
STANDBY BOND PURCHASE AGREEMENT

dated as of September 1, 2009

among

SACRAMENTO TRANSPORTATION AUTHORITY,

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee,

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as the Bank

relating to:

\$106,100,000 Sacramento Transportation Authority
Measure A Sales Tax Revenue Bonds, 2009 Series A (Limited Tax Bonds)

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- Exhibit D - Custody Agreement

STANDBY BOND PURCHASE AGREEMENT

THIS STANDBY BOND PURCHASE AGREEMENT (this "Agreement"), dated as of September 1, 2009, among SACRAMENTO TRANSPORTATION AUTHORITY (together with its successors and assigns permitted hereunder, the "Authority"), a local transportation authority duly established and existing under the laws of the State of California, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee (the "Trustee"), and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association (the "Bank").

WITNESSETH:

WHEREAS, the Authority intends to issue its Sacramento Transportation Authority Measure A Sales Tax Revenue Bonds, 2009 Series A (Limited Tax Bonds) (the "Bonds") pursuant to the terms of the Indenture, dated as of September 1, 2009 (the "Original Indenture"), between the Authority and Trustee, as supplemented by the First Supplemental Indenture, dated as of September 1, 2009 (the "First Supplemental Indenture" and collectively with the Original Indenture, including, in each case, such amendments, modifications or supplements permitted pursuant to the terms thereof and hereof, the "Indenture"); and

WHEREAS, the Indenture provides that the Bonds may bear interest at a Daily Rate, Weekly Rate, Commercial Paper Rate, Index Rate, Term Rate or Fixed Rate (each as defined in the Indenture); and

WHEREAS, the Bonds bearing interest at a Daily Rate or a Weekly Rate (each as defined in the Indenture) are subject to purchase, from time to time, at the option of the beneficial owners thereof and are required to be purchased in certain events, and in order to help assure the availability of funds for the payment of the purchase price of the Bonds, the Authority has provided for the remarketing of such Bonds in certain cases, and to the extent such remarketing may not be successful, for the advancement of funds for the purchase of the Bonds by the provider of a liquidity facility, in certain cases, such provider being the Bank under the terms of this Agreement; and

NOW, THEREFORE, in consideration of the respective agreements contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. The following capitalized terms have the meanings indicated below unless the context shall clearly indicate otherwise. Other capitalized terms used in this Agreement and not defined in this Agreement shall have the meaning given those terms in the Indenture.

"Act" means the means the Local Transportation Authority and Improvement Act, Division 19 (Section 180000 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

"Affiliate" means any other Person controlling or controlled by, or under common control with, the Authority or the Bank, as applicable. For purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise.

"Agreement" means this Standby Bond Purchase Agreement, as amended, modified or supplemented from time to time in accordance with the terms hereof.

"Alternate Base Rate" means, for any day, the highest of (i) the Base Rate plus 1.50% per annum, (ii) the Federal Funds Rate plus 2.00% per annum, and (iii) 8.50% per annum. Each change in the Alternate Base Rate shall take effect at the time of such change in the Base Rate or the Federal Funds Rate, as the case may be. Each determination of the Alternate Base Rate by the Bank will be conclusive and binding on the Authority, absent manifest error.

"Amortization End Date" means, with respect to any Bank Bond, the third anniversary of the Amortization Start Date.

"Amortization Payment Date" means, with respect to any Bank Bond, (a) the Amortization Start Date (or if the Amortization Start Date is not a Business Day, then the immediately following Business Day) and each first Business Day of each sixth month thereafter occurring prior to the Amortization End Date, and (b) the Amortization End Date.

"Amortization Start Date" means, with respect to any Bank Bond, the one hundred and eightieth (180th) day following the first Bank Purchase Date on which such Bonds are purchased under this Agreement.

"Annual Debt Service" has the meaning given that term on the date hereof in the Original Indenture.

"Authority" has the meaning assigned to that term in the recitals to this Agreement and shall include all permitted successors and assigns.

"Authorized Denominations" has the meaning given that term in the Indenture.

"Authorized Representative" has the meaning given that term in the Original Indenture.

"Available Commitment" means on any day the sum of the Available Principal Commitment and the Available Interest Commitment on such day.

"Available Interest Commitment" initially means \$_____, constituting interest for [35] days at 12% per annum calculated on the basis of a year of 365 days and the number of days elapsed and thereafter means such amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment pursuant to the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such reduction; and (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (c) of the definition of

"Available Principal Commitment" bears to the Available Principal Commitment prior to such increase; *provided* that after giving effect to such adjustment the Available Interest Commitment shall never exceed \$_____. Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

"Available Principal Commitment" initially means \$106,100,000 and thereafter means such amount adjusted from time to time as follows: (a) downward by the amount of any reduction of the Available Principal Commitment pursuant to Section 2.03; (b) downward by the principal amount of any Bonds purchased by the Bank pursuant to Section 2.02; and (c) upward by the principal amount of any Bonds theretofore purchased by the Bank pursuant to Section 2.02, which are resold by a Bank Bondholder pursuant to Section 2.04(b) or which cease to bear interest at the Bank Rate pursuant to Section 2.04(c). Available Principal Commitment shall never exceed \$106,100,000. Any adjustments pursuant to clauses (a), (b) and (c) above shall occur simultaneously with the event requiring such adjustment.

"Bank" has the meaning assigned to that term in the recitals to this Agreement and shall include all permitted successors and assigns.

"Bank Bondholder" means the Bank (but only in its capacity as owner (which as used herein shall mean the beneficial owner if at the relevant time Bank Bonds are held in book entry form) of Bonds acquired pursuant to this Agreement) and any other Person to whom the Bank has sold Bank Bonds pursuant to Sections 2.04(a), 5.01(f) or 8.02.

"Bank Bonds" means each Bond held by a Bank Bondholder.

"Bank Purchase Date" means a Business Day during the Bank Purchase Period on which the Bank is required to advance funds for the purchase of Bonds pursuant to Section 2.02.

"Bank Purchase Period" means the period from the effective date of this Agreement to and including the earliest of (i) the Stated Expiration Date then in effect, (ii) the date on which no Bonds are Outstanding, (iii) the close of business on the Substitution Date, so long as the Bank has honored any purchase of Bonds resulting solely from such substitution, (iv) the close of business on the Purchase Termination Date, (v) the close of business on the Conversion Date, so long as the Bank has honored any purchase of Bonds resulting solely from such conversion, or (vi) the close of business on the date the Available Commitment is reduced to zero or terminated pursuant to Section 2.03.

"Bank Rate" means, for each day of determination with respect to any Bank Bond, except as otherwise provided in Section 3.01(b) hereof, (i) for the period from (and including) the Bank Purchase Date through (but not including) the date which is 91 calendar days immediately following the related Bank Purchase Date, the Alternate Base Rate; and (ii) from (and including) the date which is 91 calendar days immediately following the related Bank Purchase Date through (and including) the Amortization End Date, the Alternate Base Rate plus one percent (1.00%) per annum; *provided* that from and after the occurrence of an Event of Default or Rating Event, the Bank Rate shall mean the Default Rate; *provided, however*, that the Bank Rate shall never exceed the Maximum Bank Bond Interest Rate.

"Bank Sale Date" has the meaning given that term in Section 2.04(b).

"Base Rate" means the rate of interest per annum equal to the rate of interest per annum from time to time announced by the Bank as its prime rate (which is not intended to be the lowest rate of interest charged by the Bank in connection with the extension of credit to its customers). Each change in the Base Rate shall take effect at the time of such change in such prime rate.

"Bonds" has the meaning assigned to that term in the recitals to this Agreement and shall include, unless the context otherwise requires, all Bank Bonds.

"Book-Entry Bonds" means the Bonds so long as the book-entry system with the Depository is used for determining beneficial ownership of the Bonds.

"Business Day" means any day other than (i) a Saturday, Sunday, or a day on which banking institutions in the State or the State of New York or the jurisdiction in which the corporate trust office of the Trustee is located are authorized or obligated by law or executive order to be closed; (ii) a day upon which commercial banks in the city in which is located the office of the Bank at which demands for payment under this Agreement are to be presented are authorized or obligated by law or executive order to be closed; (iii) a day on which the New York Stock Exchange is closed; or (iv) a day on which the payment system of the Federal Reserve System is not operational.

"Closing Date" means September ____, 2009.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and all rules and temporary, proposed or final regulations from time to time promulgated thereunder.

"Commitment Fee" has the meaning given that term in Section 2.05(a).

"Conversion Date" means the date the Bonds no longer bear interest at the Daily Rate or the Weekly Rate.

"Covenant Failure" has the meaning given that term in Article VII.

"Custodian" means Deutsche Bank National Trust Company, or any successor thereto appointed pursuant to the terms of the Custody Agreement.

"Custody Agreement" means the Custody Agreement dated as of even date herewith between the Bank and the Custodian, substantially in the form of Exhibit D hereto, as amended from time to time.

"Daily Rate" has the meaning given that term in the First Supplemental Indenture.

"Debt Service Coverage Ratio" means, for any period of calculation, the ratio of Sales Tax Revenues to Annual Debt Service.

"Default Rate" means the Alternate Base Rate from time to time in effect plus four percent (4.00). The Default Rate shall change as and when the Alternate Base Rate changes.

"Default Tender" means a mandatory tender of the Bonds as a result of the Bank's delivery of a Notice of Termination to the Trustee pursuant to Section 7.04(a).

"Defaulted Interest" means accrued interest payable on a Bond that was not paid by the Authority when due under the terms of the Indenture or any amounts accruing on amounts owed on the Bonds by reason of such amounts being not paid when due.

"Deferred Interest" has the meaning given that term in Section 3.01(c).

"Deferred Interest Fee Amount" has the meaning given that term in Section 3.01(c).

"Depository" means The Depository Trust Company, New York, New York.

"Differential Interest Amount" means, with respect to any Bank Bond, the amount (but only if such amount is positive) equal to (a) the amount of interest on Bank Bonds, as provided under this Agreement, payable on each Interest Payment Date to the owners of Bank Bonds minus (b) the amount of interest on Bank Bonds accruing at the applicable rate for Bonds other than Bank Bonds during the same interest rate period with respect to which interest is payable on that Interest Payment Date (which amount shall include interest on the sale date of the applicable Bank Bonds).

"Dollar," and "\$" means the lawful currency of the United States of America.

"Effective Date" means September _____, 2009.

"Eligible Bonds" means any Bonds bearing interest at a Daily Rate or a Weekly Rate other than Bank Bonds or Bonds owned by, for the account of, or on behalf of, the Authority.

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

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

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

VII. "Event of Default" has the meaning given that term in the lead-in paragraph to Article

"Event of Insolvency" means the occurrence of one or more of the following events:

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

(b) any of the following shall occur with respect to the Authority: (i) an involuntary case or other proceeding shall be commenced in a court of competent jurisdiction against the Authority seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and either (A) the Authority shall consent in writing to such action or (B) such case shall not be dismissed within sixty (60) days, (ii) an order for relief shall be entered against the Authority under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other State or federal laws concerning insolvency or of similar purpose, (iii) a final and non-appealable debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of the Authority shall be declared or imposed pursuant to a finding or ruling by the Authority, the United States of America, the State, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over the Authority, or (iv) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of the Authority.

["Exposure" means, for any date with respect to a Person and any Swap Agreement, the amount of any Settlement Amount that would be payable by such Person if such Swap Agreement were terminated as of such date. Exposure shall be determined in accordance with the standard methods of calculating such exposure under similar arrangements as prescribed from time to time by the counterparties thereto, taking into account the methodology for calculating amounts due upon early termination as set forth in the related Swap Agreement and the notional amount, term and other relevant provisions thereof.]

"Extended Bank Purchase Period" has the meaning given that term in Section 8.05.

"Federal Funds Rate" means for any day the rate of interest per annum as determined by the Bank at which overnight Federal Funds are offered to the Bank for such day by major banks

in the interbank market, with any change in such rate to become effective as to the Authority on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Authority absent manifest error.

"First Supplemental Indenture" has the meaning assigned to that term in the recitals to this Agreement.

"Fixed Rate" has the meaning given that term in the First Supplemental Indenture.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time, applied by the Authority on a basis consistent with the Authority's most recent financial statements.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority).

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Immediate Rating Event" shall have the meaning assigned to such term in Article VII.

"Immediate Termination Event" has the meaning given that term in Section 7.02.

"Indebtedness" means and includes all items that would be classified as a liability in accordance with GAAP, including, without limitation, (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business); (b) obligations as lessee under leases which should have been, or should be, recorded as capital leases in accordance with generally accepted accounting principles; [(c) current liabilities in respect of unfunded benefits under employee benefit, retirement or pension plans;] [(d) obligations issued for the account of any other Person;] [(e) all obligations arising under acceptance facilities;] (f) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor against loss; and (g) obligations secured by any mortgage, lien, pledge, security interest or other charge or encumbrance on property, whether or not the obligations have been assumed.

"Indenture" has the meaning set forth in the recitals hereof.

"Independent Consultant" means an independent consulting firm which is appointed by the Authority for the purpose of preparing Sales Tax Revenue projections on behalf of the

Authority, has a favorable reputation for skill and experience in performing similar services in respect of entities of a comparable size and nature and is acceptable to the Bank.

"Interest Component" has the meaning given that term in Section 2.01.

"Interest Payment Date" with respect to Bonds which are not Bank Bonds, has the meaning assigned in the First Supplemental Indenture; with respect to Bank Bonds, means each of the days described in Section 3.02.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, capital lease or other title retention arrangement.

"Mandatory Purchase Date" means each date Bonds are required to be purchased pursuant to Section 15.05(a)(1), Section 15.05(a)(2) or Section 15.05(a)(5) of the First Supplemental Indenture.

"Maximum Annual Debt Service" has the meaning given that term in the Original Indenture.

"Maximum Bank Bond Interest Rate" means eighteen percent (18%) per annum.

"Maximum Interest Rate" means the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law.

"Moody's" means Moody's Investors Service, Inc., its successors and assigns.

"Notice of Bank Purchase" means in the case of a purchase of Eligible Bonds by the Bank pursuant to Section 15.04 of the First Supplemental Indenture, a notice in the form of Exhibit A and in the case of a mandatory purchase of Bonds pursuant to Section 15.05(a)(1), Section 15.05(a)(2) or Section 15.05(a)(5) of the First Supplemental Indenture, a notice in the form of Exhibit B.

"Notice of Termination" has the meaning given that term in Section 7.04(a).

"Notice Rating Event" has the meaning given that term in Article VII.

"Official Statement" means the Official Statement (including any documents incorporated therein by reference and any exhibits or attachments thereto and any amendments thereof or supplements thereto) dated September ____, 2009, relating to the Bonds.

"Other Taxes" has the meaning given that term in Section 2.07(a).

"Parity Obligations" has the meaning set forth in the Original Indenture.

"Participants" has the meaning given that term in Section 8.02.

"Payment Date" means, with respect to any Bank Bond, the earliest to occur of (i) the Amortization End Date, (ii) the Conversion Date, (iii) the date on which no Bonds are

Outstanding, (iv) the effective date of a Substitute Liquidity Facility, and (v) the date of the acceleration of all Bank Bonds pursuant to Section 7.04(b).

"Payment Office" means the wire transfer instructions of the Bank as described in Section 3.04(a).

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

"Potential Default" means the occurrence of any event which, with the passage of time, the giving of notice, or both, would become an Event of Default.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

"Purchase Price," with respect to any Bond or portion thereof on a Bank Purchase Date therefor, means the unpaid principal amount thereof plus accrued interest thereon, other than Defaulted Interest, to but excluding such Bank Purchase Date, in each case without premium; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date, interest payable on such Bond on such Interest Payment Date shall not be taken into account in the computation of the Purchase Price payable by the purchaser of such Bond.

"Purchase Termination Date" means the close of business on the date on which the Bank is no longer required to purchase Tendered Bonds pursuant to Section 7.04(a), (b) or (c).

"Rating Agencies" means Moody's or S&P, but only to the extent any such rating agency has issued a long-term credit rating with respect to the Bonds.

"Rating Event" has the meaning given that term in Article VII.

"Related Documents" means the Indenture (including the First Supplemental Indenture), the Bonds, this Agreement, the Custody Agreement and the Remarketing Agreement, as the same may be amended or modified from time to time in accordance with their respective terms and the terms hereof.

"Remarketing Agent" means (i) J.P. Morgan Securities Inc., and its permitted successors and assigns, and (ii) any permitted successor to the foregoing under the Indenture and this Agreement.

"Remarketing Agreement" means (i) the Remarketing Agreement dated as of September __, 2009 between the Remarketing Agent and the Authority, as amended, modified or supplemented from time to time in accordance with the terms thereof and hereof, and (ii) any other remarketing agreement entered into between a Remarketing Agent and the Authority, as amended, modified or supplemented from time to time in accordance with the terms thereof and hereof.

"Revenues" has the meaning set forth in the Original Indenture.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., its successors and assigns.

"Sale Price" has the meaning given that term in Section 2.04(b).

"Sales Tax Revenues" has the meaning set forth in the Original Indenture.

"Security" means the pledge of the Revenues by the Authority pursuant to the Indenture, together with all other amounts held on deposit in the funds and accounts established thereunder subject to the terms of the Indenture.

"Settlement Amount" means, with respect to a Person and any Swap Agreement, any amount payable by such Person under the terms of such Swap Agreement in respect of, or intended to compensate the other party for, the value of such Swap Agreement upon the early termination thereof.

"State" means the State of California.

"Stated Expiration Date" means the later of (i) September ____, 2011 or, if such day is not a Business Day, the immediately preceding Business Day to such day, and (ii) the last day of any extension of such date pursuant to Section 8.05 or, if such day is not a Business Day, the immediately preceding Business Day to such day.

"Substitute Liquidity Facility" means a replacement standby bond purchase agreement or other liquidity facility meeting the requirements of an "Alternate Liquidity Facility" set forth in the Indenture.

"Substitution Date" means the date on which a Substitute Liquidity Facility is accepted by the Trustee and becomes effective.

"Suspension Event" has the meaning given that term in Section 7.03.

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

"Taxes" has the meaning given that term in Section 2.07(a).

"Trustee" has the meaning assigned to that term in the recitals to this Agreement and shall include all permitted successors and assigns, and shall further include any successor Trustee appointed for the Bonds.

"Tendered Bonds" means, as of any date, Eligible Bonds which are tendered or deemed tendered for purchase pursuant to Section 15.04, Section 15.05(a)(1), Section 15.05(a)(2) or Section 15.05(a)(5) of the First Supplemental Indenture.

"Termination Date" has the meaning given that term in Section 7.04(a).

"Weekly Rate" has the meaning given that term in the First Supplemental Indenture.

"Written" or "in writing" means any form of written communication or a communication by means of telex, telecopier device, telegraph or cable.

Section 1.02. Interpretation. In this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "including" shall be deemed to be followed by the words "without limitation." All references to Sections and Exhibits shall be deemed references to Sections of and Exhibits to this Agreement unless the context shall otherwise require.

Section 1.03. Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with GAAP, and except as otherwise expressly provided herein all accounting determinations required to be made pursuant to this Agreement shall be made in accordance with GAAP.

ARTICLE II

THE COMMITMENT; FEES

Section 2.01. Commitment to Purchase Bonds. The Bank agrees, on the terms and conditions contained in this Agreement, to purchase Tendered Bonds and any Bonds subject to purchase on a Mandatory Purchase Date, on behalf of and for the Bank's own account, from time to time during the Bank Purchase Period at the Purchase Price. The aggregate principal amount (or portion thereof) of any Bond purchased on behalf of the Bank on any Bank Purchase Date shall be an Authorized Denomination applicable to the Bonds, and in any case the aggregate principal amount of all Bonds purchased on behalf of the Bank on any Bank Purchase Date shall not exceed the Available Principal Commitment on such date. The aggregate amount of the Purchase Price comprising interest on the Bonds (the "Interest Component") purchased on any Bank Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date and (ii) the actual aggregate amount of interest accrued on each such Bond, other than Defaulted Interest, to but excluding such Bank Purchase Date; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date the amount described in this clause (ii) shall be reduced by the amount of interest payable on each such Bond on such Interest Payment Date.

Any Bonds so purchased shall thereupon constitute Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Bank Rate subject to the provisions of Section 2.04(c) and have other characteristics of Bank Bonds as set forth herein and in the Indenture. Amounts drawn hereunder may only be used to pay the Purchase Price of Tendered Bonds and may not be used to pay the principal of and interest on the Bonds or for any other purpose.

Section 2.02. Method of Purchasing. If by 12:00 p.m., noon (New York City time) on the applicable Bank Purchase Date, the Bank receives from the Trustee a notice substantially in the form of Exhibit A or Exhibit B, as the case may be (any such notice to be referred to as a "Notice of Bank Purchase"), the Bank will, during the Bank Purchase Period, unless the Bank is no longer obligated to purchase Bonds pursuant to this Agreement, transfer not later than 2:30 p.m. (New York City time) on the Bank Purchase Date to the Trustee, in funds to be available as specified in such Notice of Bank Purchase, an amount equal to the aggregate Purchase Price of such Bonds as set forth in the applicable Notice of Bank Purchase. The Bank shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Trustee which results in the failure of the Trustee (y) to credit the appropriate account with funds made available by the Bank pursuant to this Section 2.02 or (z) to effect the purchase for the account of the Bank of Bonds with such funds pursuant to this Section 2.02. The Bank shall purchase any Bonds it is required to purchase with its own funds and purchase payments shall be made in immediately available funds. Amounts made available hereunder which are not so used to purchase Bonds will be returned to the Bank by the Trustee no later than 4:00 p.m. (New York City time) on the applicable Bank Purchase Date. Amounts held by the Trustee and not returned by the Trustee to the Bank pursuant to the preceding sentence shall accrue interest, commencing on the applicable Bank Purchase Date, equal to (i) from the date disbursed by the Bank until the first day thereafter, the Alternate Base Rate and (ii) thereafter, until such date as such amounts shall be returned to the Bank, the Default Rate from time to time in effect. Payments by the Authority pursuant to the preceding sentence shall be made within thirty (30) days from the date the Bank makes written demand therefor.

So long as the Bonds are issued in book-entry form and held by the Trustee as custodian of the Depository as part of the Depository's fast automated transfer program ("FAST Eligible Bonds"), concurrently with the Trustee's receipt of the purchase price for each purchase of Bonds by the Bank hereunder, the Trustee, as a participant of the Depository (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the Depository account designated by the Bank as its account in which to hold Bank Bonds purchased by it (each, the "Bank Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank using the Bank Bond CUSIP number for such Bonds set forth below; and (B) debiting the book-entry account of the Depository for the Bonds (the "DTC Book-Entry Account") (thereby reducing the principal balance of the global certificate representing the Bonds) by the principal amount of the Bonds purchased hereunder by the Bank. The CUSIP number for the Bonds that are Bank Bonds is _____ . So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Bank Bonds in accordance with the terms of this Agreement and the Trustee's receipt from the Remarketing Agent and/or the Authority of the amounts set forth in Section 2.04(b), the Trustee, as a participant of the Depository (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting

the Bank Book-Entry Account of the Bank by the principal amount of the Bonds so remarketed; and (B) crediting the DTC Book-Entry Account for such Bonds (thereby increasing the principal balance of the global certificate representing such Bonds) by the principal amount of the Bonds so remarketed. The Trustee acknowledges that it is familiar with the procedures and requirements set forth in a notice from The Depository Trust Company, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("VRDO") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008, and agrees that, with respect to any and all Bank Bonds, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the preceding provisions, the Trustee, the Authority and the Bank shall promptly negotiate in good faith and agree upon amendments of the preceding provisions so as to eliminate such inconsistency.

If the Bonds are no longer FAST Eligible Bonds, concurrently with the receipt of the purchase price for each purchase of Bonds by the Bank hereunder, the Trustee shall cause each Bank Bond to be registered in the name of the Bank and shall be held by the Trustee as the agent, bailee and custodian (in such capacity, the "Custodian") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Bonds at the direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the Authority or any other Person with respect to the Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the Custodian deliver possession of the Bonds to, or cause Bonds to be registered in the name of, the Authority, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of the Indenture and this Agreement or otherwise upon the written instructions of the Bank to the extent not inconsistent with the Indenture. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank Bonds held for the Bank, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank's Payment Office. Upon the remarketing of any Bank Bonds and the Trustee's receipt from the Remarketing Agent and/or the Authority of the amounts set forth in Section 2.04(b), the Custodian shall release Bank Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent or the Authority, as the case may be, in accordance with the terms of the Indenture. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Bank Bonds, or any interest therein, or any proceeds thereof. The

Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to such Bank Bonds. If the Custodian is holding Bank Bonds, the Custodian, at its own expense, shall maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

Section 2.03. Reduction of Commitment.

(a) Mandatory Reduction of Commitment. Upon receipt by the Bank of notice of (i) any redemption, repayment, defeasance or other payment pursuant to the Indenture of all or any portion of the principal amount of the Bonds (other than Bank Bonds) so that said Bonds shall have ceased to be Outstanding under the Indenture, or (ii) any conversion of all or any portion of the principal amount of the Bonds to an interest rate other than a Daily Rate or a Weekly Rate, then in each case, the aggregate Available Principal Commitment of the Bank shall automatically be reduced by the principal amount of said Bonds so redeemed, repaid, defeased or otherwise deemed paid, or otherwise converted and the Available Interest Commitment shall also be simultaneously reduced. The Trustee shall cause written notice of such redemption, repayment, defeasance, other payment or conversion to be promptly delivered to the Bank.

(b) Voluntary Termination or Reduction of Commitment. Subject to Section 2.05(c), the Authority may terminate and replace this Agreement, at any time, with a Substitute Liquidity Facility by giving the Bank and the Trustee not less than ten (10) days' notice in writing to such effect; *provided* that: (1) the provider of a Substitute Liquidity Facility shall agree, in a manner acceptable to the Bank, to purchase on the Substitution Date any Bank Bonds, not otherwise remarketed, held by or on behalf of a Bank Bondholder at a purchase price equal to the principal amount of such Bank Bonds plus accrued interest thereon at the interest rate at which the Bonds are remarketed, and (2) at the date of such purchase, the Authority and/or such provider shall pay all other amounts owing to the Bank hereunder (including accrued and unpaid Differential Interest Amounts and Deferred Interest Fee Amounts and interest thereon). The Available Commitment of the Bank shall automatically terminate at 5:00 p.m. (New York City time) on the date on which a Substitute Liquidity Facility has become effective, so long as the Bank has honored any purchase of Bonds resulting from such substitution in accordance with the terms of this Agreement and the Indenture.

(c) Expiration of the Bank Purchase Period. The Available Commitment shall automatically terminate at 5:00 p.m. (New York City time) on the date of expiration of the Bank Purchase Period.

(d) No Other Termination. Except as specifically provided in this Section 2.03 or otherwise in Article VII, no Person shall have the right to reduce or terminate the Available Commitment.

Section 2.04. Sale of Bank Bonds.

(a) Right to Sell Bank Bonds. The Bank expressly reserves the right to sell, at any time, Bank Bonds subject, however, to the express terms of this Agreement. The Bank agrees that such sales (other than sales made pursuant to Section 2.04(b)) will be made only to institutional investors or other entities or individuals that customarily purchase commercial paper or tax-exempt securities in large denominations. The Bank shall provide the Trustee and the Authority with the written agreement of each transferee (A) acknowledging the terms of this Agreement relating to its purchase of Bonds, (B) agreeing not to sell such purchased Bank Bond except for sales to the Bank, sales to a purchaser identified by the Remarketing Agent pursuant to Section 2.04(b) and sales to institutional investors or other entities or individuals that customarily purchase commercial paper or tax-exempt securities in large denominations which agree to be bound by the sale restrictions of this Section 2.04(a) and (C) acknowledging that such transferee has no right to tender such purchased Bond for purchase under the Indenture.

(b) Sales by Remarketing Agent. The Bank and each other Bank Bondholder, by the acceptance by each of a Bank Bond, hereby authorize the Remarketing Agent to sell Bank Bonds purchased pursuant to Section 2.02 on behalf of the Bank or such Bank Bondholder pursuant to the Indenture and in accordance with applicable securities law at a price equal to the principal amount thereof plus unpaid accrued interest thereon to but excluding the date such Bank Bonds are to be sold (a "Bank Sale Date") pursuant to this Section 2.04(b) at the interest rate to be borne by the Bonds after such sale or, if less, the Bank Rate (the "Sale Price"). If less than all Bank Bonds are remarketed on any date, the Bank Bonds having the highest aggregate amount of Deferred Interest payable shall be deemed to be remarketed first. Any sale of a Bank Bond pursuant to this Section 2.04(b) shall be without recourse to the seller and without representation or warranty of any kind. The Bank agrees to deliver and, by its acceptance of a Bank Bond, each other Bank Bondholder agrees to deliver (but only upon receipt by the Bank or such other Bank Bondholder of Dollars in the amount of the Sale Price) to the Trustee each certificate representing a Bank Bond sold by it pursuant to this Section 2.04(b), including without limitation certificates representing Bank Bonds which are deemed to have been delivered in accordance with the provisions of the Indenture.

(c) Option to Purchase Bonds.

(i) Notwithstanding the foregoing or anything else contained in this Agreement, the Bank and each other Bank Bondholder shall have the right, by not less than one (1) Business Day's prior written notice to the Remarketing Agent, to elect to purchase the then Bank Bonds or any portion thereof at the then applicable Sale Price from the Remarketing Agent pursuant to Section 2.04(b), prior to the sale of such then Bank Bond by the Remarketing Agent to any third party.

(ii) After any sale of Bank Bonds by the Remarketing Agent pursuant to Section 2.04(b) and payment to the applicable Bank Bondholder of the outstanding principal and interest accrued on the Bank Bonds so sold, or after any election by a Bank Bondholder to purchase such Bank Bonds or, any portion thereof through the Remarketing Agent pursuant to Section 2.04(c)(i), such Bank Bonds so sold or as to which such right of purchase shall have been exercised by the Bank or such other Bank

Bondholder, shall from such sale date or upon such exercise cease to be Bank Bonds for purposes of this Agreement and the Indenture, shall cease to bear interest at the Bank Rate and shall bear interest at the rate for Bonds other than Bank Bonds (and the Available Commitment shall be increased in the same amount as would be the case if said Bonds had been remarketed. Bank Bonds held by the Bank or such other Bank Bondholder bearing interest at the rate for Bonds other than Bank Bonds may be tendered for purchase in accordance with and to the extent permitted by the Indenture by notice from the holder of said Bonds to the Remarketing Agent.

(d) Payment of Differential Interest Amount and Deferred Interest Fee Amount. Following any sale of Bank Bonds, pursuant to Section 2.04(b) or otherwise, or any election to purchase Bonds pursuant to Section 2.04(c), the Bank shall retain the right to receive payment from the Authority of any accrued Differential Interest Amount and any Deferred Interest Fee Amount and interest thereon as provided herein and in the Indenture. Any Differential Interest Amount and any Deferred Interest Fee Amount payable on Bank Bonds sold by the Remarketing Agent shall be payable by the Authority to the Bank on the earlier of (i) the occurrence of an Immediate Termination Event and (ii) the Interest Payment Date next succeeding the applicable Bank Sale Date or if the Bank Sale Date is an Interest Payment Date, then on such Bank Sale Date.

(e) Rights of Bank Bondholders. Upon purchasing Bank Bonds, Bank Bondholders shall be entitled to and, where necessary, shall be deemed assigned all rights, privileges and security accorded bondholders as provided in the Bonds and the Indenture, other than the right to tender such Bond for purchase pursuant to the Indenture and have such Bond purchased with amounts drawn hereunder.

Section 2.05. Fees.

(a) Commitment Fee. The Authority agrees to pay or cause to be paid to the Bank a commitment fee (the "Commitment Fee") with respect to the commitment of the Bank hereunder at the rate of 1.17% per annum on the average daily amount of the Available Commitment of the Bank (calculated at all times as though no Bonds had been purchased by the Bank hereunder) during each period in respect of which payment is to be made. The Commitment Fee shall be payable in immediately available funds, quarterly in advance, commencing on the Effective Date, and thereafter on each January 1, April 1, July 1 and October 1 of each year, commencing January 1, 2010. Commitment Fees shall be calculated on the basis of a year of 360 days and on the actual days elapsed. In the event that the long-term rating assigned by S&P or Moody's, as the case may be, to the Bonds or any Parity Obligations (to the extent rated at the time of initial issuance thereof) of the Authority is less than ["AA-" or "Aa3"]^[Ratings at Closing], respectively, the Commitment Fee will increase by 0.20% per rating category reduction, taking into effect any refinement or gradation, adjusted on the date that any such rating is publicly released by S&P or Moody's (for example, a rating reduction by S&P from "AA-" to "A+" would constitute one rating category reduction for purposes of the calculation, and from "AA-" to "A" would constitute two rating category reductions), with each rating refinement to be netted or added to the Commitment Fee calculation as of the fee payment date immediately following the effective date of such change. If the long term ratings assigned by S&P and Moody's, respectively, appear in more than one rating category (i.e., a split rating),

the Commitment Fee will be based on the category that includes the lowest rating. In the event that the long-term rating of the Bonds or any Parity Obligations (to the extent rated at the time of initial issuance thereof) of the Authority shall receive an improved rating by S&P or Moody's, the Commitment Fee rate will decrease by 0.20% per rating category increase, *provided*, that the lowest of each such ratings shall determine whether the rating has increased and whether the Commitment Fee rate shall be adjusted, and *provided, further, however*, that in no event shall the Commitment Fee be less than 1.17% per annum. Upon the occurrence and during the continuance of an Event of Default, the Commitment Fee rate then in effect will increase by 1.00% per annum automatically and without notice to the Authority, commencing on the date such Event of Default occurs and such increased Commitment Fee rate shall be payable until such Event of Default is cured or this Agreement otherwise terminates. In the event that the long-term credit rating assigned to the Bonds or any Parity Obligations (to the extent rated at the time of initial issuance thereof) of the Authority or otherwise assigned to the Authority by either of S&P or Moody's have been suspended or withdrawn (other than as a result of the Authority directly purchasing all of such Bonds or such Parity Obligations), the Commitment Fee rate then in effect will increase by 1.00% per annum automatically and without notice to the Authority, commencing on the date such withdrawal or suspension occurs and such increased Commitment Fee rate shall be payable until no such credit ratings remain suspended or withdrawn or this Agreement otherwise terminates. Each such increase in the Commitment Fee rate described in this paragraph shall be added to the Commitment Fee calculation effective as of the date of each such change, with such fee to be payable by the Authority as of the fee payment date immediately following the effective date of such increase. For the purposes of this Section 2.05(a) only, the Available Commitment shall be deemed not to be reduced during any period the Bank's obligation to purchase Bonds has been suspended pursuant to Section 7.04(c).

(b) Amendment Fee. In connection with the written request by the Authority of (i) any amendment, supplement or modification of this Agreement or (ii) any transfer of the rights and obligations of the parties to this Agreement, the Authority agrees to pay to the Bank on the date of each occurrence as set forth in (i) or (ii) above, a fee of \$5,000, plus the reasonable fees and expenses of counsel to the Bank (*provided* that if such amendment, supplement or modification results solely from an extension of the Stated Expiration Date, such \$5,000 fee shall not be payable to the Bank but the Authority shall be responsible for the payment of such fees and expenses of counsel to the Bank).

(c) Termination Fee. In the event the Authority elects to terminate this Agreement or otherwise to reduce the Available Commitment of the Bank prior to the then Stated Expiration Date, the Authority agrees to pay the Bank on such termination date or reduction date, as applicable, in addition to all other obligations of the Authority that may be due and payable at such time, a termination fee equal to the Commitment Fee which would have been payable to the Bank from (and including) such termination date or reduction date through such Stated Expiration Date, calculated at the time of such termination on the basis of the then applicable Available Commitment of such Bank (or, if as a result of a reduction of less than 100% of such Bank's Available Commitment, the reduced amount of such Available Commitment) and the then applicable Commitment Fee rate. Notwithstanding the foregoing provisions of this Section, no termination fee will be required to be paid by the Authority in the event (a) the Authority terminates this Agreement due solely to a conversion of the interest rate on the Bonds in whole to a Fixed Rate or a fixed rate refunding with new bonds or other

evidences of indebtedness at any time after the one year anniversary of the Effective Date of this Agreement; (b) Moody's shall have lowered or withdrawn the short-term rating on the Bonds below "VMIG-1" as a result of the reduction by Moody's of the senior, unsecured short-term rating of the Bank; or (c) S&P shall have lowered or withdrawn the short-term rating on the Bonds below "A-1" as a result of the reduction by S&P of the senior, unsecured short-term rating of the Bank; *provided, however*, all obligations including, without limitation, all principal and interest evidenced by Bank Bonds and all amounts payable under Article II and Article III hereof, shall be paid to the Bank at or prior to the time of termination. No termination of this Agreement shall become effective unless all amounts payable by the Authority to the Bank pursuant to this Section 2.05(c) have been paid in full.

(d) Purchase Fee. Upon delivery of any notice of purchase by the Trustee under the Agreement, the Authority agrees to pay to the Bank a purchase fee equal to \$500 per each advance of funds under this Agreement, payable on the applicable Bank Purchase Date.

(e) Bond Transfer Fees. The Authority agrees to pay to the Bank, on each Bank Purchase Date or Sale Date, as applicable, an amount equal to any charge imposed on the Bank pursuant to the Indenture, or by the Trustee or the Depository, in connection with the transfer or exchange of Bonds. The Trustee agrees to give the Bank and the Authority timely written notice of each such charge, including the amount thereof.

(f) Invoices. In its ordinary course of business, the Bank shall provide to the Authority and the Trustee an invoice setting forth the dollar amount of the Commitment Fee and/or each other fee described in this Section 2.05 to be payable by the Authority not less than thirty (30) days prior to the due date for such Commitment Fee or other fee; *provided, however*, that the failure of the Bank to provide such invoice at any time shall in no way impair or otherwise affect the obligations of the Authority to pay the Commitment Fee and/or such other fees on the specific dates and at the times provided in this Agreement; and *provided, further, however*, that no interest shall commence to accrue on such obligations until the day immediately following the thirty (30) days after delivery to the Authority and the Trustee of such invoice.

Section 2.06. Compensation for Increased Costs.

(a) Reserves, Etc. In the event after the Effective Date, any introduction of any law, rule or regulation (domestic or foreign), or any change in any law, rule or regulation, or the interpretation or application thereof by any Governmental Authority charged with the enforcement or administration or interpretation thereof, or the compliance with any guidelines or request from any Governmental Authority (whether or not having the force of law):

(i) subjects the Bank to any tax, deduction or withholding or changes the basis for taxation with respect to this Agreement or any Bank Bonds held by or on behalf of the Bank (other than any tax based upon the overall net income of the Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto) or similar requirement against credits or commitments to extend credit extended by, or assets (funded or

contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank, or

(iii) imposes upon the Bank any other condition or expense with respect to this Agreement, the commitment or obligations of the Bank hereunder, the Bonds or the purchase or holding of Bank Bonds by or on behalf of the Bank,

and the result of any of the foregoing is to increase the cost to the Bank, reduce the income receivable by the Bank, impose any expense upon the Bank or reduce the amount of any payment receivable by the Bank, with respect to this Agreement, any Bank Bond or any purchase of Eligible Bonds or holding by the Bank of Bank Bonds, or with respect to the Available Commitment or any portion thereof as reasonably determined and allocated by the Bank, by an amount which the Bank deems to be material, the Bank shall from time to time notify the Authority thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence, and the Authority shall pay to the Bank promptly, and in any event within thirty (30) days after receipt of such notice, that amount which shall compensate the Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank on such amount) for such increase in cost, reduction in income, additional expense, reduced amount or reduced rate of return. A certificate setting forth in reasonable detail such increase in cost, reduction in income or additional expense or reduced amount or reduced rate of return, and the manner of calculating the same as determined by the Bank, shall be submitted by the Bank to the Authority and, absent manifest error, shall be conclusive as to the amount thereof. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(b) Capital Costs. If after the Effective Date the Bank shall have determined that the applicability of any law, rule, regulation or report, or the adoption of any law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy (including but not limited to any United States or foreign law, rule, regulation or guideline), or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or compliance by the Bank (or any lending office thereof) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, has or would have the effect of reducing the rate of return on capital of the Bank or of its bank holding company, if any, as a consequence of its obligations hereunder, its Available Commitment or its purchase of Tendered Bonds or holding of Bank Bonds to a level below that which the Bank could have achieved but for such applicability, adoption, change or compliance (taking into consideration the policies of the Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, then within thirty (30) days after written demand by the Bank the Authority shall pay to the Bank from time to time as specified by the Bank for such reduction. Each demand for compensation pursuant to this Section 2.06(b) shall be accompanied by a certificate of an officer of the Bank in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(c) Calculations. The amounts owed by the Authority as compensation to the Bank pursuant to this Section 2.06 shall be calculated as though the Bank were the holder of all Bank Bonds other than Bank Bonds held by a Participant. The benefits of this Section 2.06 shall be available to each Participant to the extent that the events described herein, creating increased costs, affect the Participant.

Section 2.07. Net of Taxes.

(a) Taxes. Any and all payments to the Bank by the Authority hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the 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 to the Bank (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.07), 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 2.07 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, 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 any political subdivision thereof from any payment made hereunder 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 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 obligations to pay such amounts hereunder.

(b) Indemnification for Taxes and Other Taxes. The Authority shall, to the fullest extent permitted by law, 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 2.07 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 to the extent arising from the Bank's gross negligence or willful misconduct as determined by a court of competent jurisdiction. 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 2.07 received by the Bank for Taxes or Other Taxes that were paid by the Authority pursuant to this Section 2.07 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 by the Authority, the Authority shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof. The Authority shall compensate the Bank for all reasonable losses and expenses sustained by the Bank as a result of any failure by the Authority to so furnish such copy of such receipt.

(d) Survival. The obligations of the Authority under this Section 2.07 shall survive the termination of this Agreement.

Section 2.08. Security. The Authority and the Bank intend that the payment of principal and interest on Bank Bonds and the payment of all other obligations due and owing to the Bank under this Agreement shall, in all events, have the benefit and security of the Indenture, as provided therein. The payment of principal and interest on Bank Bonds (including Deferred Interest) shall be on a parity with the Bonds and all other Parity Obligations, secured in accordance with and subject to the terms of the Indenture. The pledge and lien created by the Indenture secures the Bonds and all other Parity Obligations on an equal and ratable basis and are superior in all respects to any pledge and lien for Subordinate Obligations. The payment of Commitment Fees, other fees and expenses due and owing to the Bank under this Agreement and Deferred Interest Fee Amounts shall be secured as Fee and Expense Obligations, which obligations are secured under the Indenture by a lien and a charge upon the Sales Tax Revenues on a basis subordinate to the Bonds and all other Parity Obligations, as provided in the Indenture.

ARTICLE III

INTEREST RATES; PAYMENTS

Section 3.01. Bonds to Bear Interest at Bank Rate; Other Interest Provisions.

(a) Bank Rate. Any Bond purchased by the Bank pursuant to this Agreement shall thereupon become a Bank Bond and shall bear interest at the Bank Rate for the period commencing from the date that the Bank shall have purchased said Bond and, subject to Section 2.04(c), continuing until said Bond is paid in full or remarketed as provided in Section 2.04(b). Payments by the Authority pursuant to this Section 3.01(a) shall be made within thirty (30) days from the date the Bank makes written demand therefore to the Issuer and the Trustee. The failure of the Bank to give any notice shall not limit or otherwise affect the obligation of the Authority to pay interest on the Bank Bonds at the rates specified in this Section 3.01.

(b) Default Rate. If the principal or interest of any Bank Bond or any other obligation of the Authority under this Agreement or the Bank Bonds (including, to the extent permitted by law, any interest payment required thereunder) is not paid when due (whether by acceleration, redemption or otherwise), such overdue payment or other obligation shall bear interest from the date such amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at the Default Rate. Payments by the Authority pursuant to this Section 3.01(b) shall be made within thirty (30) days from the date the Bank makes written demand therefore to the Issuer and the Trustee. If at any time an Event of Default has occurred and is continuing, the principal amount of any Bank Bond or any other obligation of the Authority under this Agreement or the Bank Bonds (including, to the extent permitted by law, any interest payment required thereunder) shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at the Default Rate, such interest to be payable on demand.

(c) Deferred Interest. For any period during which Bank Bonds are outstanding and as to each monthly interest period, in the event that the amount of interest which would be payable on the Bank Bonds (calculated, with respect to Bank Bonds at the Bank Rate for a monthly interest period or in the case of the payment of the Differential Interest Amount, if any, on a Bank Bond for the period from the date of the first day of the current interest period through but not including the date on which such Bank Bond is remarketed or paid), but expressly disregarding for purposes of this subsection (c) the limitation contained in the definition of "Bank Rate" that such rate shall not exceed the Maximum Bank Bond Interest Rate, exceeds the Maximum Bank Bond Interest Rate, the amount of such excess shall not be payable on the Interest Payment Date for such monthly interest period as interest on such Bank Bonds, but shall be deferred ("Deferred Interest"). Deferred Interest shall be allocated among the Bank Bonds outstanding on such Interest Payment Date based upon the principal amount thereof and the length of time such Bank Bonds were outstanding during the monthly interest period related to such Interest Payment Date. Deferred Interest arising on any Interest Payment Date (i) shall to the extent permitted by law, bear interest (compounded monthly on each succeeding Interest Payment Date) at a rate per annum equal to the Bank Rate until paid in full and (ii) shall become payable, together with interest thereon, to the extent permitted by law, on the next succeeding Interest Payment Date or Dates to the extent the interest (including Deferred Interest and to the extent permitted by law, interest on Deferred Interest) payable on the Bank Bonds for the monthly interest period ending on such Interest Payment Date does not exceed the Maximum Bank Bond Interest Rate for such monthly interest period. All amounts of interest payable on a Bond which is a Bank Bond, including without limitation, Deferred Interest (and interest thereon, to the extent permitted by law), for so long as such Bond shall remain a Bank Bond, shall constitute interest on such Bond. To the extent Deferred Interest (or, to the extent permitted by law, any interest thereon) shall be unpaid with respect to Bank Bonds, and such Bonds shall be redeemed or remarketed or shall otherwise cease to be Bank Bonds, such unpaid Deferred Interest (including, to the extent permitted by law, any unpaid interest thereon) shall be converted into a fee payable to the Bank (herein, the "Deferred Interest Fee Amount") and shall bear interest at a rate per annum equal to the Bank Rate payable on the next succeeding Interest Payment Date, or, if earlier, the date of the occurrence of an Immediate Termination Event. Payments by the Authority pursuant to this Section 3.01(c) shall be made within thirty (30) days from the date the Bank makes written demand therefore to the Issuer and the Trustee, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof.

Section 3.02. Maturity; Interest. The Authority agrees that, with respect to each Bank Bond, (i) such Bank Bond shall be paid in full no later than the Payment Date, if not earlier required to be paid under this Agreement; (ii) the Interest Component, if any, included in the Purchase Price for such Bond shall be due and payable on the earlier of (a) the Interest Payment Date next following the Bank Purchase Date on which such Bond became a Purchased Bond or (b) the date on which such Bank Bond is remarketed or otherwise paid in full; (iii) the interest on the unpaid amount of each such Bond from and including the applicable Bank Purchase Date shall be computed at a rate per annum equal to the Bank Rate as determined pursuant to Section 3.01; and (iv) interest payable pursuant to clause (iii) shall be payable (A) monthly on the first Business Day of each calendar month, (B) upon redemption (to the extent of the interest accrued on the amount being redeemed), (C) on the Payment Date, (D) after the Payment Date on demand, and (E) on the Bank Sale Date. Each demand for payment pursuant to this Section 3.02 shall be accompanied by a certificate of an officer of the Bank in reasonable detail setting forth the computation of such amount, which certificate shall be conclusive, absent manifest error, and such demand shall be paid by the Authority within thirty (30) days after such demand by the Bank.

Section 3.03. Amortization of Bank Bonds. The Authority agrees that the Bank Bonds shall be subject to mandatory redemption in full on the Amortization Start Date unless, on such date, no Event of Default shall have occurred and be continuing. If the condition precedent described in the preceding sentence has been satisfied on the Amortization Start Date, the Authority agrees that it shall cause to be redeemed any Bank Bonds pursuant to the Indenture, such that the unpaid principal balance of all then outstanding Bank Bonds shall amortize, commencing on the Amortization Start Date, in approximately six (6) equal semi-annual installments of principal, payable on each Amortization Payment Date, with the last such redemption occurring on the Amortization End Date. The semi-annual amount to be redeemed, determined as of the date of acquisition, shall be rounded upward or downward, as appropriate, if necessary, to the nearest \$100,000.

Section 3.04. Computations; Payments.

(a) Interest (including interest at the Default Rate), fees (other than the Commitment Fee) and other amounts payable to the Bank hereunder, including interest on Bank Bonds, shall be computed on the basis of a 365- or 366-day year, as applicable, and actual days elapsed. The Commitment Fee shall be computed on the basis of a 360-day year and actual days elapsed. Any payments received by the Bank later than 3:30 p.m. (New York City time) on any day shall be deemed to have been paid on the next succeeding Business Day. All payments to the Bank hereunder shall be made in Dollars and in immediately available funds. Unless the Bank shall otherwise direct, all such payments shall be made by means of wire transfer of funds to the Bank through the Federal Reserve Wire System to the Federal Reserve Bank of New York for credit of JPMorgan Chase Bank, NA, ABA: 021-000-021, Account No.: MTVAR: 9008113381H2152, Ref: Sacramento Transportation Authority, or pursuant to such other direction as the Bank may specify in writing from time to time (the "Payment Office").

(b) 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. Any computation of the amounts due under this Article III, including, without limitation, the Bank Rate and

Deferred Interest in connection with Bank Bonds, but excluding the computation of amounts required to be determined pursuant to the Indenture, shall be the obligation of the Bank and shall, absent manifest error, be binding on the Authority and the Trustee.

(c) Payments made to the Bank under this Agreement shall first be applied to any fees, costs, charges or expenses payable to the Bank hereunder, next to any past due interest, next to any current interest due, and then to outstanding principal. Following the occurrence of an Event of Default, any payments received by the Bank hereunder shall be applied by the Bank to payment of obligations owing to the Bank hereunder in such order as the Bank shall in its sole discretion determine.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

Section 4.01. Representations of the Authority. The Authority makes the following representations and warranties to the Bank as of the effective date of this Agreement and as of the effective date of any extension of the Stated Expiration Date (which representations and warranties shall survive the execution and delivery of this Agreement and any purchases of Eligible Bonds by the Bank):

(a) Existence. The Authority is a local transportation authority duly organized and validly existing under the laws of the State, including the Act, with full right and power (i) to issue the Bonds, (ii) to own its properties and to carry on its activities as now conducted and as contemplated to be conducted in connection with the issuance of the Bonds and the execution, delivery and performance of its obligations under the Related Documents and this Agreement, (iii) to execute, deliver and perform its obligations under the Related Documents and this Agreement, and (iv) to provide for the security of the Bonds pursuant to the Act and the Indenture; and the Authority has complied with all provisions of applicable law, including the Act, in all matters related to such actions of the Authority as are contemplated by the Related Documents and this Agreement.

(b) Authorization; Contravention. The execution, delivery and performance by the Authority of this Agreement and each Related Document are within the Authority's powers, have been duly authorized by all necessary action, and do not and will not conflict with, or result in a violation of, the Authority's organizational documents, or any provision of law, including the Act, or any order, writ, judgment, injunction, decree, award, law, rule or regulation of any court or governmental agency or instrumentality binding upon or applicable to the Authority, and do not and will not conflict with, result in a violation of, or constitute a default under, any resolution, agreement or instrument to which the Authority is a party or by which the Authority or any of its property is bound, except as set forth therein, or result in the creation or imposition of any lien on, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Authority is a party or by which it or any of its property is bound.

(c) Binding Effect.

(i) This Agreement and the Related Documents constitute valid and binding agreements of the Authority, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies local transportation authorities in the State.

(ii) The Indenture creates the pledge, lien and assignment which it purports to create to secure the Bonds (including the Bank Bonds), as and to the extent provided in the Indenture and the Authority has not pledged or granted a lien, security interest or other encumbrance of any kind on the security pledged to the Bonds that is senior or superior to the pledge in favor of the Bonds and the Parity Obligations. Each of the statements set forth in Section 2.08 of this Agreement is true and correct.

(d) No Consent or Approval. No consent, approval, permit, authorization or order of, or registration or filing with, any court or governmental agency, authority or other instrumentality not already obtained, given or made is required on the part of the Authority for the execution, delivery and performance by the Authority of the Related Documents or this Agreement.

(e) Financial Information.

(i) The audited financial statements of the Authority for the fiscal year ended June 30, 2008, as heretofore delivered to the Bank, are, as of the Effective Date, complete and correct and fairly present the financial position of the Authority at the end of such fiscal year and the results of operations for the year then ended, and have been prepared in conformity with GAAP, consistently applied.

(ii) As of the Effective Date, except as described in writing to the Bank or as otherwise described in the Official Statement, since June 30, 2008 there has been no material adverse change in the business, assets, condition, financial position, results of operations, properties, revenues or prospects of the Authority.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental agency or authority, or other board, body or official, pending or, to the best knowledge of the Authority, threatened against or affecting the Authority, questioning the validity of the Act or any proceeding taken or to be taken by the Authority in connection with the execution, delivery and performance by the Authority of the Related Documents or this Agreement, or otherwise involving or affecting the Authority, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the Authority of any of the foregoing, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity of the Act or any provision thereof material to the transactions contemplated by this Agreement, the Indenture or the other Related Documents, (ii) the validity or enforceability of, or the authority or ability of the Authority to perform its obligations under, the Indenture, the other Related

Documents or this Agreement or the validity, enforceability or perfection of the pledge of and lien on the Revenues under the Indenture, or (iii) the ability of the Authority to conduct its activities as presently conducted or as proposed or contemplated to be conducted under the terms of this Agreement, the Indenture and the other Related Documents.

(g) No Sovereign Immunity. The Authority is subject to claims and to suit for damages in connection with the obligations under this Agreement pursuant to and in accordance with the procedural laws of the State.

(h) ERISA Plans. The Authority has never established, is not a party to and has never contributed to any "employee benefit plan" within the meaning of Section 3(3) of ERISA or any other form of bonus, incentive compensation, deferred compensation or other similar plan or arrangement other than a "governmental plan" within the meaning of Section 414(b) of the Code or Section 3(32) of ERISA.

(i) No Governmental Fees. To the best knowledge of the Authority, neither the execution, delivery nor performance by the Bank of this Agreement or any of the other Related Documents will give rise to any tax, including without limitation any stamp tax, or any fee of any State agency or government body in or of the State or under federal laws or regulations.

(j) No Default. The Authority is not in default under (i) the Act, (ii) any order, writ, injunction or decree of any court or Governmental Agency applicable to or binding on it or any of its properties, (iii) any law or regulation, (iv) any of its Indebtedness or any of its Swap Agreements to which it is a party, (v) any contract, agreement or instrument to which it is a party or by which it or its property is bound, in each case, which default could have a material adverse effect on the business, assets, condition, financial position, results of operations, properties, revenues or prospects of the Authority or an adverse effect on the validity or enforceability of, or the authority or ability of the Authority to perform its obligations under, this Agreement and the Related Documents to which it is a party; and no event has occurred which with the giving of notice or the passage of time or both would constitute a default. No event, act or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute an Event of Default.

(k) Official Statement. The Official Statement, copies of which have heretofore been delivered to the Bank, and any amendments or supplements thereto prepared prior to the Effective Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) do not, and in the case of any amendments or supplements prepared subsequent to the Effective Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) will not, as of their respective dates, contain any untrue statement of a material fact and do not and will not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except no representation is made as to information in the Official Statement relating to the Bank and provided by the Bank for inclusion therein, information in the Official Statement relating to the Remarketing Agent and provided by the Remarketing Agent for inclusion therein and information in the Official Statement relating to the Depository and provided by the Depository for inclusion therein.

(l) Disclosure. No statement made by the Authority in this Agreement or any Related Document or any document or financial statement, including the sales tax collection information through March 31, 2009, in all cases, provided by the Authority to the Bank in connection with this Agreement contains or contained (as of the date made or furnished) an untrue statement of a material fact or omits or omitted (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading under the circumstances in which they were made. Any financial, budget and other projections furnished to the Bank by the Authority 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, and represented, and as of the Effective Date, represent the Authority's best estimate of its future financial performance.

(m) Tax-Exempt Status of Bonds. The Authority has not taken any action, and knows of no action that any other person has taken, which would cause interest on the Bonds to be includable in the gross income of the recipients thereof for Federal income tax purposes.

(n) No Usury. The terms of this Agreement and the other Related Documents regarding the calculation and payment of interest and fees do not contravene any applicable usury laws.

(o) Pending Legislation. As of the Effective Date, the Authority knows of no legislation pending that could, if enacted, affect the validity or enforceability of this Agreement or the Related Documents, or the ability of the Authority to perform its obligations hereunder or under the Related Documents. No legislation has been enacted which in any way adversely affects the Bonds or the execution, delivery or performance of this Agreement or the Related Documents or the creation, organization or existence of the Authority or the titles to office of any officers thereof, or the power of the Authority to carry out its obligations under this Agreement or the Related Documents or the ability of the Authority to perform its obligations hereunder or under the Related Documents.

(p) Federal Reserve Board Regulations. No part of the proceeds of any Bonds or the funds advanced hereunder will be used for the purpose, whether immediate, incidental or ultimate, to purchase or carry any margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System, as amended from time to time), or to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose which would violate any of the regulations of said Board of Governors.

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

individually or in the aggregate, could not reasonably be expected to adversely affect the security for any of the Bonds, or the Authority's ability to pay when due its obligations under, or the validity or enforceability of, this Agreement, the Bonds or any of the other Related Documents to which it is a party, or materially adversely affect the business, assets, condition, financial position, results of operations, properties, revenues or prospects of the Authority. The Authority agrees that any Person with whom the Authority enters into a project contract with respect to the Authority's properties will agree to act in accordance with the terms of this subsection as to the Authority's properties.

(r) Trustee and Remarketing Agent. Deutsche Bank National Trust Company is the duly appointed and acting Trustee, and J.P. Morgan Securities Inc. is the duly appointed and acting Remarketing Agent with respect to the Bonds.

(s) Insurance. The Authority currently maintains insurance with respect to its business, operations, assets and properties against such risks, in such amounts, with such companies and with such deductibles as is customarily carried by and insures against such risks as are customarily insured against by entities with business, operations, assets and properties of like size, location and character to those of the Authority. Such obligation may be satisfied by self-insurance if such self-insurance is permitted pursuant to the terms of the Indenture and satisfies all criteria specified therein.

(t) No Existing Right to Accelerate. As of the Effective Date, no Person, including, without limitation, a credit facility provider or a liquidity provider, either of which provides credit enhancement or liquidity support to any Bonds has a right under any indenture or any supplemental indenture relating to any Bonds or any other document or agreement relating to any Bonds to direct the Trustee or any other Person to declare the principal of and interest on any Bonds to be immediately due and payable (other than with respect to bank bonds or liquidity provider bonds held by a liquidity provider).

(u) No Affiliates. The Issuer has no Affiliates.

ARTICLE V

COVENANTS OF THE AUTHORITY

Section 5.01. Covenants of the Authority. During the term of this Agreement, and until the obligations of the Authority to the Bank hereunder are paid in full including full payment of the Bank Bonds, and the Bank has no further commitment hereunder, unless the Bank shall otherwise consent in writing, the Authority covenants and agrees as follows:

(a) Information. The Authority will deliver to the Bank:

(i) as soon as practicable and, in any event, within 180 days after the end of each fiscal year of the Authority, a balance sheet of the Authority as at the end of such fiscal year and statements of operations and fund balances and cash flows and changes in financial position for the fiscal year then ended, all in reasonable detail prepared in accordance with GAAP consistently applied and any applicable regulations

accompanied by a report and opinion of the Authority's independent accountants (who shall be of nationally recognized standing) which report and opinion shall have been prepared in accordance with GAAP, together with the audit report of such independent certified public accountants (which report shall not be qualified as to the conduct of such audit in accordance with generally accepted auditing standards). In addition, the chief executive officer, chief financial officer or treasurer of the Authority shall deliver to the Bank within said period of 180 days a certificate (i) stating that nothing has come to his attention to lead him to believe that any Potential Default or Event of Default hereunder exists or, if such is not the case, specifying such Potential Default or Event of Default and the nature thereof, and (ii) setting forth in reasonable detail the calculation of the Debt Service Coverage Ratio pursuant to Section 5.01(aa) on the date of such financial statements and certifying that such calculation is accurate and complete and was made in accordance with GAAP, consistently applied;

(ii) as soon as practicable and, in any event, within 60 days after the end of each fiscal quarter of the Authority, unaudited financial statements of the Authority consisting of a balance sheet as of the end of each such quarterly fiscal period and a statement of income and cash flows for such quarterly fiscal period, in format similar to the information provided in clause (i) above, together with a certificate of the chief financial officer or treasurer of the Authority (i) stating that nothing has come to his attention to lead him to believe that any Potential Default or Event of Default hereunder exists or, if such is not the case, specifying such Potential Default or Event of Default and the nature thereof, and (ii) setting forth the amount of Measure A gross sales tax receipts received in aggregate for such period and year to date and comparing such sales tax receipts to the same periods in the prior fiscal year;

(iii) as soon as practicable after adoption by the governing body of the Authority, the approved budget of the Authority for the upcoming fiscal year;

(iv) promptly, and in any event within five (5) Business Days after the Authority shall have obtained knowledge, of the occurrence of an Event of Default or Potential Default, the written statement of an authorized officer of the Authority setting forth the details of each such Event of Default or Potential Default and the action which the Authority proposes to take with respect thereto;

(v) as soon as possible but, in any event, within 30 days after the issuance thereof, copies of any prospectus, official statement, offering circular, placement memorandum or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the Authority makes available in connection with the offering for sale of any securities of which it is the issuer, and, on the Bank's reasonable request, copies of all annual reports, and notices of filing of all other reports, that the Authority may be required to file with any governmental commission, department, board, bureau or agency, Federal or State;

(vi) promptly, notice of any change, suspension or withdrawal in the ratings on the Bonds or the Parity Obligations (to the extent rated at the time of initial issuance thereof) by either Moody's or S&P forthwith upon the occurrence thereof;

(vii) promptly, notice of the failure of the Authority to make a payment under any other Indebtedness of the Authority or any Swap Agreements of the Authority;

(viii) promptly (i) notice of the failure by the Remarketing Agent or the Trustee to perform any of their respective obligations under the Related Documents to which such entity is a party, and (ii) notice of any proposed substitution of this Agreement;

(ix) promptly upon receipt of the written request therefor from the Bank, copies of all management letters of substance and other reports of substance that are submitted to the Authority by its independent accountants in connection with any annual or interim audit of the books of the Authority made by such accountants;

(x) promptly, after the filing thereof, any material event notices or other filing required to be filed pursuant to Securities and Exchange Commission Rule 15c2-12 or pursuant to any continuing disclosure agreement entered into by the Authority relating to an adverse (including preliminary) determination as to the tax-exempt status of the Bonds or other events affecting the tax-exempt status of the Bonds as required by the provisions of said Rule;

(xi) promptly, notice of any redemption, repayment or other payment or conversion to a Fixed Rate of any or all of the Bonds;

(xii) promptly, notice of any proposed amendments to Related Documents and copies of all actual amendments thereto; and

(xiii) from time to time such other information with respect to the affairs, properties, business, revenues, condition (financial or other), results of operations or prospects of the Authority or with respect to the Bonds and the transactions contemplated hereby and by the Related Documents as the Bank may from time to time reasonably request.

(b) No Amendment Without Consent of the Bank. Subject to Section 5.01(e), the Authority will not agree or consent to any amendment, supplement or modification of any Related Document, nor waive any provision thereof, in any manner which would materially and adversely affect the Bank, without the prior written consent of the Bank. In furtherance of the foregoing, so long as the Authority has complied in all respects with the terms of this Agreement (including, without limitation, Section 5.01(u) hereof) and with the terms of the Indenture, the consent of the Bank shall not be required for any supplement to the Indenture relating solely to the issuance of Parity Obligations, Subordinate Obligations or Fee and Expense Obligations under the Indenture.

(c) Maintenance of Remarketing Agent. The Authority will at all times have a Remarketing Agent with respect to the Bonds performing the duties thereof contemplated by the First Supplemental Indenture. The Authority agrees to use its best efforts to have the Remarketing Agent replaced, at the request of the Bank, in the event the Bank holds any Bank Bonds for a period exceeding sixty (60) days.

(d) Trustee and Remarketing Agent. The Authority shall not appoint any Person to perform the duties of the Trustee or the Remarketing Agent in accordance with the terms of the Indenture, without the consent of the Bank, which consent shall not be unreasonably withheld.

(e) Incorporation of Covenants by Reference. 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 the Indenture and the other Related Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that (i) any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person and (ii) any such waiver or consent or acceptance of a document, opinion or other instrument would adversely affect the interests of the Bank, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to in writing by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. Without the written consent of the Bank, no amendment to such covenants and agreements or defined terms made pursuant to any certificate or any other Related Document shall be effective to amend such covenants and agreements and defined terms as incorporated by reference herein.

(f) Liquidity.

(i) The Authority agrees to use its best efforts to obtain a Substitute Liquidity Facility to replace or otherwise amend this Agreement in the event (x) the Bank shall decide not to extend the Stated Expiration Date (such replacement to occur on or before the Stated Expiration Date), (y) there shall have occurred a Mandatory Tender Date of any Bonds under the Indenture or (z) the Bank shall furnish a Notice of Termination pursuant to Section 7.04(a) to the Trustee unless, in each event, the Authority has provided funds (which may be remarketing proceeds) for the purchase of all Bank Bonds at par plus accrued interest through the purchase date and notifies the Bank in writing of its decision not to provide a Substitute Liquidity Facility.

(ii) The Authority agrees that any Substitute Liquidity Facility will require, as a condition to the effectiveness of that Substitute Liquidity Facility, that the issuer of the Substitute Liquidity Facility or the Authority provide funds (which may be remarketing proceeds) on the Substitution Date, for the purchase of all related Bank Bonds at par plus accrued interest (at the Bank Rate) through the Substitution Date. On the Substitution Date or on any date the Authority provides the funds required by clause (i) of this paragraph if no Substitute Liquidity Facility is to be provided, the Authority shall pay in full all other amounts due hereunder (including, without limitation, any Differential Interest Amount, all Deferred Interest, the entire unpaid Deferred Interest Fee Amount and unpaid interest thereon).

(g) Conversions; Defeasance; Redemption.

(i) The Authority (a) shall promptly furnish, or cause to be furnished, to the Bank, not later than its furnishing the same to the Remarketing Agent, a copy of any written notice furnished by the Authority to the Remarketing Agent pursuant to the Indenture indicating a proposed conversion of the interest rate on the Bonds; (b) shall not permit a conversion of the Bonds to Bonds bearing an interest rate other than a Covered Rate without the prior written consent of the Bank if, after giving effect to such conversion, any Bonds remain as Bank Bonds or the Authority has any outstanding payment obligation to the Bank hereunder; and (c) upon any redemption of the Bonds, shall cause Bank Bonds to be redeemed prior to other Bonds. In addition, the Authority will not defease, nor allow the defeasance of, the Bonds without having contemporaneously satisfied all of its obligations hereunder.

(ii) The Authority shall not voluntarily redeem any Bonds pursuant to the Indenture prior to redeeming Bank Bonds in full or if, after giving effect to such redemption, there would be any unpaid Deferred Interest owing under this Agreement or any other amount in respect of such Bank Bonds which shall not have been paid in full. In addition, the Authority shall not convert any Bonds to a rate other than Covered Rate pursuant to the Indenture if, after giving effect to such conversion, there would be any unpaid amounts owing under this Agreement or any other amount in respect of such Bank Bonds which shall not have been paid in full.

(h) Tax Status of the Bonds. The Authority shall not take any action or omit to take any action which, if taken or omitted, would adversely affect the exemption of interest on any bond or note of the Authority, including the Bonds, from Federal income taxes or from personal income taxes levied by the State or of such bond or note from local personal property taxes levied by any political subdivision thereof.

(i) ERISA. The Authority will not establish, become a party to or contribute to any "employee benefit plan" within the meaning of Section 3(3) of ERISA or any other form of bonus, incentive compensation, deferred compensation or other similar plan or arrangement other than a "governmental plan" within the meaning of Section 414(b) of the Code and Section 3(32) of ERISA. The Authority shall, in a timely fashion, comply in all material respects with all requirements under any employee benefit plan in which the Authority or any of its employees participate.

(j) 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 GAAP will be made of all dealings or transactions in relation to its business and activities.

(k) Access to Officers, Employees or Agents. The Authority will permit its officers, employees and agents to discuss with the Bank matters pertinent to an evaluation of the credit of the Authority, all at such reasonable times as the Bank may reasonably request and at the expense of the Authority upon and during the continuance of an Event of Default.

(l) Inspection of Records. At any reasonable time and upon reasonable prior notice from time to time, and at the expense of the Authority upon and during the continuance of an Event of Default, the Authority shall permit the Bank or any agents or representatives thereof designated in writing (i) to visit and inspect any of the properties of the Authority, and to discuss the affairs, finances and accounts of the Authority with, and to be advised as to the same by, the principal officers and employees of the Authority and its independent public accountants, all at such reasonable times during normal business hours and as often as the Bank may reasonably request, and (ii) to review and inspect the corporate books and financial records of the Authority and to make copies thereof and extracts therefrom.

(m) Compliance with Law. The Authority shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards of any court or Governmental Agency, which are applicable to the Authority or any of its properties; *provided, however,* that the Authority may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the validity or enforceability of, or the power and authority of the Authority to perform its obligations under, this Agreement and the Related Documents to which it is a party.

(n) Proceeds of Bonds. No part of the proceeds of the Bonds will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock. The proceeds of the Bonds will be used by the Authority solely for the purposes described in the Indenture.

(o) Payment of Obligations.

(i) The Authority shall take such action as necessary to cause payment of the Bonds and the Bank Bonds, and shall take such further action as is appropriate in order to provide for payment of any and all of its obligations hereunder and under all of the Related Documents.

(ii) The Authority shall pay (a) all indebtedness and obligations of the Authority in accordance with the terms thereof and (b) all assessments or other governmental charges as the same respectively become due, all taxes, assessments (general or special) and governmental charges of any kind whatsoever that may be at any time lawfully assessed or levied against or with respect to any of its or its businesses, property, revenues and assets or any interest thereon and promptly discharge or cause to be discharged all liens, encumbrances and charges on such businesses, property, revenues and assets.

(p) 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 this Agreement and each of the Related Documents. Except to the extent it is exempt therefrom, the Authority will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance.

(q) Preservation of Existence. The Authority will not directly or indirectly:

(i) Terminate, wind up, liquidate or dissolve its affairs or sell, transfer, convey or lease (whether in a single transaction or a series of transactions) all or any substantial part of its properties or assets.

(ii) Consolidate or merge with or into any other corporation, organization, partnership, association, government, political subdivision, public benefit corporation or other entity, including an individual, unless:

(A) neither the validity nor enforceability of the First Supplemental Indenture, the Bonds or the Indenture, nor the exemption of interest on bonds or notes of the Authority from Federal income taxes and from personal income taxes levied by the State and of any such bond or note from local personal property taxes levied by any political subdivision thereof, shall be adversely affected thereby;

(B) such merger or consolidation shall be with or into another body politic and corporate, which shall assume in writing or by operation of law, the due and punctual performance and observance of all covenants, agreements and conditions of the First Supplemental Indenture, the Bonds, the Indenture and this Agreement;

(C) the pledge of the Security shall remain in full force and effect with respect to the Bonds (including the Bank Bonds) and the other obligations of the Authority under this Agreement and the priority of such pledge shall remain the same as in effect prior to such merger or consolidation;

(D) the long-term ratings on the Bonds by S&P and Moody's (to the extent each such rating agency is then rating the Bonds) shall remain the same as in effect prior to such merger or consolidation;

(E) no Potential Default or Event of Default will have occurred and be continuing, both before and after giving effect to such merger or consolidation; and

(F) such merger or consolidation shall not have a material adverse effect on the Bonds, this Agreement or any other Related Document or otherwise to the operations, affairs, properties, condition (financial or otherwise) or prospects of the Authority, as determined by the Bank, in its sole discretion.

At least thirty (30) days before the consummation of any such consolidation or merger, the Authority shall give notice thereof in reasonable detail to the Bank. The Authority promptly shall furnish such additional information with respect to any such consolidation or merger as the Bank shall request and, if the Bank shall so request, an opinion of counsel satisfactory to the Bank, in form and substance satisfactory to the

Bank, as to the matters set forth in subparagraphs (A), (B), (C), (E) and (F) of this subsection (q)(ii).

(r) Liens, Etc. The Authority shall not create or suffer to exist any Lien upon or with respect to any of the funds or accounts created under the Indenture except those Liens specifically permitted under the Indenture.

(s) Actions. The Authority shall not take any action, or cause the Trustee to take any action, under the Related Documents inconsistent with the rights of the Bank under this Agreement including, without limitation, its obligations to make payments to the Bank, without the prior written consent of the Bank.

(t) Disclosure. The Authority shall not refer to the Bank in any official statement or make any changes in reference to the Bank in any official statement without the Bank's prior written consent thereto. The Bank hereby consents to the inclusion of the disclosure information describing the Bank that has been specifically provided for purposes of the Official Statement.

(u) Additional Obligations. The Authority shall not issue any Indebtedness payable from the Sales Tax Revenues or any other amounts, accounts or other property held under the Indenture, except (i) as expressly provided in the Indenture, and (ii) following the date on which the Authority shall have placed on file with the Bank a certificate of the Authority duly executed by an Authorized Representative of the Authority, certifying that (x) the amount of Sales Tax Revenues collected during any 12 consecutive calendar months specified by the Authority within the most recent 18 calendar months immediately preceding the date on which such additional Indebtedness will become outstanding shall have been at least equal to 2.25 times Maximum Annual Debt Service (as defined in the Indenture as in effect on the Effective Date) on all Indebtedness then outstanding and the additional Indebtedness then proposed to be issued, (y) the amount of Sales Tax Revenues collected during any 12 consecutive calendar months specified by the Authority within the most recent 18 calendar months immediately preceding the date on which such additional Indebtedness will become outstanding shall have been at least equal to 2.75 times Maximum Annual Debt Service (as defined in the Indenture as in effect on the Effective Date) on all Parity Obligations then outstanding and the additional Indebtedness then proposed to be issued; and (z) both before and after giving effect to such issuance of additional Indebtedness, the Debt Service Coverage Ratio of the Authority, calculated for the immediately preceding 12 consecutive calendar months from the proposed date of issuance, shall be not less than 2.25, which certificate, in each case, shall also set forth the computations upon which such certificate is based and shall be reasonably satisfactory to the Bank in all respects. At the request of the Bank, the Authority shall retain an Independent Consultant for purposes of preparing the projections described in this paragraph and shall provide to the Bank a copy of such projections as soon as such projections become available.

(v) Bank Bond Ratings. At any time Bank Bonds are Outstanding, upon the request of the Bank or any other institution that owns such Bank Bonds or a beneficial interest therein, the Authority at its expense, within thirty (30) days following receipt of such request, (i) shall obtain from at least one of the Rating Agencies then rating the Bonds, a rating specifically assigned to such Bank Bonds and (ii) shall ensure that the CUSIP number and the rating assigned

to such Bank Bonds are available electronically to the Bank pursuant to a third-party provider of such information.

(w) Waiver of Sovereign Immunity. The Authority irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any proceedings.

(x) Insurance. The Authority will at all times maintain insurance with respect to its business, operations, assets and properties against such risks, in such amounts, with such companies and with such deductibles as is customarily carried by and insures against such risks as are customarily insured against by entities with business, operations, assets and properties of like size, location and character to those of the Authority. Such obligation may be satisfied by self-insurance if such self-insurance is permitted pursuant to the terms of the Indenture and satisfies all criteria specified therein.

(y) Right to Accelerate. In the event that the Authority shall, directly or indirectly, enter into or otherwise consent to any agreement, which such agreement includes the right to accelerate the payment of the principal of or interest on any series of Parity Obligations, the Bank shall be deemed to have the right to accelerate the payment of the principal of and interest on any Bank Bonds (and all other obligations due and owing hereunder) under the same terms and conditions as set forth under any such agreement. If requested by the Bank, the Authority shall promptly, upon the occurrence of the Authority entering into an agreement (or amendment thereto) which provides for the right to accelerate any Parity Obligations, enter into an amendment to this Agreement to include such provision, provided that the Bank shall maintain the benefit of such provision even if the Authority fails to provide such amendment. The release, termination or other discharge of such other documentation which provides for acceleration of any Parity Obligations shall not be effective to amend, release, terminate or discharge (as applicable) such provision as incorporated by reference herein without the prior written consent of the Bank.

(z) Accounting Methods and Fiscal Year. The Authority shall not adopt, permit or consent to any change in accounting practices other than as required by GAAP and will not adopt, permit or consent to any change in its fiscal year.

(aa) Annual Debt Service Coverage Ratio. The Authority shall cause the Debt Service Coverage Ratio of the Authority to be not less than 2.25 at the end of each Fiscal Year, for the annual period then ended.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.01. Conditions to Bank's Entering into Agreement. It shall be a condition precedent to the Bank's entering into this Agreement that all proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto including the Related Documents shall be in form and substance satisfactory to the Bank and that the conditions enumerated in this Section 6.01 have been fulfilled to the satisfaction of the Bank and its counsel, Winston & Strawn LLP. Delivery by the Bank of fully executed signature pages to this Agreement shall constitute acknowledgment and acceptance by the Bank that all such conditions have been met or waived.

(a) Representations. On the date of the execution and delivery of this Agreement: (i) there shall exist no Event of Default or Potential Default, (ii) all representations and warranties made by the Authority herein or in any of the Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time, (iii) except as described in the Official Statement, no material adverse change in the financial condition, operations or prospects of the Authority shall have occurred since June 30, 2008, and (iv) except as described in writing to the Bank or as otherwise disclosed in the Official Statement, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the Authority between the date of the Authority's most recent audited financial statements and the effective date of this Agreement which materially adversely affects the issuance of the Bonds, the security for the Bonds or the Authority's ability to repay when due its obligations under this Agreement and the Related Documents.

(b) Supporting Documents. On or prior to the date of the execution and delivery of this Agreement, the Bank shall have received, in form and substance satisfactory to the Bank, the following:

(i) true and complete executed originals of this Agreement and the Custody Agreement;

(ii) copies of the Indenture, the Remarketing Agreement and each other Related Document not specified in (i) above;

(iii) certified copies of the resolutions of the Authority approving this Agreement, the Related Documents and the other matters contemplated hereby (which certificate shall state that such resolutions are in full force and effect as of the Effective Date);

(iv) originals (or copies certified to be true copies by the Authority) of all governmental and regulatory approvals, if any, at the time necessary for the Authority with respect to this Agreement and the transactions contemplated hereby;

(v) signature and incumbency certificates, dated the date of the execution and delivery of this Agreement, of the signatures of the officers of the

Authority executing this Agreement and the Related Documents to which it is a party and which are being delivered on the date of this Agreement;

(vi) a certificate of the Authority, dated the date of the execution and delivery of this Agreement, to the effect set forth in Section 6.01(a);

(vii) executed legal opinions, dated the date of the execution and delivery of this Agreement, addressed to the Bank and in form and substance satisfactory to the Bank, (A) of Bond Counsel covering such matters as the Bank may reasonably request; and (B) of counsel to the Authority covering such matters as the Bank may reasonably request; and

(viii) such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank may reasonably request.

(c) Certain Payments. On the date of the execution and delivery of this Agreement upon delivery of the applicable invoice, the Authority shall have paid the fees and expenses of counsel to the Bank as provided in Section 8.12.

(d) CUSIP Numbers. The Bank shall have received evidence satisfactory to the Bank that the Bonds have been assigned separate CUSIP numbers in the event that they become Bank Bonds.

(e) Ratings. The Bank shall have received satisfactory evidence that the Bonds shall have been assigned a long term rating of at least "Aa3" by Moody's and "AA-" by S&P, and a short term credit rating of "VMIG-1" by Moody's and "A-1+" by S&P.

Section 6.02. Conditions Precedent to Each Purchase.

(a) The obligation of the Bank to purchase Eligible Bonds hereunder on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Bank:

(i) No Immediate Termination Event shall have occurred;

(ii) No Suspension Event shall have occurred and be continuing; and

(iii) The Bank shall have timely received the Notice of Bank Purchase(s) as provided in Section 2.02 hereof.

(b) Each notification delivered pursuant to clause (iii) of Section 6.02(a) hereof shall constitute a representation and warranty by the Authority on each Bank Purchase Date that, to its knowledge, each of the conditions described in the clauses (i) and (ii) of Section 6.02(a) have been satisfied on such Bank Purchase Date.

ARTICLE VII

EVENTS OF TERMINATION; RATING EVENTS AND REMEDIES

The occurrence of any of the events set forth in Sections 7.01 (other than the event set forth in Section 7.01(h)), 7.02 (other than the event set forth in Section 7.01(E)), and 7.03, other than the event set forth in Section 7.01(h) and the event set forth in Section 7.02(e) shall constitute an event of default (each, an "Event of Default"). Upon the occurrence of an Event of Default or Rating Event (as hereinafter defined), the Bank may exercise those rights and remedies provided in Section 7.04. In the event that the occurrence of any event set forth in Sections 7.01, 7.02 or 7.03 constitutes an Event of Default under any other of Sections 7.01, 7.02 and/or 7.03, such Event of Default shall first be deemed to be an Event of Default under Section 7.02 (if such event is an Event of Default under Section 7.02), and shall next be deemed to be an Event of Default under Section 7.03 (if such event is an Event of Default under Section 7.03). The event set forth in Section 7.01(h) shall constitute a "Notice Rating Event" and the event set forth in Section 7.02(e) shall constitute an "Immediate Rating Event" and shall collectively constitute "Rating Events". In the event that the occurrence of a Notice Rating Event shall also constitute an Immediate Rating Event, such Rating Event shall be deemed to be an Immediate Rating Event.

Section 7.01. Events of Default and Rating Event not Resulting in Immediate Termination. Each of the following events shall also constitute a "Notice Termination Event":

(a) **Payments**. The Authority shall fail to pay when due any amounts owed by the Authority to the Bank pursuant to this Agreement.

(b) **Representations**. Any representation or warranty made by or on behalf of the Authority in this Agreement or in any other Related Document or in any certificate or statement delivered hereunder or thereunder shall prove to have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) **Covenants**. The Authority shall fail to perform the covenants in Article V (other than Sections 5.01(a)(i) and (ii), (a)(iv)-(xi) and (y)).

(d) **Other Covenants**. The Authority shall fail to perform or observe any term, covenant or agreement (other than ones described in any other paragraph of this Section 7.01) contained in this Agreement or in any other Related Document on its part to be performed or observed (each a "Covenant Failure") which failure continues for thirty (30) days or more; *provided* that such Covenant Failure shall not constitute an Event of Default hereunder until such failure continues for sixty (60) days if (i) the Authority provides satisfactory evidence to the Bank that such Covenant Failure is able to be cured within sixty (60) days of the occurrence of the Covenant Failure, (ii) the Authority provides reasonable assurances to the Bank that the Covenant Failure will be cured within sixty (60) days of the occurrence of the Covenant Failure and (iii) the Authority provides satisfactory evidence to the Bank that the Authority has commenced the process required to cure such Covenant Failure within ten (10) days of the occurrence of such Covenant Failure.

(e) **Default.** Default by the Authority in the payment of any amount due in respect of any Indebtedness owed to the Bank or default by the Authority in the payment of any amount due in respect of any other Indebtedness (other than Parity Obligations) or with respect to any Swap Agreement, in either case, in an aggregate amount in excess of \$5,000,000, as and when the same shall become due, or default under any mortgage, agreement or other instrument under or pursuant to which such Indebtedness is incurred or issued, and continuance of such default beyond the period of grace, if any, allowed with respect thereto, or the occurrence of any act or omission by the Authority under any such mortgage, agreement or other instrument which results in such Indebtedness becoming, or being capable of becoming, immediately due and payable (or, with respect to any Swap Agreement, which results in such Swap Agreement being terminated early or being capable of being terminated early).

(f) **Invalidity.** Any provision of this Agreement, the Bonds or any other Related Document shall cease to be valid and binding, or the Authority shall contest any such provision, or the Authority or any agent or trustee on behalf of the Authority, shall deny that it has any further liability under any provision of this Agreement, the Bonds or any other Related Document.

(g) **Other Documents.** The occurrence of any default beyond the period of grace, if any, allowed with respect thereto under any Related Document other than this Agreement.

(h) **Downgrade.** The unenhanced long-term rating of the Bonds or any other Parity Obligations shall be (i) withdrawn, suspended or reduced below "A3" by Moody's, or (ii) withdrawn, suspended or reduced below "A-" by S&P.

(i) **Financial Emergency.** There shall be appointed or designated with respect to the Authority, an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it.

(j) **Change in Maximum Lawful Rate.** The Maximum Lawful Rate applicable to Bank Bonds or Bonds shall be reduced at any time.

(k) **Event of Taxability.** A ruling, assessment, notice of deficiency or technical advice by the Internal Revenue Service shall be rendered to the effect that interest on the Bonds is includable in the gross income of the holder(s) or owner(s) of such Bonds and either (i) the Authority, after it has been notified by the Internal Revenue Service, shall not challenge such ruling, assessment, notice or advice in a court of law during the period within which such challenge is permitted or (ii) the Authority shall challenge such ruling, assessment, notice or advice and a court of law shall make a determination, not subject to appeal or review by another court of law, that such ruling, assessment, notice or advice is correctly rendered.

Section 7.02. Events of Default and Rating Event Resulting in Immediate Termination. Each of the following events shall also constitute an "Immediate Termination Event":

(a) ***Event of Insolvency***. An Event of Insolvency shall have occurred with respect to the Authority.

(b) ***Payment Default***. Any failure, wholly or partially, (i) to make timely any payment of principal of, interest on or redemption premium, if any, required to be made on the Bonds (including Bank Bonds), or (ii) to make timely payments or repayments of any Parity Obligations.

(c) ***Contest of Validity***. An officer of the Authority shall (i) claim that the Original Indenture or the First Supplemental Indenture is not valid or binding on the Authority or (ii) repudiate its obligations under this Agreement, the Bonds, the Original Indenture or the First Supplemental Indenture or its obligation to pay or repay any Parity Obligations.

(d) ***Invalidity***. Any court of competent jurisdiction or other governmental entity with jurisdiction shall have ruled pursuant to a final judgment or order, or any other Governmental Authority having jurisdiction shall find or rule, that this Agreement, the Indenture or the Bonds or any provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Bank Bonds) or with respect to the Security therefor is null and void, invalid, unenforceable or not binding on the Authority.

(e) ***Downgrade***. The unenhanced rating of the Bonds or any Parity Obligations (to the extent then rated) shall be (i) withdrawn, suspended or reduced below "Baa3" by Moody's and (ii) withdrawn, suspended or reduced below "BBB-" by S&P.

(f) ***Judgments***. One or more final, unappealable judgments, writs or warrants of attachment against the Authority for the payment of money or attachments against the property of the Authority, the operation or result of which, individually or in the aggregate, equal or exceed \$5,000,000 shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period of sixty (60) days;

Section 7.03. Events of Default Resulting in Immediate Suspension. Each of the following events shall also constitute a "Suspension Event":

(a) ***Involuntary Bankruptcy Proceeding***. (i) An involuntary case or other proceeding shall be commenced in a court of competent jurisdiction against the Authority seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or any substantial part of its property and (ii) such case has not be dismissed and (iii) fewer than sixty (60) days have elapsed since the commencement of such case or proceeding.

(b) ***Initiation of Legal Proceedings.*** The Authority shall initiate any legal proceedings to seek an adjudication that this Agreement, the Bonds, the Original Indenture or the First Supplemental Indenture or its obligation to pay or repay any Parity Obligations is not valid or not binding on the Authority.

Section 7.04. **Remedies.** Upon the occurrence of an Event of Default or Rating Event hereunder, the Bank may take one or more of the following actions:

(a) ***Notice of Termination.*** Upon the occurrence of a Notice Termination Event, the Bank may give written notice (a "Notice of Termination") of such Event of Default or Rating Event to the Authority and the Trustee stating that this Agreement shall terminate thirty (30) days (the "Termination Date") after such notice is delivered by the Bank to the Trustee and directing that the Bonds be called for Default Tender. The Available Commitment, the Bank Purchase Period and the obligation of the Bank to purchase Eligible Bonds shall terminate on the Termination Date, and on such date the Available Commitment shall terminate and the Bank shall be under no obligation hereunder to purchase Eligible Bonds.

(b) ***Immediate Termination of Bank Obligation to Purchase Tendered Bonds.*** Upon the occurrence of any Immediate Termination Event, the Bank Purchase Period and the obligation of the Bank to purchase Eligible Bonds shall immediately terminate without notice or demand, and thereafter the Bank shall be under no obligation to purchase Eligible Bonds. Upon such Immediate Termination Event, the Bank shall promptly give written notice of the same to the Trustee and the Authority; *provided*, that the Bank shall incur no liability of any kind by reason of its failure to give such notice, and such failure shall in no way affect the termination of the Available Commitment and the Bank's obligation to purchase Eligible Bonds pursuant to this Agreement. The Trustee shall immediately notify all Bondholders of the termination of the Available Commitment and the obligation of the Bank to purchase the Eligible Bonds.

(c) ***Suspension of Bank Obligation to Purchase Tendered Bonds.*** Upon the occurrence of a Suspension Event, the obligation of the Bank to purchase Eligible Bonds shall immediately be suspended without notice or demand and thereafter the Bank shall be under no obligation to purchase Eligible Bonds until the Available Commitment is reinstated as described in this Section 7.04(c). Promptly upon the Bank's obtaining knowledge of any such Suspension Event, the Bank shall give written notice of the same to the Authority and the Trustee of such suspension; *provided, however*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Bank's obligations under this Agreement. In the event such Suspension Event is cured prior to becoming an Immediate Termination Event, the Bank's obligations shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless this Agreement shall otherwise have terminated or have been suspended by its terms or in accordance with this Section 7.04).

(d) ***Authority Obligations and Bank Rights Following Immediate Termination Event, Notice Termination Event or Suspension Event.*** Upon the occurrence of an Event of Default, (i) all amounts owed to the Bank hereunder and under any Bank Bonds shall bear interest at the Default Rate until paid, (ii) the Bank may by written notice to the Authority

declare all amounts owed to the Bank hereunder and with respect to the Bank Bonds to be immediately due and payable whereupon such amounts shall be immediately due and payable (*provided*, that the obligations of the Authority hereunder and under the Bank Bonds shall be and become automatically and immediately due and payable without such notice upon the occurrence of an Event of Insolvency) and (iii) the Bank shall have all remedies provided at law or equity, including, without limitation, the right of set-off and specific performance. The Bank shall promptly provide written notice to the Trustee and the Authority of any acceleration of the amounts due hereunder.

Section 7.05. Certain Other Matters. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder and no course of dealing shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. No notice to or demand on the Authority or any other Person hereto in any case shall entitle the Authority or such other Person to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Changes to Agreement. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties hereto. The Trustee shall give notice to S&P and Moody's of any amendments to this Agreement.

Section 8.02. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; *provided, however*, that the Authority may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank; and *provided, further, however*, with respect to the Bank, no assignment shall occur and become effective until each of S&P and Moody's, if then rating the Bonds, has confirmed in writing that such assignment shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds. The Bank shall have the right at any time to grant participations in all or part of its obligations hereunder and the obligations of the Authority hereunder to any other institutional purchaser (the "Participants") without the consent of or notice to the Authority or any other Person; *provided, however*, that notwithstanding anything herein to the contrary, the Bank shall not grant participations in all or part of its obligations hereunder unless such participation is subject in all cases to the provisions of this Agreement (including, but not limited to, the obligation to put the Bank Bonds back to the Remarketing Agent if the Remarketing Agent can remarket such Bonds); and *provided, further* that any such participation shall not relieve the Bank from any of its obligations under this Agreement and the Authority, the Trustee and the Remarketing Agent may deal exclusively with the Bank for all purposes of this Agreement (including the making of all payments on Bank Bonds). The Bank may disclose to any Participant or prospective

Participant any information or other data or material in the Bank's possession relating to this Agreement, any Related Document and the Authority, without the consent of or notice to the Authority.

Section 8.03. Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York without reference to its conflict of laws doctrine. Notwithstanding the foregoing, the parties agree that matters relating to the powers, authority and capacity of the Authority to enter into the Agreement shall be governed by and construed in accordance with the laws of the State.

Section 8.04. Submission to Jurisdiction; Waiver of Jury Trial.

(a) With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:

(i) submits, to the fullest extent permitted by applicable law, to the non-exclusive jurisdiction of each of the courts of the State of California and the United States District Court located in the Eastern District of California; *provided that* the parties agree to the extent either such court shall have competent jurisdiction, that the parties shall first designate the United States District Court located in the Eastern District of California as the site of such suit, action or proceeding; and

(ii) waives, to the fullest extent permitted by applicable law, (1) any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, (2) any claim that such Proceedings have been brought in an inconvenient forum and (3) the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(b) TO THE EXTENT PERMITTED BY LAW, THE BANK, THE TRUSTEE AND THE AUTHORITY EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY. THE AUTHORITY FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 8.04, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE BANK TO ENTER INTO THIS AGREEMENT.

Section 8.05. Extension of Bank Purchase Period. The Stated Expiration Date may be extended from time to time, at the request of the Authority (in the form of Exhibit C attached hereto) made no earlier than ninety (90) days prior to the Stated Expiration Date, by agreement in writing between the Authority and the Bank (the period from the preceding Stated Expiration Date to such new Stated Expiration Date being herein sometimes called the "Extended Bank

Purchase Period"). The Extended Bank Purchase Period may itself be extended in a like manner for additional periods. The Bank has no obligation to agree to any Extended Bank Purchase Period. If the Bank, in its sole and absolute discretion, determines to extend any such period, the Bank shall give written notice of the election to extend to the Authority, the Trustee and the Remarketing Agent at least sixty (60) days prior to the expiration of the then Stated Expiration Date. At the time of any extension, the Bank may, in its sole and absolute discretion, renegotiate terms and conditions of this Agreement, including the commitment fees and the Bank Rate. Notwithstanding anything in this paragraph to the contrary, if the Bank fails to give notice of an election to extend, this Agreement shall expire at the end of the Bank Purchase Period or Extended Bank Purchase Period then in effect.

Section 8.06. Right of Set-Off. Upon the occurrence and during the continuance of an Event of Default, the Bank is hereby authorized at any time and from time to time without notice to the Authority (any such notice being expressly waived by the Authority), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other indebtedness at any time owing by the Bank to or for the account of the Authority (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and the Bank is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all of the obligations of the Authority under this Agreement, whether or not the Bank shall have made any demand for any amount owing to the Bank by the Authority.

Section 8.07. Notice. Any notice, demand, direction, invoice, request or other instrument authorized or required by this Agreement to be given to or filed with the Trustee, the Remarketing Agent, the Bank or the Authority, shall be deemed or have been sufficiently given or filed for all purposes, if any, when delivered by hand or when sent by registered mail, return receipt requested, postage prepaid, and if given by telecopy shall be deemed given when transmitted (receipt confirmed):

If to the Trustee:

Deutsche Bank National Trust Company

Attention: Corporate Trust Department

Telephone:

Telecopy:

If to the Bank:

Notices (to be sent via e-mail):

JPMorgan Chase Bank, National Association

Email: amberine.j.nagree@jpmorgan.com

With a copy to:

JPMorgan Chase Bank, National Association
covenant.compliance@jpmchase.com

And to:

JPMorgan Chase Bank, National Association
muni_credit@jpmchase.com

Draw Notices:

JPMorgan Chase Bank, National Association
Loan & Agency Operations
JPMorgan Chase Bank, N.A.
1111 Fannin Street, 10th Floor
Houston, Texas 77002-6925
Attention: Christine Locher
Reference: Sacramento Transportation Authority, 2009A Standby Bond Purchase Agreement

If to the Remarketing Agent:

J.P. Morgan Securities Inc.
270 Park Avenue, 6th Floor
Mail Code: NY1-K104
New York, New York 10017
Attention: Peter McCarthy or Brian Gonor
Telephone: (212) 834-7224
Telecopy: (917) 456-3554

If to the Authority:

Sacramento Transportation Authority
431 I Street, Suite 106
Sacramento, California
Attention: Executive Director
Telephone:
Telecopy:

With a copy to the Trustee.

Section 8.08. Obligations Absolute. The obligations of the Authority under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Related Documents;
- (b) any amendment or waiver of or any consent to or departure from all or any of the Related Documents;
- (c) any exchange, release or non-perfection of any collateral or any release or amendment or waiver of or consent to departure from any guaranty and insurance documents;
- (d) the existence of any claim, set-off, defense, or other right which the Authority may have at any time against the Trustee, the Remarketing Agent, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transactions;
- (e) any certificate, notice or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or
- (f) any other circumstance, or happening whatsoever, whether or not similar to any of the foregoing.

Section 8.09. Holidays. Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 8.10. Survival. All representations, warranties, covenants and agreements of the Authority contained in this Agreement as amended or supplemented from time to time or made in writing in connection herewith shall survive the execution and delivery hereof and the purchase of Bonds by the Bank hereunder and shall continue in full force and effect until payment in full of all payment obligations of the Authority hereunder, it being understood that the agreements of the Authority found in Sections 2.06, 2.07, 3.01(b), and 8.12 shall survive the termination of this Agreement and payment in full of such obligations.

Section 8.11. Liability of the Bank. The Authority and the Trustee agree that the Bank shall have no liability or responsibility for the acts or omissions of each of the Remarketing Agent and the Trustee in respect of its use of this Agreement or any amounts made available by the Bank hereunder. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Trustee which results in the failure of the Trustee to effect the purchase of Tendered Bonds for the account of the Bank with funds provided by the Bank pursuant to Section 2.02 or to comply with the applicable provisions of the Indenture. Neither the Bank nor any of its directors, officers or employees shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Trustee or the Remarketing Agent in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon even if such documents should in fact prove to be in any or all respect invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing

to make payment under this Agreement, other than, in the case of the Bank, the Bank's gross negligence or willful failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement. In no event shall the Bank be liable to any Person for special or consequential damages, including; without limitation, such damages suffered by reason of the Bank's failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement.

Section 8.12. Certain Costs; Indemnification.

(a) The Authority agrees to pay to the Bank (i) on the date of execution of this Agreement, all reasonable costs and expenses incurred by the Bank and its counsel in connection with the preparation, execution and delivery of this Agreement and any other documents and instruments that may be delivered in connection therewith, and (ii) all costs, charges and expenses (including reasonable fees and expenses of counsel for the Bank, and out-of-pocket expenses of the Bank) otherwise arising in connection with this Agreement and the Related Documents, including, without limitation, in connection with any amendment or waiver with respect to this Agreement, the Bonds and the other Related Documents and any stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith.

(b) To the extent permitted by law, the Authority agrees to indemnify and hold the Bank harmless from and against, and to pay on demand, any and all claims, damages, losses, liabilities, costs and expenses whatsoever which the Bank may incur or suffer by reason of or in connection with (i) the execution and delivery or performance of this Agreement or any other documents which may be delivered in connection with this Agreement, (ii) the disclosure in the Official Statement or any other offering document used in connection with the offering, sale, remarketing or resale of the Bonds, other than information regarding the Bank set forth therein which is expressly provided by the Bank for inclusion therein, or (iii) any breach by the Authority of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or any other Related Document, including, without limitation, the reasonable fees and expenses of counsel for the Bank or any consultant to the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement and all reasonable fees and expenses, if any, in connection with the enforcement or defense of the rights of the Bank in connection with this Agreement or any of the Related Documents, or the collection of any monies due under this Agreement or such other documents which may be delivered in connection with this Agreement or any of the Related Documents; except, only if, and to the extent that any such claim, damage, loss, liability, cost or expense shall be caused by the Bank's gross negligence or willful misconduct as determined by a court of competent jurisdiction. Promptly after receipt by the Bank or notice of the commencement, or threatened commencement, of any action subject to the indemnities contained in this Section 8.12, the Bank shall promptly notify the Authority thereof, *provided* that failure to give such notice shall not relieve the Authority from any liability to the Bank hereunder. The obligations of the Authority under this Section 8.12 shall survive payment of all obligations by the Authority to the Bank owed under this Agreement.

Section 8.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together shall constitute one and the same instrument.

Section 8.14. Assignment to Federal Reserve Bank. The Bank may assign and pledge all or any portion of the obligations owing to it hereunder to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned obligations made by the Authority to the Bank in accordance with the terms of this Agreement shall satisfy the Authority's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.15. USA PATRIOT Act. The Bank, to the extent that it is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), hereby notifies the Authority that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Bank to identify the Authority in accordance with the Patriot Act.

[signature page immediately follows]

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

SACRAMENTO TRANSPORTATION
AUTHORITY

By: _____

Name:

Title:

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as the Bank

By: _____

Name:

Title:

DEUTSCHE BANK NATIONAL TRUST
COMPANY, as the Trustee

By: _____

Name:

Title:

NOTICE OF BANK PURCHASE
(Liquidity Purchase)

The undersigned, a duly authorized officer of _____, as Trustee (the "Trustee"), hereby certifies to JPMorgan Chase Bank, National Association (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Purchase Agreement"), dated as of September 1, 2009, among the Authority, the Trustee and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Notice of tender of Eligible Bonds for purchase pursuant to Section 15.04 of the First Supplemental Indenture has been received.

2. Insufficient money is available for such purchase pursuant to Section 15.09 of the First Supplemental Indenture.

3. [(a) The total principal amount of the Eligible Bonds for which there is not sufficient moneys referred to above is \$_____, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid, interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the First Supplemental Indenture, as of the date of delivery hereof to the Bank is \$_____, which amount does not exceed the Available Interest Commitment.]¹

4. The Eligible Bonds referred to above are hereby tendered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate purchase price of \$_____,² which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Trustee will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section 15.04 of the First Supplemental Indenture has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

¹ If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If the exclusion results in no interest, delete (b).

² Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

6. The Bank Purchase Date is _____, _____ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Trustee's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Trustee has executed and delivered this certificate as of the _____ day of _____, _____.

_____, as Trustee

By: _____

Name: _____

Title: _____

NOTICE OF BANK PURCHASE
(Mandatory Purchase)

The undersigned, a duly authorized officer of _____, as Trustee (the "Trustee"), hereby certifies to JPMorgan Chase Bank, National Association (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Purchase Agreement"), dated as of September 1, 2009, among the Authority, the Trustee and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Eligible Bonds have been tendered or deemed tendered for mandatory purchase pursuant to Section [15.05(a)(1)][15.05(a)(2)][15.05(a)(5)]¹ of the First Supplemental Indenture.

2. Insufficient moneys are available for such purchase pursuant to Section 15.09 of the First Supplemental Indenture.

3. [(a) The total principal amount of the Eligible Bonds referred to above is \$_____, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the First Supplemental Indenture, as of the date of delivery hereof to the Bank is \$_____, which amount does not exceed the Available Interest Commitment.]²

4. The Eligible Bonds referred to above are being delivered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate purchase price of \$_____,³ which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Trustee will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section [15.05(a)(1)][15.05(a)(2)][15.05(a)(5)]⁴ of the First Supplemental Indenture has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

¹ Trustee to insert applicable section.

² If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If exclusion results in no interest, delete (b).

³ Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

⁴ Trustee to insert applicable section.

6. The Bank Purchase Date is _____, _____ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Trustee's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Trustee has executed and delivered this certificate as of the _____ day of _____, _____.

_____, as Trustee

By: _____

Name: _____

Title: _____

FORM OF REQUEST FOR EXTENSION OF STATED EXPIRATION DATE

[DATE]

JPMorgan Chase Bank, National Association
270 Park Avenue
New York, New York 10017
Mail Code: NY1-K934
Attention: Amberine Nagree, Vice President
Telephone No.: (212) 834-5488
Facsimile No.: (212) 270-4251

Re: Request for Extension of Stated Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that Standby Bond Purchase Agreement (the "Agreement"), dated as of September 1, 2009, among the Sacramento Transportation Authority (the "Authority"), _____, as Trustee (the "Trustee"), and JPMorgan Chase Bank, National Association (the "Bank"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement. The Authority hereby requests, pursuant to Section 8.05 of the Agreement, that the Stated Expiration Date for the Bank Purchase Period be extended by [IDENTIFY APPROPRIATE PERIOD]. Pursuant to Section 8.05 of the Agreement, we have enclosed along with this request the following information:

1. The outstanding principal amount of the Bonds;
2. The nature of any and all Events of Default and all Potential Defaults; and
3. Any other pertinent information previously requested by the Bank.

The Bank is required to notify in writing the Trustee, the Authority and the Remarketing Agent of the Bank's decision with respect to this request for extension. If the Bank fails to notify in writing such parties of the Bank's decision prior to the then Stated Expiration Date, the Bank shall be deemed to have rejected such request.

Very truly yours,

SACRAMENTO TRANSPORTATION
AUTHORITY

By: _____
Name: _____
Title: _____

FORM OF CUSTODY AGREEMENT

This CUSTODY AGREEMENT dated as of September 1, 2009, by and between Deutsche Bank National Trust Company, as custodian (the "Custodian") and JPMorgan Chase Bank, National Association (the "Bank").

WHEREAS, the Sacramento Transportation Authority (the "Authority"), Deutsche Bank National Trust Company, as Trustee, and the Bank have entered into that certain Standby Bond Purchase Agreement dated as of September 1, 2009 (the "Agreement"), pursuant to which the Bank has agreed to purchase in certain circumstances the \$106,100,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2009 Series B (the "Bonds") issued by the Authority; and

WHEREAS, the Bonds were issued pursuant to the terms of the Indenture, dated as of September 1, 2009 (the "Original Indenture"), between the Authority and Trustee, as supplemented by the First Supplemental Indenture, dated as of September 1, 2009 (the "First Supplemental Indenture") and collectively with the Original Indenture, including, in each case, such amendments, modifications or supplements permitted pursuant to the terms thereof and hereof, the "Indenture"); and

WHEREAS, the First Supplemental Indenture requires that the Bonds delivered by the holders thereof to the Trustee pursuant to the First Supplemental Indenture be purchased under certain circumstances by the Bank under the Agreement; and

WHEREAS, it is a condition to the effectiveness of the obligations of the Bank under the Agreement that the Custodian shall have entered into this Custody Agreement with the Bank; and

WHEREAS, the Custodian has agreed to act as custodian and agent for the Bank, as herein provided;

NOW THEREFORE, in consideration of the mutual covenants recited herein, and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

(a) The Bank appoints the Custodian as its agent and bailee for the purpose of receiving Bank Bonds (as defined in the Agreement) under the Agreement and holding such Bank Bonds for and on behalf of the Bank. Bank Bonds shall be held and registered as provided in Section 2.02 of the Agreement. The Custodian hereby agrees to hold the Bank Bonds for such purpose, as the Bank's agent and bailee. As used herein, the term "Bank Bonds" means, unless the context otherwise requires, the beneficial ownership of such Bank Bonds during any period that Bank Bonds are maintained as book entry bonds.

(b) Except at the written direction of the Bank, the Custodian shall not pledge, hypothecate, transfer or release possession of such Bank Bonds held by or registered in the name of the Custodian on behalf of the Bank to any Person or in any manner not in accordance with this Custody Agreement and shall not enter into any other agreement, other than the Agreement or the Indenture, regarding possession of the Bank Bonds without the prior written consent of the Bank. The Custodian will not release Bank Bonds to the purchaser of such Bank Bonds unless the Bank has delivered to the Custodian, in addition to its written direction contemplated above in this paragraph, written notice (which may be by telex, answerback received) that a portion of the Available Principal Commitment (as defined in the Agreement) in an amount equal to the principal amount of such Bank Bonds has been reinstated.

(c) Upon written notice to the Bank, and release and delivery to the Bank or its designee of any Bank Bonds then held by the Custodian on behalf of the Bank pursuant to this Custody Agreement, the Custodian shall have the right to terminate its obligations with respect to such Bank Bonds under this Custody Agreement. The Bank shall have the option to terminate this Custody Agreement at any time upon written notice to the Custodian and, upon such termination, the Custodian will release and deliver to the Bank or its designee any Bank Bonds then held by the Custodian hereunder. The Bank may also from time to time request that the Custodian release and deliver to the Bank all or a portion of the Bank Bonds then held by the Custodian on behalf of the Bank without termination of this Custody Agreement, and upon receipt of any such request in writing, the Custodian will release and deliver such Bank Bonds to the Bank or its designee then held by the Custodian.

(d) In acting under this Custody Agreement the Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations hereunder.

(e) The Custodian's duties are only such as are specifically provided herein, and the Custodian shall incur no fiduciary or other liability whatsoever to the Bank or any other Person, except to the extent the Bank incurs any loss or liability due to the Custodian's gross negligence or willful misconduct. Anything in this Custody Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Custodian has been advised of such loss or damage and regardless of the form of action. The Custodian may consult with counsel and shall be fully protected in any action taken, suffered or omitted in good faith in accordance with such advice. The Custodian may rely conclusively and shall be fully protected in acting upon any written instructions given to it hereunder and believed by it to have been properly executed.

(f) The Custodian may resign at any time by giving written notice thereof to the Bank. Such resignation shall not become effective until a successor Custodian shall have been appointed by the Bank and shall have accepted such appointment in writing. The resigning Custodian may, at the expense of the Authority, petition any court of competent jurisdiction, including without limitation the Supreme Court of the State of New York, for the appointment of a successor Custodian.

(g) This Custody Agreement cannot be amended or modified except in a writing signed by the Bank and the Custodian.

(h) This Custody Agreement shall inure to the benefit of and shall be binding upon the Custodian and the Bank, and their respective successors and assigns.

(i) This is the Custody Agreement referred to in the Agreement, and shall be governed by the law of the State of New York.

(j) This Custody Agreement may be executed in counterparts which, taken together, shall constitute a single document.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties have hereunder set their hands, all as of the date first above written.

DEUTSCHE BANK NATIONAL TRUST
COMPANY, as the Custodian

By: _____
Name:
Title:

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as the Bank

By: _____
Name:
Title:

ACCEPTED AND AGREED TO:

SACRAMENTO TRANSPORTATION
AUTHORITY

By: _____
Name:
Title: