropriate. Any such increased costs due under paragraph (a) or (b) above shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(e) The obligations of the Authority under this Section 2.14 shall survive the termination of this Agreement.

*Section 2.15. Margin Regulations.* No portion of the proceeds of any Loan shall be used by the Authority (or any Person on behalf of the Authority) 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 G, Regulation U or X of the Board of Governors of the Federal Reserve System or any other regulation of the Authority or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of each Loan and such use of proceeds.

*Section 2.16. Maximum Rate; Payment of Fee.* If the rate of interest payable hereunder or under the Fee Agreement shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (B) the Maximum Rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or the Fee Agreement, if applicable, ceases to exceed the Maximum Rate, at which time the Authority shall pay to the Bank with respect to amounts then payable to the Bank that are required to accrue interest hereunder or the Fee Agreement, if applicable, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and the Fee Agreement, if applicable, until all Excess Interest is fully paid to the Bank. Upon the termination of the Commitment and this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Agreement, the Authority shall pay to the Bank a fee equal to the amount of all unpaid Excess Interest.

### **ARTICLE THREE SECURITY**

*Section 3.1. Security.* The Loans and the other Obligations are special limited obligations of the Authority and shall constitute Subordinate Obligations (in this case only as defined in the Indenture) under the Indenture. The Loans and the other Obligations shall be limited obligations of the Authority, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in the Sales Tax Revenues (including Revenues) deposited to the Subordinate Obligations Fund, including earnings on such amounts, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and

subordinate only to the pledge of Sales Tax Revenues (including Revenues) in favor of the Senior Lien Debt and the obligation to fund the reserves relating thereto pursuant to the express terms of the Indenture. Subject to the provisions of the Indenture, the Authority hereby secures the payment of the Loans and the other Obligations and grants a pledge of and lien on (i) the Sales Tax Revenues (including Revenues) deposited into the Subordinate Obligations Fund and (ii) the Subordinate Obligations Fund. The Obligations hereunder shall be deemed Subordinate Obligations (in this case only as defined in the Indenture) for all purposes of the Indenture. Such Revenues and the other moneys hereby pledged to the payment of the Authority's Obligations hereunder shall immediately be subject to the Lien of this pledge without any physical delivery thereof or further act, and the Lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. The Authority will take all actions and do all things necessary to maintain the pledge of and the lien on (i) the Sales Tax Revenues (including Revenues) deposited into the Subordinate Obligations Fund and (ii) the Subordinate Obligations Fund as provided in the Indenture and herein.

#### **ARTICLE FOUR CONDITIONS PRECEDENT**

*Section 4.1. Conditions Precedent to Effectiveness of the Agreement.* As conditions precedent to the effectiveness of this Agreement, (a) the Authority shall provide to the Bank on the Effective Date, each in form and substance satisfactory to the Bank and the Bank's counsel, Chapman and Cutler LLP (hereinafter, "*Bank's counsel*"):

(i) *Approvals.* The Bank shall have received (A) a certified copy of the Ordinance and any amendment, proposed or otherwise, relating thereto, (B) executed originals of this Agreement and the Fee Agreement, (C) executed or certified copies, as applicable, of each of the other Program Documents and (D) copies of a resolution adopted by the Authority approving the execution and delivery by the Authority of this Agreement, the Fee Agreement, the Bank Note and the other Program Documents, in each case, certified by an Authorized Representative of the Authority as complete and correct as of the date hereof (together with a certificate of an Authorized Representative of the Authority, dated the Effective Date, stating that such Program Documents and approvals are in full force and effect on the Effective Date and have not been amended, repealed, rescinded, or supplemented in any manner, except for such amendments made in accordance with the express terms of such Program Documents).

(ii) *Certificate and Incumbency of Authority Officials.* The Bank shall have received an incumbency certificate of the Authority in respect of each of the officials who is authorized to (A) execute this Agreement, the Fee Agreement, the Bank Note and the other Program Documents on behalf of the Authority and (B) take actions for the Authority under this Agreement, the Fee Agreement, the Bank Note and the other Program Documents and a certificate of an Authorized Representative of the Authority, dated the Effective Date, certifying that (A) each of the Authority's representations and warranties contained herein and the other Program Documents is true and correct on and as of the Effective Date as though made on and as of such date, (B) no Default or Event of Default



has occurred and is continuing or will result from the execution and delivery by the Authority of this Agreement, the Fee Agreement and the issuance of the Bank Note, (C) since June 30, 2019, except as disclosed to the Bank in writing, there has been no Material Adverse Change and there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) has occurred that, in any case, may adversely affect the consummation of the transactions contemplated hereby or by any Program Document, (D) all conditions precedent set forth in this Article IV have been satisfied and (E) all conditions precedent set forth in the Indenture with respect to incurrence of each Loan and other Obligations hereunder shall have been satisfied;

(iii) *Opinion of Bond Counsel.* An opinion of Nossaman LLP, Bond Counsel for the Authority, dated the Effective Date, together with a reliance letter addressed to the Bank with respect thereto, including, without limitation, (1) this Agreement, the Fee Agreement, the Bank Note and the other Program Documents are legal, valid and binding agreements of the Authority, subject to standard exceptions and (2) the pledge in favor of the Bank contained in Section 3.1 hereof and the Supplemental Indenture is a valid and binding and legal pledge of the Sales Tax Revenues (including Revenues), including earnings on such amounts.

(iv) *Bank Note.* The Bank shall have received the executed Bank Note payable to the Bank.

(v) *Indenture.* The Bank shall have received the fully executed copy of the Indenture, including any amendments or supplements thereto, if any, which have been adopted as of the Effective Date, and a certified copy of the resolution of the Authority approving and authorizing this Agreement and the Bank Note in form and substance satisfactory to the Bank and of the Ordinance, each certified by an Authorized Representative of the Authority as being in full force and effect.

(vi) *Fees, Etc.* The Bank shall have received payment of the fees, costs and expenses to be paid on or prior the Effective Date referred to in Section 9.6 hereof and pursuant to the Fee Agreement.

(vii) *Other Documents.* The Bank shall have received such other documents, certificates, and opinions as the Bank and its counsel shall have reasonably requested. There shall have been delivered to the Bank such information and copies of documents, approvals (if any) and records (certified, where appropriate) of corporate and legal proceedings as the Bank may have requested relating to the entering into and performance by each of the parties (other than the Bank) thereto, of each of the Program Documents or the transactions contemplated thereby satisfactory to the Bank. The Bank shall have received such financial information, budgets, projections, and other documents, instruments, approvals, opinions, investment policies and guidelines for permitted investments of the Authority (and, if requested by the Bank, certified duplicates or executed copies thereof) as the Bank may reasonably request. All proceedings in connection with this Agreement, and all documents incidental thereto, shall be satisfactory to the Bank and its counsel.

(b) *No Default, Material Adverse Change, Etc.* (i) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the Authority of this Agreement and the issuance of the Bank Note, (ii) the representations and warranties and covenants made by the Authority in Articles Five and Six hereof shall be true and correct in all material respects on and as of the Effective Date, as if made on and as of such date, and (iii) the Bank in its sole discretion shall have determined that no Material Adverse Change or material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of the Authority shall have occurred since June 30, 2019, and there has been no material adverse change in the laws, rules, regulations or guidelines (or their interpretation or administration) has occurred that, in any case, may adversely affect the consummation of the transactions contemplated hereby or by any Program Document.

(c) Prior to the Effective Date, the Bank shall have received a written description of all actions, suits or proceedings pending or, to the Authority's knowledge, threatened against the Authority in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Bank may reasonably request.

*Section 4.2. Conditions Precedent to Loans.* The obligation of the Bank to make a Loan is subject to the satisfaction of each condition in Section 4.1 hereof on or prior to the Effective Date, receipt by the Bank of a properly presented and conforming Loan Notice in accordance with Section 2.2(a) hereof and the satisfaction of the further condition that (i) no Special Event of Default shall have occurred and be continuing and (ii) the Authority shall have not failed to reimburse the Bank for the full amount of a Loan immediately upon payment by the Bank of a Loan.

Unless the Authority shall have previously advised the Bank in writing that (i) any or all of the representations and warranties contained in Article Five of this Agreement (other than those representations and warranties that expressly relate to an earlier date) are not true and correct in all material respects as of such date or (ii) any event has occurred and is continuing, or would result from the Loan, which constitutes a Default or Event of Default, then the Authority shall be deemed to have represented and warranted on the date of the Loan that (i) the representations and warranties contained in Article Five of this Agreement (other than those representations and warranties that expressly relate to an earlier date) are true and correct in all material respects as of such date and (ii) no event has occurred and is continuing, or would result from such payment, which constitutes a Default or Event of Default.

## **ARTICLE FIVE REPRESENTATIONS AND WARRANTIES**

In order to induce the Bank to enter into this Agreement, the Authority represents and warrants to the Bank as follows:

*Section 5.1. Organization; Existence.* The Authority is duly organized and validly existing as a local transportation authority pursuant to the Act.

*Section 5.2. Power and Authority.* The Authority has and had at the time of adoption, execution, delivery, issuance, sale or performance full power, right and authority to (i) execute, deliver and perform its obligations under the Indenture, each of the other Program Documents to which it is a party, the Act and the Sales Tax Law, any and all instruments and documents required to be executed, adopted or delivered pursuant to or in connection herewith or therewith, (ii) issue the Bank Note as provided in the Program Documents and make payment of principal and interest, if any, on the Bank Note and to pay the Obligations and the Bank Note at the times and in the manner set forth herein, and (iii) perform each and all of the matters and things herein and therein provided for and the Authority has complied in all material respects with the laws of the State of California in all matters relating to such execution, delivery and performance.

*Section 5.3. Due Authorization, Etc.* The Ordinance has been duly adopted and each of the Program Documents to which the Authority is a party have been duly authorized, executed, issued and delivered. This Agreement and each of the other Program Documents to which the Authority is a party constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except as such enforceability may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles relating to or affecting creditors' rights generally from time to time in effect.

*Section 5.4. Necessary Actions Taken.* The Authority has taken all actions necessary to be taken by it (i) for the issuance of the Bank Note upon the terms set forth in the Program Documents, (ii) for the execution, adoption and delivery by the Authority of any and all such other instruments and the taking of all such other actions on the part of the Authority as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Authority contemplated by the Program Documents, the Act, the Sales Tax Law and the Ordinance or in connection herewith or therewith and (iii) to authorize or approve, as appropriate, the execution or adoption, issuance and delivery of, and the performance of its obligations under and the transactions contemplated by each of the Program Documents to which it is a party and the payment of the Obligations and the Bank Note at the times and in the manner set forth.

*Section 5.5. No Contravention.* The execution and delivery of each of the Program Documents and compliance with the provisions hereof and thereof, will not conflict with or result in a violation of the Constitution of the State of California or the laws of the State of California, including any debt limitations or other restrictions or conditions on the debt-issuing power of the Authority, and will not conflict with or result in a violation of, or breach of, or constitute a default under, any law (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations), judgment, order, decree or administrative regulation or any of the terms, conditions or provisions of the Act or the Ordinance or any ordinance, judgment, decree, contract, loan agreement, note, bond, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is a party or by which it or any property of the Authority is bound and will not, except as expressly provided herein, result in the imposition or creation of any lien, charge, or encumbrance upon or invalidate in any way the Sales Tax Revenues or otherwise reasonably be expected to result in a Material Adverse Effect. The Authority has not received any notice, not subsequently withdrawn, given in accordance with the remedy provisions of any bond

resolution or ordinance, trust indenture, guarantee or agreement or State law pertaining to bonds notes or other obligations secured by the Sales Tax Revenues, of any default or event of default of the Authority which has not been cured, remedied or waived.

*Section 5.6. Compliance.* The current collection of Sales Tax Revenues and the accounting and recordkeeping therefor are in material compliance with all applicable state and federal laws and all applicable resolutions, ordinances and rules of the Authority. The Authority is in compliance with the terms and conditions of the Indenture and each of the Program Documents to which it is a party, and no breach of the terms hereof or thereof has occurred and is continuing, and no Default or Event of Default has occurred and is continuing. The Authority is in compliance with all laws, ordinances, orders, writs, injunctions, decrees rules and regulations applicable to it (including, without limitation, ERISA and all applicable federal, state or local environmental, health and safety statutes and regulations, and the Authority's investment policy guidelines), and any contract to which the Authority is a party or by which it or any of its property may be bound, except to the extent noncompliance could not reasonably be expected to have a Material Adverse Effect, and all cash and other assets of the Authority are invested in accordance with established investment policy guidelines, a true and correct copy of which guidelines in effect as of the Effective Date having been provided to the Bank in writing.

*Section 5.7. No Default.* No default by the Authority has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by the Authority and secured by the Sales Tax Revenues. No bankruptcy, insolvency or other similar proceedings pertaining to the Authority or any agency or instrumentality of the Authority are pending or presently contemplated.

*Section 5.8. Swap Termination Payments.* The Authority is not a party to any Swap Contract (a) that provides that any termination payment thereunder is payable from or secured by Revenues on a basis that is senior to or on a parity with the lien securing the Bank Note, the Loans and the Obligations or (b) which requires the Authority to post cash collateral to secure its obligations thereunder.

*Section 5.9. No Immunity.* Under existing law, the Authority is not entitled to any immunity (including, without limitation, on the grounds of sovereignty, governmental immunity or other similar grounds) from liability or suit in connection with any legal proceedings (including, without limitation, immunity from service of process or immunity from jurisdiction of any court otherwise having jurisdiction) to enforce or collect any obligation under this Agreement, any other Program Document, the Act and the Sales Tax Law, or the transactions contemplated hereby and thereby, including without limitation the payment of the Obligations.

*Section 5.10. Litigation.* There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Authority or any arbitration in which service of process has been completed against the Authority or, to the knowledge of the Authority, any other action, suit or proceeding pending or threatened in any court, any other governmental authority with jurisdiction over the Authority or any arbitrator, in either case against the Authority or any of its properties or revenues, or the Indenture or any of the Program Documents or with respect to the Act, the Sales Tax Law or the Ordinance, which if determined adversely to the

Authority would adversely affect the legality, validity or enforceability of the Ordinance, the Indenture or any of the Program Documents or the rights and remedies of the Bank under any of the Program Documents or which could be reasonably expected to have a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Bank has received an opinion of counsel satisfactory to the Bank in form and substance satisfactory to the Bank and the Bank's counsel, to the effect that such action, suit or proceeding is without substantial merit.

*Section 5.11. Disclosure and Information Provided to the Bank.* All information, documents, statements and certificates provided in writing to the Bank, by or on behalf of the Authority in connection with the transactions contemplated by the Program Documents are true and correct as of the date thereof and were provided in expectation of the Bank's reliance thereon in making available the Commitment. Any financial, budget and other projections furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections.

*Section 5.12. Financial Information.* The Authority has delivered to the Bank a copy of the audited financial statements for the Authority for the fiscal year ended June 30, 2019. These together with related notes, fairly present the financial position and results of operation of the Authority as of the date and for the periods therein set forth. All such financial statements have been prepared in accordance with generally accepted accounting principles for government entities consistently applied. There has been no material adverse change in the financial position, results of operations or projections of revenues of the Authority since June 30, 2019, which could be reasonably expected to result in a Material Adverse Effect. The Authority has no material contingent liabilities or other material contracts or commitments payable from Sales Tax Revenues which are not reflected in such financial statements previously delivered to the Bank or in the notes thereto.

*Section 5.13. Official Signatures.* Each Authorized Representative, on behalf of the Authority, has full power and authority to execute, deliver and perform under each of the Program Documents. Any agreement, certificate or request signed by or on behalf of any Authorized Representative of the Authority and delivered to the Bank shall be deemed a representation and warranty by the Authority to the Bank as to the truth, accuracy and completeness of the statements made by the Authority therein.

*Section 5.14. Incorporation of Representations and Warranties by Reference.* Each of the Program Documents, the Act, the Sales Tax Law and the Ordinance is in full force and effect. Except as previously disclosed in writing to the Bank, no event of default and no event which, with the giving of notice, the passage of time or both, would constitute an event of default, presently exists under any of the Program Documents. Except as previously disclosed in writing to the Bank, neither the Authority nor any other party thereto has waived or deferred performance of any material obligation under any Program Document. The Authority hereby makes to the Bank the same representations and warranties made by the Authority in each Program Document, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference for the benefit of the Bank with the same effect as if each and every such

representation and warranty and defined term were set forth herein in its entirety. Except as permitted by Section 6.15(a) hereof, no amendment, modification, termination or replacement of any such representations, warranties and definitions contained in the Program Documents to which it is a party shall be effective to amend, modify, terminate or replace the representations, warranties and definitions incorporated herein by this reference, without the prior written consent of the Bank.

*Section 5.15. No Maximum Rate.* There is no limitation under California law on the rate of interest payable by the Authority with respect to the Obligations, the Bank Note or any other obligations payable to the Bank hereunder, under the Fee Agreement or under any Program Document.

*Section 5.16. Security.* The Loans and all other Obligations of the Authority hereunder are special obligations payable from and secured by a pledge of (i) the Sales Tax Revenues deposited into the Subordinate Obligations Fund and (ii) the Subordinate Obligations Fund, as set forth in the Ordinance and the Indenture. This Agreement and the Indenture create, for the benefit of the Bank Note, the Loans and the other Obligations, the legally valid, binding and irrevocable lien on and pledge of (i) the Sales Tax Revenues deposited into the Subordinate Obligations Fund and (ii) the Subordinate Obligations Fund. There is no lien on the Sales Tax Revenues or the Subordinate Obligations Fund other than the lien created by the Indenture and Section 6.12 of this Agreement. There is no lien on or pledge of the Sales Tax Revenues (including Revenues) or the Subordinate Obligations Fund other than the liens and/or pledges created or permitted by or with respect to the Indenture, the Senior Lien Indenture, Parity Debt and the pledge set forth in Section 6.12 of this Agreement. The payment of the Obligations ranks on a parity with the payment of the principal of and interest on the Parity Debt and is not subordinate to any payment secured by a lien on the Sales Tax Revenues or the Subordinate Obligations Fund or any other claim other than payments with respect to the principal of and interest on the Senior Lien Debt and the funding of reserves therefor as set forth in the Indenture, and is prior as against all other Persons having claims of any kind in tort, contract or otherwise, whether or not such Persons have notice of such lien. No filing, registration, recording or publication of the Indenture or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the lien created thereby on the Sales Tax Revenues or the Subordinate Obligations Fund to secure the Loans and the other Obligations.

*Section 5.17. Environmental.* Except as disclosed in writing to the Bank, the Authority has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action, when taken as a whole, would have a Material Adverse Effect.

*Section 5.18. No Proposed Legal Changes.* (a) To the best knowledge of the Authority, there is no proposed amendment to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any public vote or proposition or referendum (or proposed public vote or proposition or referendum) or other ballot initiative or any legislation that has passed either house of the State

legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have a Material Adverse Effect.

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

*Section 5.19. OFAC.* Neither the Authority, nor, to the knowledge of the Authority, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) is or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. To the best knowledge of the Authority, after due inquiry, the proceeds from any Loan or the transaction contemplated by this Agreement will not be, and have not been, used, directly or indirectly, to lend, contribute, provide or otherwise be made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Bank) of Sanctions.

*Section 5.20. Margin Stock.* The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from any Loan will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

*Section 5.21. Trustee.* The Bank of New York Mellon Trust Company, N.A. is the duly appointed and acting Trustee under the Indenture.

## ARTICLE SIX COVENANTS

The Authority will do the following so long as any amounts may be drawn under the Commitment or any Obligations remain outstanding under this Agreement and the Fee Agreement, unless the Bank shall otherwise consent in writing:

*Section 6.1. Maintenance of Existence.* The Authority (a) shall maintain its existence pursuant to the Act and the laws of the State of California and (b) shall not liquidate or dissolve, or sell or lease or otherwise transfer or dispose of all or any substantial part of its property, assets or business, or combine, merge or consolidate with or into any other entity. The Authority shall, in all material respects, maintain, preserve and keep its Property in good repair, working order and condition (ordinary wear and tear excepted), except to the extent that the failure to do so could reasonably be expected to result in a Material Adverse Effect.

*Section 6.2. Reports, Certificates and Other Information.* The Authority shall furnish or cause to be furnished to the Bank copies of:

(a) *Annual Report.* As soon as available, and in any event within two hundred and ten (210) days after the end of each fiscal year of the Authority, audited financial statements consisting of a balance sheet and a statement of revenues, expenditures and changes in fund balances of the Authority, including the Sales Tax Revenues for such fiscal year, setting forth in comparative form the corresponding figures (if any) for the preceding fiscal year, all in reasonable detail, and (A) accompanied by an unqualified opinion of a nationally recognized independent certified public accounting firm stating that (x) they have been prepared in accordance with GAAP consistently applied and (z) nothing has come to the attention of the auditors which would indicate that a Default or Event of Default has occurred under this Agreement, and (B) accompanied by a certification from the Executive Director of the Authority addressed to the Bank stating that neither a Default or Event of Default has occurred which was continuing at the end of such fiscal year or on the date of his certification, or, if such an event has occurred and was continuing at the end of such fiscal year or on the date of his certification, indicating the nature of such event and the action which the Authority proposes to take with respect thereto.

(b) *Budget.* As soon as available, but in any event within 30 days following the approval thereof, a copy of the final budget of the Authority for each fiscal year during the term of the Agreement.

(c) *Reserved.*

(d) *Trustee Notices.* As soon as available, all notices, certificates, instruments, letters and written commitments in connection with Bonds other than those notices, certificates, instruments, letters and written commitments that relate solely to the routine issuance and payment of the Bonds.

(e) *Notice of Default, Event of Default or Adverse Change.* (1) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and within five Business Days thereafter, a certificate signed by an Authorized Representative specifying in reasonable detail the nature and period of existence thereof and what action the Authority has taken or proposes to take with respect thereto, (2) promptly following a written request of the Bank, a certificate of an Authorized Representative of the Authority as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement and (3) notification as soon as possible after an Authorized Representative of the Authority acquires knowledge of the occurrence of (i) the filing of a complaint against the Authority in any court or administrative agency, where the amount claimed is in excess of Ten Million Dollars (\$10,000,000), (ii) the filing of any action which could lead to an initiative or referendum of which the Authority has actual knowledge which could annul, amend, modify or replace the Act, the Sales Tax Law or the Ordinance and which could reasonably be expected to result in a Material Adverse Change, (iii) any Material Adverse Change or any other event which, in the reasonable judgment of the Authority, is likely to



have a material adverse effect on the financial condition or operations of the Authority and (iv) any IRS or SEC inquiry.

(f) *Litigation and Amendments.* As promptly as practicable, (i) written notice to the Bank of all litigation served against the Authority and all proceedings before any court or governmental authority which could reasonably be expected to have a Material Adverse Effect (including without limitation any decrease in Sales Tax Revenues that could reasonably be expected to adversely affect the ability of the Authority to perform any of its obligations under, this Agreement or any of the other the Program Documents), (ii) written notice to the Bank of all material litigation filed against the Authority and all proceedings before any court or governmental authority which relate to the Sales Tax Revenues, the Act, the Sales Tax Law, the Ordinance or any of the Program Documents or the Senior Lien Indenture, and (iii) copies of any amendments or modifications to the Act, the Sales Tax Law, Ordinance or any other legislation of which the Authority has actual knowledge which may materially adversely impact upon the Sales Tax Revenues or the Authority's ability to perform its obligations under the Bank Note or the other Program Documents.

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

(h) *Other Information.* Such other information regarding the business, affairs and financial condition of the Authority as the Bank may from time to time reasonably request, including without limitation other information respecting the business affairs, financial condition and/or operations of the Authority, as the Bank may from time to time reasonably request.

The Authority will permit the Bank to disclose the information described in this Section 6.2 to any Participants of the Bank, if any, in this Agreement.

*Section 6.3. Maintenance of Books and Records.* The Authority will keep proper books of record and account in which full, true and correct entries in accordance with the Authority's budget basis accounting principles and reporting practices will be made of all dealings or transactions in relation to its activities.

*Section 6.4. Access to Books and Records.* To the extent permitted by law, the Authority will permit any Person designated by the Bank to visit any of the offices of the Authority to examine the books and financial records, including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Authority with their principal officials, all at such

reasonable times and upon reasonable notice and as often as the Bank or any such Bank may reasonably request. The Bank agrees to maintain the confidentiality of all such books, records and information regarding the Authority; *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 or any Participant, if any.

*Section 6.5. Compliance with Documents.* The Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Program Documents with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against the Authority. To the extent that any such provision permits the Authority or any other party 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 Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless 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 written approval by the Bank of the same, *provided, however*, that such waiver or determination of acceptance by the Bank shall be required only if the granting of such waiver or the determination that a document, opinion or other instrument or any event or conditions be acceptable or satisfactory relates to a covenant or agreement which affects the ability or obligation of the Authority to pay the principal or interest on the Bank Note or the Loans or the security therefor or which is material to the rights of the Bank. Except as permitted by Section 6.15(a) hereof, no termination or amendment to such covenants and agreements or defined terms or release of the Authority with respect thereto made pursuant to any of the Program Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of any such Program Document, the Authority shall, unless such Program Document has terminated in accordance with its terms and has been replaced by a new Program Document, continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

*Section 6.6. Compliance with Law.* The Authority shall comply with and observe all Applicable Law, obligations and requirements set forth in the Constitution of the State of California and in all applicable statutes and regulations binding upon it relating to the Indenture and the other Program Documents.

*Section 6.7. Further Assurances.* From time to time hereafter, the Authority will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purposes of implementing or effectuating the provisions of the Program Documents, the Act, and the Sales Tax Law or for the purpose of more fully perfecting or renewing the rights of the Bank with respect to the rights, properties or assets

subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof). Upon the exercise by the Bank of any power, right, privilege or remedy pursuant to the Program Documents, the Act and the Sales Tax Law which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Authority 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.

*Section 6.8. Budget and Appropriation.* To the fullest extent permitted by California law, the Act, the Sales Tax Law and the Ordinance, the Authority shall cause the appropriate Authority official to take any and all ministerial actions that may be necessary to facilitate the payment of all obligations under this Agreement and the Fee Agreement and to include such obligations in the budget to be submitted to the Authority for consideration and included in an appropriations request.

*Section 6.9. Most Favored Nations.* In the event that the Authority has or shall, directly or indirectly, enter into or otherwise consent to any credit agreement, standby bond purchase agreement, credit facility, reimbursement agreement, direct purchase agreement (such as a continuing covenant agreement or supplemental bondholder's agreement), bond purchase agreement, liquidity agreement, or other agreement or instrument (or, in each case, any amendment, supplement or other modification thereof) (each such agreement referred to herein as a "Bank Agreement") under which, directly or indirectly, any Person or Persons (each a "Provider") undertake(s) to make or provide funds to make payment of, or to purchase or provide liquidity support or credit enhancement for any Parity Debt, any commercial paper notes or any bonds or notes or other securities of the Authority secured by or payable on a parity with the Bank Note, which such Bank Agreement provides such Provider with additional or more restrictive covenants, additional or different events of default and/or greater rights and remedies than are provided to the Bank in this Agreement (excluding negotiated business terms such as pricing or interest rate increases or shorter term out provisions or expiration date of such Bank Agreement) (each such term or provision referred to herein as a "More Favorable Term"), the Authority shall provide the Bank with a copy of each such Bank Agreement and such More Favorable Term shall automatically be deemed to be incorporated into this Agreement for so long as any Provider has the benefit of such More Favorable Term and the Bank shall have the benefits of such More Favorable Term as if specifically set forth herein for so long as any Provider has the benefit of such More Favorable Term. Upon the request of the Bank, the Authority shall promptly enter into an amendment to this Agreement to include such More Favorable Term for so long as any Provider has the benefit of such More Favorable Term (provided that the Bank shall maintain the benefit of such More Favorable Term even if the Authority fails to enter into such amendment).

*Section 6.10. Trustee.* The Authority shall at all times maintain a Trustee.

*Section 6.11. Ratings.* The Authority covenants and agrees that it shall at all times maintain at least two unenhanced long-term ratings on any one or more series of the Senior Lien Debt from any two of Moody's, Fitch or S&P. The Authority shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by Moody's, Fitch or S&P, to the extent such Rating Agency is then maintaining a rating on Senior Lien Debt. The Authority covenants and agrees that it shall not at any time withdraw any long-term

unenanced rating on its Senior Lien Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Commitment Fee.

*Section 6.12. Pledge of Sales Tax Revenue.* The Bank Note and the Obligations shall be limited obligations of the Authority, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in (i) the Sales Tax Revenues (including Revenues), including earnings on such amounts, and (ii) the Subordinate Obligations Fund, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate only to the pledge of the Sales Tax Revenues (including Revenues) in favor of the Senior Lien Debt and the funding of the reserves with respect thereto pursuant to the express terms of the Indenture. Subject to the provisions of the Indenture, (i) the Sales Tax Revenues (including Revenues) deposited into the Subordinate Obligations Fund and (ii) the Subordinate Obligations Fund are hereby pledged to the payment of the Bank Note and all Obligations of the Authority hereunder. The Obligations hereunder shall be deemed Parity Debt for all purposes of the Indenture. Such proceeds from the Loans, Revenues and the other moneys hereby pledged to the payment of the Authority's Obligations hereunder shall immediately be subject to the Lien of this pledge without any physical delivery thereof or further act, and the Lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. The Authority will take all actions and do all things necessary to maintain the pledge of and the lien on (i) the Sales Tax Revenues (including Revenues) deposited into the Subordinate Obligations Fund and (ii) the Subordinate Obligations Fund as provided in the Indenture and herein.

*Section 6.13. Taxes, Other Governmental Authority Charges and Liabilities.* The Authority shall pay, or cause to be paid, as and when due and prior to delinquency, all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid all taxes, assessments and governmental charges of any kind that may at any time be lawfully assessed or levied against or with respect to the Authority or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, which default could have a Material Adverse Effect on the ability of the Authority to perform its obligations under this Agreement, the Fee Agreement, the Bank Note or any other Program Documents. However, the Authority may contest in good faith any such taxes, assessments and other charges and, in such event, may permit the taxes, assessments or other charges so contested to remain unpaid during any period, including appeals, when the Authority is in good faith contesting the same, so long as (i) reserves have been established in an amount sufficient to pay any such taxes, assessments or other charges, accrued interest thereon and potential penalties or other costs relating thereto, or other adequate provision for the payment thereof shall have been made, (ii) enforcement of the contested tax, assessment or other charge is effectively stayed for the entire duration of such contest, and (iii) any tax, assessment or other charge determined to be due, together with any interest or penalties thereon, is immediately paid after resolution of such contest.

*Section 6.14. Sovereign Immunity.* To the extent that the Authority has or hereafter may acquire under any Applicable Law any right to immunity from set-off or legal proceedings, on the grounds of sovereign immunity, governmental immunity or any other similar doctrine, the Authority hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of any contract claims arising under or related to this Agreement or any other Program Document.

*Section 6.15. Negative Covenants of the Authority.* Until the termination of this Agreement and the payment in full to the Bank of all amounts payable to the Bank hereunder, under the Fee Agreement and under the Bank Note, the Authority hereby covenants and agrees that it shall not:

(a) *Amendments.* Without the prior written consent of the Bank, (i) consent or agree to or permit any rescission of or amendment to the Indenture, the Ordinance or any Program Document which would reduce the amount of the Sales Tax Revenues (including Revenues) or materially adversely affect the obligations of the Authority hereunder, under the Fee Agreement or any other Program Document or which would in any manner materially impair or materially adversely affect the rights of the Authority to the Revenues or the security of the Indenture or the ability of the Authority to repay indebtedness (including commercial paper) that is secured by the Sales Tax Revenues or which adversely affects the security for the Bank Note, the Loans or the other Obligations; or (ii) agree to the amendment of the Indenture, the Ordinance or any other Program Documents such that payments to pay the Bank Note are impaired or reduced or the priority of the obligations of the Authority under the Indenture or to the Bank hereunder or under the Fee Agreement is adversely affected in any way; or (iii) agree to any amendment of the Indenture, the Ordinance or any other Program Document whatsoever which could reasonably be expected to materially and adversely affect any right, interest, security or remedy of the Bank or be reasonably expected to result in a Material Adverse Effect (including without limitation any decrease in Sales Tax Revenues that could reasonably be expected to adversely affect the ability of the Authority to perform any of its obligations under, this Agreement or any of the other the Program Documents). Notwithstanding the foregoing, the Authority shall be entitled to enter into one or more supplements to the Indenture in order to issue or incur additional debt so long as the Authority complies with the provisions of Section 3.06 of the Indenture and the issuance of such indebtedness would not otherwise result in a Default or an Event of Default and the proceeds of the issuance or incurrence of such additional debt is used in accordance with Section 6.16 hereof.

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

(c) *Liens.* The Authority shall not create or suffer to be created any pledge of or lien on the Sales Tax Revenues (including Revenues), other than the pledge provided for in the Indenture and in Section 6.12 of this Agreement, and with respect to the Senior Lien Debt, as expressly provided for in or permitted by the Bond Indentures. The Authority shall not create or suffer to be created any pledge of or lien on the Sales Tax Revenues (including Revenues) that would affect the priority of Liens in existence on the Effective Date.

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

(e) *Trustee.* The Authority shall not, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, (i) remove, or seek to remove, the Trustee; or (ii) appoint or consent to the appointment of any successor thereto.

(f) *Offering Memorandum Disclosure.* The Authority shall not refer to any financial information or ratings with respect to the Bank in any official statement or any similar offering document or make any changes in reference to any financial information or ratings with respect to the Bank in any official statement or any similar offering document without the prior written consent of the Bank (which consent shall not be unreasonably withheld).

(g) *Accounting Standards.* All financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the Authority shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements as of June 30, 2019, as examined and reported on by Vavrinek, Trine, Day & Co., LLP.

(h) *Application of Proceeds.* The Authority shall not, and shall not permit OCTA to, take or omit to take any action, which action or omission will in any way result in the proceeds of the Loans being applied in a manner other than to pay the costs of the Project and to satisfy the condition set forth in Section 13(a)(i) of the TIFIA Loan Agreement.

(i) *No Impairment.* To the fullest extent permitted by law, the Authority will neither take any action, nor cause or permit the Trustee or OCTA to take any action, under the Indenture or any Program Document which, in and of itself, would materially adversely

affect the interests, rights, remedies or security of the Bank under this Agreement or any other Program Document or which could result in a Material Adverse Effect (including without limitation any decrease in Sales Tax Revenues that could reasonably be expected to adversely affect the ability of the Authority to perform any of its obligations under, this Agreement or any of the other the Program Documents).

*Section 6.16. Additional Debt Proceeds.* The Authority shall use the proceeds of any indebtedness which is to be secured by Sales Tax Revenues issued or incurred after the Effective Date (a) first, to pay on a dollar for dollar basis the outstanding amount of the Loans, if any, and (b) second, to reduce on a dollar for dollar basis the Commitment.

*Section 6.17. Disclosure to Participants.* The Authority shall permit the Bank to disclose the financial information received by it pursuant to this Agreement to each Participant of the Bank, if any, subject to confidentiality restrictions and use restrictions customary for financial institutions.

## **ARTICLE SEVEN DEFAULTS**

*Section 7.1. Events of Default and Remedies.* If any of the following events shall occur, each such event shall be an “*Event of Default*”:

(a) The Authority fails to pay, or cause to be paid, (i) when due any principal of or interest on any Loan within sixty (60) calendar days of the date such principal or interest was due, (ii) any Commitment Fee within ten (10) calendar days following receipt of an invoice therefor or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) of this Section 7.1(a)) within ten (10) calendar days of the date such Obligation was due; or

(b) Any representation, warranty or statement made by or on behalf of the Authority herein or in any other Program Document or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or financial statements of the Authority (including unaudited financial reports, budgets, projections and cash flows of the Authority) furnished to the Bank by or on behalf of the Authority in connection with the transactions contemplated hereby, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made; or

(c) (i) The Authority fails to perform or observe any term, covenant or agreement contained in Section 6.1, 6.5, 6.11, 6.12, 6.14 or 6.15 hereof (other than Section 6.15(c), (g) or (h) hereof) or (ii) the Authority fails to perform or observe any other term, covenant or agreement contained in this Agreement hereof, but otherwise excluding those referred to in Section 7.1(a) and 7.1(c)(i) hereof) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) days after the earlier of (A) the Bank providing written notice thereof to the Authority, or (B) an Authorized Representative having actual

acknowledge thereof; *provided that*, actual knowledge shall not be imputed to any Authorized Representative with respect to any such failure or breach for which a determination is required that a Material Adverse Effect or Material Adverse Change has occurred, unless the Authority has received written notice from the Bank with respect to such failure or breach; or

(d) The Authority shall (i) default in any payment of any Debt payable from or secured by a lien on Sales Tax Revenues, including, without limitation, Senior Lien Debt, Parity Debt and Subordinate Obligations (“*Secured Debt*”), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created, or (ii) default in the observance or performance of any agreement or condition relating to any Secured Debt in an amount greater than \$500,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity (whether by acceleration, redemption, tender or otherwise); or

(e) (i) A court or other Governmental Authority with jurisdiction to rule on the validity of this Agreement, the Indenture, any other Program Document, the Act or the Sales Tax Law shall find, announce or rule that (x) any material provision of this Agreement or any other Program Document or (y) any provision of the Indenture relating to the security for the Bank Note, the Loans or the other Obligations, the Authority’s ability to pay the Obligations or perform its obligations hereunder or the rights and remedies of the Bank, is not a valid and binding agreement of the Authority or (ii) the Authority shall contest the validity or enforceability of this Agreement, any other Program Document, the Act or the Sales Tax Law or any provision of the Indenture relating to the security for the Bank Note, the Loans or the other Obligations, the Authority’s ability to pay the other Obligations or perform its obligations hereunder or the rights and remedies of the Bank, or shall seek an adjudication that this Agreement, any other Program Document, the Act or the Sales Tax Law or any provision of the Indenture relating to the security for the Bank Note, the Loans or the other Obligations, the Authority’s ability to pay the Obligations or perform its obligations hereunder or the rights and remedies of the Bank, is not valid and binding on the Authority or the Authority shall repudiate its obligations under this Agreement or any other Program Document; or

(f) (i) (A) Any provision of the Indenture relating to the security for the Bank Note, the Loans or the other Obligations, the Authority’s ability to pay the Bank Note, the Loans or the other Obligations or perform its obligations hereunder or the rights and remedies of the Bank shall at any time for any reason cease to be in full force or effect, (B) the Act, the Sales Tax Act, the Ordinance, or any other Program Document, or any material provision of any of the foregoing documents, shall at any time for any reason cease to be in full force or effect, or (C) the Authority or any Person acting by or on behalf of the Authority shall deny or disaffirm the Authority’s obligations under the Indenture or any other Program Document; or (ii) (A) the validity or enforceability of any provision of the



Act, the Sales Tax Law or the Ordinance that impacts the Authority's ability or obligation to levy the Sales Tax in the incorporated and unincorporated territory of the County of Orange or to collect Revenues or to pay the Revenues directly to the Trustee or the BOE's ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee is contested by duly authorized action of the Authority or is determined by a court or the State or any instrumentality of the State with appropriate jurisdiction in a proceeding subject to further appeals to be invalid or unenforceable, or (B) the Act, the Sales Tax Law or the Ordinance is repealed, (C) a Federal court or any other court with appropriate jurisdiction or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction determines in a final non-appealable order or judgment, as the case may be, that any provision or provisions of the Act, the Sales Tax Law or the Ordinance regarding (1) the Authority's ability or obligation to levy or impose the Sales Tax in the incorporated and unincorporated territory of the County of Orange or collect Revenues or to pay the Revenues directly to the Trustee or (2) the BOE's obligation to collect the Sales Tax or the BOE's ability or obligation to make payment of the Sales Tax directly to the Trustee, or the pledge of and lien on Revenues securing the payment of the principal of or interest on the Bank Note, the Loans and the other Obligations, is null and void, or (D) the Act, the Sales Tax Law or the Ordinance is ruled to be null and void by a Federal court or any court with appropriate jurisdiction or the State or any instrumentality of the State or any other Governmental Authority with appropriate jurisdiction; or (iii) the validity or enforceability of any provision of the Act, the Sales Tax Law or the Ordinance that impacts the Authority's ability or obligation to levy the Sales Tax in the incorporated and unincorporated territory of the County of Orange or to collect Revenues or to pay the Revenues directly to the Trustee or the BOE's ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee is contested by duly authorized action of the State or any instrumentality of the State with appropriate jurisdiction; or

(g) A final judgment or order for the payment of money in excess of \$20,000,000 (in excess of the coverage limits of any applicable insurance therefor) shall have been rendered against the Authority and such judgment or order shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of thirty (30) days from the date on which it was first so rendered; or

(h) (i) A debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any obligation secured by a lien, charge or encumbrance upon the Sales Tax Revenues, or (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the Authority seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts payable from or secured by the Sales Tax Revenues, or (iii) the Authority seeks appointment of a receiver, trustee, custodian or other similar official for itself or for the Sales Tax Revenues, or the Authority shall make a general assignment for the benefit of its creditors, or (iv) there shall be commenced against the Authority any case, proceeding or other action of a nature referred

to in clause (ii) and the same shall remain undismissed, or (v) 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 of the Authority's property or the Sales Tax Revenues which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof, or (vi) the Authority takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv) or (v) above, or (vii) the Authority shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts payable from or secured by the Sales Tax Revenues as they become due; or

(i) Any of Fitch, Moody's or S&P (in each case to the extent such Rating Agency is then providing a rating) shall have downgraded its rating of any Senior Lien Debt to below "BBB-" (or its equivalent), "Baa3" (or its equivalent) or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same; or

(j) An "event of default" shall have occurred and be continuing under any Program Document and the expiration of any applicable grace period shall have occurred; or

(k) (i) The Authority shall fail to preserve a valid and enforceable lien on the Sales Tax Revenues described in Section 6.12 hereof in favor of the Bank or (ii) 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 has a material adverse affect on the validity or enforceability of the lien on Sales Tax Revenues in favor of the Bank as described in Section 6.12 hereof;

(l) 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 Act) which would or could materially reduce the amount of the Sales Tax Revenues or the allocation of the Sales Tax Revenues to the payment of the Bank Note, the Loans or the other Obligations or which would or could in any manner materially impair or adversely affect the rights of the Authority to any or all of the Sales Tax Revenues or to the security of the Bank; or

(m) Dissolution or termination of the existence of the Authority.

*Section 7.2. Remedies.* Upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) by notice to the Authority, 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 Authority; *provided* that upon the occurrence of an Event of Default described under Section 7.1(h)

hereof such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing);

(b) in the case of a Special Event of Default, the Commitment and the obligation of the Bank to make Loans hereunder shall immediately terminate without prior notice or demand, and thereafter the Bank shall be under no obligation to make the Loans. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of a Special Event of Default, the Bank shall give written notice of the same to the Authority; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the termination of the Commitment and of its obligation to make the Loans pursuant to this Agreement;

(c) pursue any rights and remedies it may have under any Program Document, the Act, the Sales Tax Act or the Ordinance; or

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

*Section 7.3. Solely for the Benefit of Bank.* The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the Authority or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any of the other Program Documents.

*Section 7.4. Discontinuance of Proceedings.* In case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Program Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the Authority and the Bank shall be restored to their former positions with respect to the Obligations, the Program Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

## **ARTICLE EIGHT RESERVED**

## **ARTICLE NINE MISCELLANEOUS**

*Section 9.1. Amendments, Waivers, Etc.* No modification, amendment or waiver of any provision of this Agreement or the Bank Note, or consent to any departure by the Authority therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

*Section 9.2. Notices.* All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal

Express or other receipted courier service), telex, telecopy, facsimile transmission, email transmission, or regular mail, as follows:

If to the Authority: Orange County Local Transportation Authority  
550 South Main Street  
Orange, California 92863  
Attention: Chief Financial Officer  
Telephone: (714) 560-5649  
Telecopy: (714) 560-5800  
Email: aoftelie@octa.net and rdavis1@octa.net

If to OCTA: Orange County Transportation Authority  
550 South Main Street  
Orange, California 92863  
Attention: Chief Financial Officer  
Telephone: (714) 560-5649  
Telecopy: (714) 560-5800  
Email: aoftelie@octa.net and rdavis1@octa.net

If to the Trustee The Bank of New York Mellon Trust Company, N.A.  
400 S. Hope Street, Suite 400  
Los Angeles California 90071  
Attention: Corporate Trust Department  
Facsimile: (213) 630-6215

If to the Bank: Bank of America, N.A.  
555 California St., Suite 1160  
Mailcode CA5-705-11  
San Francisco, CA 94104  
Attention: Grace Barvin  
Telephone: (415) 913-2325  
Email: grace.barvin@bofa.com

With a copy to: Bank of America, N.A.  
800 5th Avenue, Floor 35  
Mailcode WA1-501-35-11  
Seattle, Washington 98104  
Attention: Satinder Parwana  
Telephone: (206) 358-6055  
Email: satinder.parwana@bofa.com

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered or telexed, telecopied, sent by facsimile transmission or mailed, be effective when deposited with the courier, telexed, telecopied, sent by facsimile transmission or mailed respectively, addressed as aforesaid.

*Section 9.3. Survival of Covenants; Successors and Assigns.* (a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan hereunder and shall continue in full force and effect so long as the Commitment is in effect and until all obligations of the Authority hereunder and under the Bank Note shall have been paid in full. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or Event of Default at the time of the making of any Loan. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Authority which are contained in this Agreement and the Bank Note shall inure to the benefit of the successors and assigns of the Bank. The Authority may not transfer its rights or obligations under this Agreement and the Bank Note without the prior written consent of the Bank. The Bank may transfer some or all of its rights and obligations under this Agreement with the prior written consent of the Authority (which consent shall not be withheld unreasonably). This Agreement and the Bank Note are made solely for the benefit of the Authority, the Bank, and no other Person shall have any right, benefit or interest under or because of the existence of this Agreement and the Bank Note; *provided further* that the Authority's liability to any Participant (as such term is defined below) shall not in any event exceed that liability which the Authority would owe to the Bank but for such participation.

(b) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a "*Participant*") a participation or participations in all or any part of the Bank's rights and benefits under this Agreement and the Bank Note on a participating basis but not as a party to this Agreement and the Bank Note (a "*Participation*") without the consent of the Authority. In the event of any such grant by the Bank of a Participation to a Participant, the Bank shall remain responsible for the performance of its obligations hereunder, and the Authority shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement and the Bank Note. The Authority agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement and the Bank Note as if such Participant were the Bank, *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 7.1 hereof; and *provided further* that no such Participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had the Bank which entered into such Participation with the related Participant not granted a Participation to such Participant.

(c) *Certain Pledges.* In addition to the rights of the Bank set forth above, the Bank may at any time pledge or assign a security interest in all or any portion of its rights or interests under this Agreement, the Bank Note and the other Program Documents to secure obligations of the Bank or an Affiliate of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

*Section 9.4. Unconditional Obligations.* The obligations of the Authority under this Agreement, the Fee Agreement and the Bank Note shall be absolute, unconditional, irrevocable

and performed and payable strictly in accordance with the terms of the Indenture and this Agreement, the Fee Agreement and the Bank Note, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement, the Fee Agreement, the Bank Note or, to the extent permitted by law, the Indenture, the Ordinance, the Act, the Sales Tax Law or any other Program Document;

(b) any amendment or waiver of or any consent to departure from the terms of the Indenture or all or any of the Program Documents to which the Bank has not consented in writing;

(c) the existence of any claim, counterclaim, set-off, recoupment, defense, or other right which any Person may have at any time against the Bank, the Authority or any other Person, whether in connection with this Agreement, the Fee Agreement, the Bank Note, the Indenture, the Ordinance, the Sales Tax Law, the Act, the other Program Documents, or any other transaction related thereto;

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

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

(f) any other circumstances or happening whatsoever whether or not similar to any of the foregoing.

*Section 9.5. Liability of Bank: Indemnification.* (a) To the extent permitted by law, the Authority assumes all risks of the acts or omissions of any Person with respect to the use of the Commitment and the use of proceeds thereunder; *provided* that this assumption with respect to the Bank is not intended to and shall not preclude the Authority from pursuing such rights and remedies as it may have against such other Person under any other agreements. Neither the Bank nor any of its respective employees, officers or directors shall be liable or responsible for (i) the use of the Commitment, the proceeds of the Loans or the transactions contemplated hereby and by the Program Documents or for any acts or omissions of Trustee, (ii) the validity, sufficiency, or genuineness of any documents determined in good faith by the Bank to be valid, sufficient or genuine, even if such documents shall, in fact, prove to be in any or all respects invalid, fraudulent, forged or insufficient, (iii) payments by the Bank against presentation of Loan Notices for which the Bank in good faith has determined to be valid, sufficient or genuine and which subsequently are found not to comply with the terms of this Agreement, or (iv) any other circumstances whatsoever in making or failing to make payment hereunder; *provided* that the Authority shall not be required to indemnify the Bank for any claims, losses, liabilities, costs or expenses to the extent, but only to the extent, directly caused by the gross negligence or willful misconduct of the Bank.

(b) To the extent permitted by law, the Authority hereby indemnifies and holds harmless the Bank and any of its officers, directors, employees or agents (each an “Indemnitee”) from and against any and all direct, as opposed to consequential, claims, damages, losses, liabilities, costs or expenses (including specifically reasonable attorney’s fees) which the Bank may incur (or which may be claimed against the Bank by any Person whatsoever) by reason of or in connection with the execution and delivery of this Agreement and the Bank Note and the transactions contemplated hereby or thereby and; *provided* that the Authority shall not be required to indemnify the Bank, and the Authority shall have a cause of action against the Bank, for any direct, as opposed to consequential, claims, damages, losses, liabilities, costs, or expenses to the extent, but only to the extent, caused by (i) the Bank’s willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (ii) the Bank’s willful or grossly negligent failure to make lawful payment hereunder after the presentation to the Bank by the Authority of the Loan Notice strictly complying with the terms and conditions hereof (it being understood that in making such payment the Bank’s exclusive reliance on the documents presented to the Bank in accordance with the terms hereof as to any and all matters set forth therein, whether or not any statement or any document presented pursuant hereto proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein proves to be untrue or inaccurate in any respect whatsoever, shall not be deemed willful misconduct or gross negligence of the Bank). The Bank is hereby expressly authorized and directed to honor any demand for payment which is made hereunder without regard to, and without any duty on its part to inquire into the existence of, any disputes or controversies between the Authority or any other person or the respective rights, duties or liabilities of any of them, or whether any facts or occurrences represented in any of the documents presented hereunder are true and correct.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by Applicable Law, the Authority shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Program Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loans or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Program Documents or the transactions contemplated hereby or thereby.

(d) *Payments.* All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(e) *Survival.* The agreements in this Section and the indemnity provisions of Section 8.02(d) shall survive the termination of the Commitment and the repayment, satisfaction or discharge of all the other Obligations.

*Section 9.6. Expenses and Taxes.* The Bank will promptly pay (a) the reasonable fees and expenses (in an amount not to exceed \$15,000 plus disbursements) of counsel to the Bank incurred in connection with the preparation, execution and delivery of this Agreement and the other

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

*Section 9.7. No Waiver; Conflict.* Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Agreement, the Indenture and any other Program Documents, this Agreement and the Fee Agreement shall control solely as between the Authority and the Bank.

*Section 9.8. Further Assurances.* From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Program Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Bank, the Authority will, at the Authority's expense, correct any defect, error or omission which may be discovered in the form or content of any of the Program Documents. Upon any failure by the Authority to do so, the Bank or the Trustee may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Authority, all at the sole expense of the Authority, and the Authority hereby appoints the Bank and the Trustee the agent and attorney-in-fact of the Authority to do so, this appointment being coupled with an interest and being irrevocable. In addition, at any time, and from time to time, upon request by the Bank or the Trustee, the Authority will, at the Authority's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Bank or the Trustee, be necessary or desirable in order to



verify the Authority's identity and background in a manner satisfactory to the Bank or the Trustee, as the case may be.

*Section 9.9. Dealing with the Authority and/or the Trustee.* 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 Authority and/or the Trustee regardless of the capacity of the Bank hereunder.

*Section 9.10. Severability.* Any provision of this Agreement or the other Program Documents which is prohibited or illegal, invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law. The parties hereto shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions.

*Section 9.11. Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement, the other Program Documents, and any separate letter agreements with respect to fees payable to the Bank, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Bank and when the Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Program Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Program Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Program Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

*Section 9.12. Table of Contents; Headings.* The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

*SECTION 9.13. ENTIRE AGREEMENT.* THIS AGREEMENT TOGETHER WITH THE BANK NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

*SECTION 9.14. GOVERNING LAW.* (a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA.

(b) Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Program Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). If and to the extent the foregoing waiver of the right to a jury trial is unenforceable for any reason, the parties hereto hereby consent to the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to determine any and all issues in such reference whether fact or law. Each party hereto (a) certifies that no representative, agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges and represents that it and the other parties hereto have been induced to enter into this Agreement and the other Program Documents by, among other things, the mutual waivers and certifications in this Section, and that it has reviewed this waiver and consent, and knowingly, voluntarily and intentionally waives its jury trial rights and consents to judicial reference 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 Procedure Section 678 as provided herein.

IF ANY ACTION OR PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT, (A) THE COURT SHALL, AND IS HEREBY DIRECTED TO, MAKE A GENERAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 TO A REFEREE (WHO SHALL BE A SINGLE ACTIVE OR RETIRED JUDGE) TO HEAR AND DETERMINE ALL OF THE ISSUES IN SUCH ACTION OR PROCEEDING (WHETHER OF FACT OR OF LAW) AND TO REPORT A STATEMENT OF DECISION, *PROVIDED* THAT AT THE OPTION OF ANY PARTY TO SUCH PROCEEDING, ANY SUCH ISSUES PERTAINING TO A "PROVISIONAL REMEDY" AS DEFINED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1281.8 SHALL BE HEARD AND DETERMINED BY THE COURT, AND (B) WITHOUT LIMITING THE GENERALITY OF THIS SECTION 9.14, THE AUTHORITY SHALL BE SOLELY RESPONSIBLE TO PAY ALL FEES AND EXPENSES OF ANY REFEREE APPOINTED IN SUCH ACTION OR PROCEEDING.

(c) The waivers made pursuant to this Section 9.14 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court sitting without a jury.

(d) *Submission to Jurisdiction.* THE AUTHORITY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE BANK OR ANY RELATED PARTY OF THE BANK IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW

YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK AND THE COURTS OF THE STATE OF CALIFORNIA, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK OR CALIFORNIA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER PROGRAM DOCUMENT SHALL AFFECT ANY RIGHT THAT THE BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT AGAINST THE AUTHORITY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) *Waiver of Venue.* THE AUTHORITY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) *Service of Process.* EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

*Section 9.15. USA Patriot Act; Government Regulations.* The Bank hereby notifies the Authority 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 Authority, which information includes the name and address of the Authority and other information that will allow the Bank to identify the Authority in accordance with the Patriot Act. The Authority 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 Authority hereby represents and warrants and covenants and agrees (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the OFAC, the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Authority or from otherwise conducting business with the Authority and (b) to ensure that the proceeds of the Loans 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 9.16. No Advisory or Fiduciary Relationship.* In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof, the Bank Note or the other Program Documents), the Authority 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 Authority, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the Authority has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Authority is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the Bank Note and the other Program 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 (municipal, financial or otherwise), agent or fiduciary, for the Authority, or any other Person the Bank is not recommending that the Authority take an action with respect to the transaction described in this Agreement and the other Program Document and (ii) neither the Bank nor any of its Affiliates has any obligation to the Authority with respect to the transactions contemplated hereby except those obligations expressly set forth herein; (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Authority; (d) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Department with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Authority on other matters). To the fullest extent permitted by law, the Authority, hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

*Section 9.17. Time of the Essence.* Time is of the essence of the Program Documents.

*Section 9.18. Entire Agreement.* THIS AGREEMENT AND THE OTHER PROGRAM DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

*Section 9.19. US QFC Stay Rules.*

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if

this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

*Section 9.20. Amendment and Restatement.* This Agreement amends and restates in its entirety the Existing Agreement and from and after the Effective Date all references made to the Existing Agreement in any Program Document or in any other instrument or document shall without more, be deemed to refer to this Agreement. This Agreement shall become effective and supersede all provisions of the Existing Agreement upon the execution of this Agreement by each of the parties hereto and the fulfillment of all conditions precedent hereof but is not intended to be

or operate as a novation or an accord and satisfaction of the Existing Agreement or the indebtedness, obligations and liabilities of the Authority evidenced or provided for thereunder.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Authority and the Bank have duly executed this Amended and Restated 2021 Credit Agreement as of the date first above written.

ORANGE COUNTY LOCAL TRANSPORTATION  
AUTHORITY

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

ORANGE COUNTY TRANSPORTATION  
AUTHORITY, a party solely in its capacity as  
the party to request Loans in accordance with  
Section 2.2 of this Agreement

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

BANK OF AMERICA, N.A.

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

Name: Grace Barvin

Title: Senior Vice President



**EXHIBIT A**

**FORM OF LOAN NOTICE**

Date: \_\_\_\_\_, 201\_

To: Bank of America, N.A.  
800 5th Avenue, Floor 35  
Mailcode WA1-501-35-11  
Seattle, Washington 98104  
Attention: Satinder Parwana  
Telephone: (206) 358-6055  
Email: satinder.parwana@bofa.com

Ladies and Gentlemen:

Reference is made to the Amended and Restated 2021 Credit Agreement dated as of June 29, 2020 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "*Agreement*;" the terms defined therein being used herein as therein defined), by and among Orange County Transportation Authority ("*OCTA*"), Orange County Local Transportation Authority (the "*Authority*"), and Bank of America, N.A. (the "*Bank*").

The undersigned hereby requests a borrowing of a Loan:

1. On \_\_\_\_\_ (a Business Day).
2. In the amount of \$ \_\_\_\_\_.
3. To the account provided by OCTA to the Bank in accordance with Section 2.2 of the Agreement.
4. OCTA and the Authority hereby certify that the conditions precedent to the Loan set forth in Section 4.2 of the Agreement have been satisfied.

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

[SIGNATURE PAGE FOLLOWS]

OCTA hereby represents and warrants that the conditions specified in Section 4.02 of the Agreement shall be satisfied on and as of the date of the Initial Borrowing.

ORANGE COUNTY TRANSPORTATION AUTHORITY

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

ORANGE COUNTY LOCAL TRANSPORTATION  
AUTHORITY

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

**EXHIBIT B**  
**FORM OF BANK NOTE**