
SECOND AMENDED AND RESTATED TRUST AGREEMENT

between the

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of _____ 1, 2020

Relating to

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
MEASURE R SENIOR SALES TAX REVENUE BONDS

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SECOND AMENDED AND RESTATED TRUST AGREEMENT

This SECOND AMENDED AND RESTATED TRUST AGREEMENT, dated as of _____ 1, 2020 (as more fully defined in Section 1.02, the “Trust Agreement”), between the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a county transportation commission duly organized and existing pursuant to Section 130050.2 of the California Public Utilities Code (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”), amends and restates the Amended and Restated Trust Agreement, dated as of February 1, 2014 (the “First Amended and Restated Trust Agreement”), between the Authority and the Trustee, which amended and restated the Trust Agreement, dated as of November 1, 2010, between the Authority and the Trustee;

WITNESSETH:

WHEREAS, the Authority is authorized by Sections 130350.4 and 130350.5 of the California Public Utilities Code to impose a retail transactions and use tax at a rate of 0.5 percent that is applicable in the incorporated and unincorporated areas of the County of Los Angeles, California (the “County”) if authorized by at least two-thirds of the electors voting on the issue; and

WHEREAS, in accordance with such provision, the Authority, on July 24, 2008, adopted Ordinance No. 08-01, known as the Traffic Relief and Rail Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization (the “Ordinance”) imposing the transactions and use tax for a period of 30 years, and the Ordinance was submitted to the electors of the County in the form of Measure R and approved by greater than a two-thirds vote at an election held on November 4, 2008; and

WHEREAS, the Ordinance, as so approved, imposed for a period of 30 years, beginning July 1, 2009, a tax upon the sale of tangible personal property at retail at a rate of 1/2 of 1% of the gross receipts of the sale and a complementary tax upon the storage, use or other consumption in the County at a rate of 1/2 of 1% of the sales price of the property whose storage, use or other consumption is subject to the tax (the “Measure R Sales Tax”); and

WHEREAS, Section 130500 et seq. of the California Public Utilities Code (the “Act”) provides that the Authority may issue Bonds, which term includes indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, and all of such obligations shall be special obligations of the Authority, payable from the proceeds of the Measure R Sales Tax; and

WHEREAS, the Authority has determined it necessary and advisable to issue its Bonds for the purpose of financing the cost of the projects and programs described in the Expenditure Plan adopted as part of the Ordinance (the “Expenditure Plan”), such Bonds to be payable from and secured by a prior lien on and pledge of the Pledged Revenues (as defined below), subject to the right of the Authority to issue additional bonds and other evidences of indebtedness under the conditions and subject to the restrictions as set forth in this Trust Agreement which may also be

payable on a parity or subordinate basis from the Pledged Revenues and be secured by a parity or subordinate lien on such Pledged Revenues;

WHEREAS, the First Amended and Restated Trust Agreement expressly authorized modifications and amendments thereto without the consent of Bondholders, to the extent that such modifications and amendments do not materially and adversely affect the Holders of the Bonds; and

WHEREAS, pursuant to Section 9.01(B)(13) of the First Amended and Restated Trust Agreement, this Trust Agreement amends and restates the First Amended and Restated Trust Agreement; and

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

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

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued, authenticated and delivered hereunder, to secure the payment of Parity Obligations in accordance with terms hereof and to provide the terms and conditions under which all property, rights and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and in consideration of the premises and of the material covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority does hereby agree and covenant with the Trustee for the benefit of the respective owners, from time to time, of the Bonds, or any part thereof, and for the benefit of the holders of Parity Obligations, in accordance with terms hereof, as follows:

ARTICLE I

EQUALITY OF SECURITY; DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

SECTION 1.01 **Equality of Security**. In consideration of the acceptance of the Bonds by the owners thereof from time to time, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the Authority or the Trustee shall be for the equal and proportionate benefit, security and protection of all owners of the Bonds, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reasons of the Series, time of issue, sale or negotiation thereof or for any cause whatsoever, except as expressly provided therein or

herein. Nothing herein shall prevent additional security being provided for the benefit of a particular Series of Bonds under any supplement to this Trust Agreement.

SECTION 1.02 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement and of any Supplemental Trust Agreement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Accreted Value” means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value at any date shall be the amounts set forth in the Accreted Value Table as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date plus the amount of daily interest accrued from such preceding compounding date to the date of determination.

“Accreted Value Table” means the table denominated as such which appears as an exhibit to, and to which reference is made in, a Supplemental Trust Agreement providing for a Series of Capital Appreciation Bonds issued pursuant to such Supplemental Trust Agreement.

“Act” means the Los Angeles County Transportation Commission Revenue Bond Act, Sections 130500 et seq. of the California Public Utilities Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

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

“Assumed Debt Service” means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all Bonds, Parity Obligations, Subordinate Obligations and Junior Subordinate Obligations, as applicable, if each Excluded Principal Payment were amortized on a substantially level debt service basis or other amortization schedule provided by the Authority for a period commencing on the date of calculation of such Assumed Debt Service and ending on the earlier of (i) the date specified by the Authority or (ii) the Tax Expiration Date, such Assumed Debt Service to be calculated on a level debt service basis or other amortization schedule provided by the Authority, based on a fixed interest rate equal to the rate at which the Authority could borrow for such period, as set forth in a certificate of a Consultant, delivered to the Trustee, who may rely conclusively on such certificate, such certificate to be delivered within 30 days of the date of calculation.

“Authority” means the Los Angeles County Metropolitan Transportation Authority, a county transportation commission duly organized and existing pursuant to the Authority Act.

“Authority Act” means Sections 130050.2 et seq., including Sections 130350.4 and 130350.5, of the California Public Utilities Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Authorized Denomination” means, with respect to any Series of Bonds, any denomination authorized by the Supplemental Trust Agreement under which such Bonds are issued.

“Authorized Representative” means the Chief Executive Officer, the Executive Director, Finance and Budget, the Treasurer or the Assistant Treasurer of the Authority, or any other such officer serving in an acting or interim capacity, or any other person designated to act on behalf of the Authority by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by an Authorized Representative (other than such designated person).

“Beneficial Owner” means any Person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bond, including, without limitation, any Person holding Bonds through nominees or depositories, including the Securities Depository.

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

“Bond” or **“Bonds”** means the Series 2010 Bonds, the Series 2016-A Bonds and any other indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes and other obligations issued under the provisions of Article III of this Trust Agreement. **“Bond”** or **“Bonds”** shall not include any Parity Obligations, any Subordinate Obligations incurred by the Authority as permitted by Section 3.06(D) or any Junior Subordinate Obligations incurred by the Authority as permitted by Section 3.06(G).

“Bond Obligation” means, as of any given date of calculation, (1) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (2) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof.

“Bond Register” has the meaning given to such term in Section 2.07.

“Bondholder” or **“Holder,”** whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

“Business Day” means, except as is otherwise provided in the Supplemental Trust Agreement pursuant to which a Series of Bonds are issued, any day other than (1) a Saturday, Sunday, or a day on which banking institutions in the State, 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, (2) for purposes of payments and other actions relating to Bonds secured by a Credit Enhancement or supported by a Liquidity Facility, a day upon which commercial banks in the city in which is located the office of the issuing bank at which demands for payment under the Credit Enhancement or Liquidity Facility, as applicable, are to be presented are authorized or obligated by law or executive order to be closed, or (3) a day on which the New York Stock Exchange is closed.

“Capital Appreciation Bonds” means the Bonds of any Series designated as Capital Appreciation Bonds in the Supplemental Trust Agreement providing for the issuance of such Series of Bonds and on which interest is compounded and paid at maturity or on prior redemption.

“**Certificate**,” “**Statement**,” “**Request**,” “**Requisition**” and “**Order**” of the Authority mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Authority by an Authorized Representative. If and to the extent required by Section 1.03, each such instrument shall include the statements provided for in Section 1.03.

“**CDTFA**” means the California Department of Tax and Fee Administration, which collects the Measure R Sales Tax.

“**Code**” means the Internal Revenue Code of 1986, and the regulations applicable thereto or issued thereunder, or any successor to the Internal Revenue Code of 1986. Reference to any particular Code section shall, in the event of such a successor Code, be deemed to be reference to the successor to such Code section.

“**Consultant**” means any accountant, attorney, consultant, financial advisor or investment banker, or firm thereof, retained by the Authority to perform acts and carry out the duties provided for such Consultant in this Trust Agreement. Such accountant, attorney, consultant, financial advisor or investment banker, or firm thereof, shall be nationally recognized within its profession for work of the character required.

“**Continuing Disclosure Certificate**” means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Continuing Disclosure Certificate, dated on or about the date of issuance of such Series of Bonds, executed by the Authority, as the same may be supplemented, modified or amended in accordance with its terms.

“**Corporate Trust Office**” or corporate trust office means the corporate trust office of the Trustee at 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, or such other or additional offices as may be designated by the Trustee from time to time.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of a Series of Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, travel expenses and costs relating to rating agency meetings and other meetings concerning such Series of Bonds, general marketing expenses, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds, surety, insurance, credit enhancement and liquidity costs, termination fees payable in connection with the termination of an Interest Rate Swap Agreement in connection with the delivery of such Series of Bonds, and any other cost, charge or fee in connection with the initial delivery of a Series of Bonds or any Parity Obligations delivered in connection with a Series of Bonds.

“**Costs of Issuance Fund**” means a fund by that name established pursuant to the provisions of a Supplemental Trust Agreement to pay Costs of Issuance with respect to a Series of Bonds being issued pursuant to such Supplemental Trust Agreement.

“**Costs**” or “**Costs of the Project**” means, as applied to a Project or portion thereof financed under this Trust Agreement, the definition set forth in the Act, to wit, all or any part of

the cost of construction and acquisition of all real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for a Project, the cost of demolishing or removing any structures on land so acquired, including the cost of acquiring any land to which the structures may be removed, the cost of all machinery and equipment, vehicles, rolling stock, financing charges, interest prior to, during and for a period after completion of construction as determined by the Authority, provisions for working capital, reserves for principal and interest, and for extensions, enlargements, additions, replacement, renovations and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, estimates and administrative expenses and other expenses necessary or incidental to the determination of the feasibility of constructing any Project or incidental to the construction, acquisition or financing of any Project and, with respect to the use of Bond proceeds, such other costs and expenses as are permitted by the Act at the time such Bonds are issued.

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

“**County**” means the County of Los Angeles, California.

“**Credit Enhancement**” means, with respect to a Series of Bonds, any Insurance, letter of credit, line of credit, surety bond or other instrument, if any, which secures or guarantees the payment of principal of and interest on a Series of Bonds, issued by an insurance company, commercial bank or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

“**Credit Provider**” means, with respect to a Series of Bonds, the Insurer, commercial bank or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Credit Enhancement then in effect with respect to such Series of Bonds.

“**Current Interest Bonds**” means the Bonds of any Series designated as Current Interest Bonds in the Supplemental Trust Agreement providing for the issuance of such Series of Bonds and that pay interest to the Holders thereof on a periodic basis prior to maturity.

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

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

(B) in determining the principal amount due in each Fiscal Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such Obligations, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Obligations on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond;

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

(D) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is included or expected to be included in gross income for federal income tax purposes, the interest rate on such Obligations shall be calculated at an interest rate equal to [100% of the average One Month USD LIBOR Rate][___% of the SIFMA Swap Index] during the five years preceding such date of calculation or such higher rate as shall be specified in a Certificate of the Authority in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement;

(E) with respect to any Obligations bearing interest, or expected to bear interest, at a variable interest rate for which an Interest Rate Swap Agreement is in place providing for a fixed rate of interest to maturity or for a specific term with respect to such Obligations, the interest rate on such Obligations shall be assumed to be the synthetic fixed interest rate specified in such Interest Rate Swap Agreement for such term; provided that if, pursuant to a Certificate of the Authority filed with the Trustee in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement, the sum of (i) interest payable on such Obligations, plus (ii) amounts payable by the Authority under such Interest Rate Swap Agreement, less (iii) amounts receivable by the Authority under such Interest Rate Swap Agreement, is expected to be greater than the interest payable on the Obligations to which such Interest Rate Swap Agreement relates (i.e., if such Interest Rate Swap Agreement is an “off-market” Interest Rate Swap Agreement), then, in such instance, such excess amounts expected to be payable by the Authority under such Interest Rate Swap Agreement or in connection with such Obligations shall be included in the calculation of Debt Service;

(F) with respect to any Obligations bearing interest, or expected to bear interest, at a fixed interest rate for which an Interest Rate Swap Agreement is in place providing for a net variable interest rate with respect to such Obligations for a specific term, the interest rate on such Obligations shall be assumed to be equal for such term to the sum of (i) the fixed interest rate or rates to be paid on the Obligations, minus (ii) the fixed interest rate receivable by the Authority under such Interest Rate Swap Agreement, plus (iii) the average interest rate of the index on which the Interest Rate Swap Agreement is based, as identified in a Certificate of the Authority,

or, if not based on an identifiable index, then the SIFMA Swap Index, in each case, over the five years preceding the date of calculation or such higher rate as shall be specified in a Certificate of the Authority in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement;

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

(H) principal and interest payments on Obligations shall be excluded to the extent such payments are to be paid from Pledged Revenues then held on deposit by the Trustee or from other amounts on deposit with the Trustee or other fiduciary in escrow specifically therefor and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Obligations held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest;

(I) with respect to Obligations bearing interest that is subject to a federal subsidy and such subsidy is not included as Pledged Revenues but instead is applied directly to offset the interest due on such Obligations, the interest rate on such Obligations shall be assumed to be the rate net of such subsidy; and

(J) if the Obligations are Paired Obligations, the interest rate on such Obligations shall be the resulting linked rate or effective fixed interest rate to be paid by the Authority with respect to such Paired Obligations.

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

pre-refunded municipal security that is non-callable or has been irrevocably called for redemption and is rated “Aaa” at the time of deposit, which carries a fixed interest rate and matures or is to be redeemed on a date certain and is secured by an escrow containing securities listed in (i) through (viii) above.

“**DTC**” means The Depository Trust Company, New York, New York, or any successor thereto.

“**Electronic Means**” means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

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

“**Excluded Principal Payment**” means each payment of principal of Bonds, Parity Obligations, Subordinate Obligations and Junior Subordinate Obligations, as applicable, which the Authority determines (in a Certificate of the Authority) that the Authority intends to pay with moneys that are not Pledged Revenues but from future debt obligations of the Authority, grants from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of the Authority, upon which determination of the Authority the Trustee may conclusively rely. No such determination shall affect the security for such Bonds or the obligation of the Authority to pay such payments from Pledged Revenues or amounts on deposit in the Reserve Fund, if any. No payment of principal of Bonds may be determined to be an Excluded Principal Payment unless it is due on or prior to the Tax Expiration Date.

“**Expenditure Plan**” means the Expenditure Plan adopted as part of the Ordinance, including any future amendments thereto.

“**Fees and Expenses**” means fees and expenses those payable from the Fees and Expenses Fund in accordance with Sections 5.02(A)(5) and 5.07.

“**Fees and Expenses Fund**” means the fund by that name established pursuant to Section 5.02.

“**Fifth Supplemental Trust Agreement**” means the Fifth Supplemental Trust Agreement, dated as of December 20, 2016, between the Authority and the Trustee, supplementing this Trust Agreement.

“**First Supplemental Trust Agreement**” means the First Supplemental Trust Agreement, dated as of November 1, 2010, between the Authority and the Trustee, supplementing this Trust Agreement.

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

“**Fitch**” means Fitch Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“**Fourth Supplemental Trust Agreement**” means the Fourth Supplemental Trust Agreement, dated as of November 1, 2016, between the Authority and the Trustee, supplementing this Trust Agreement.

“**Holder**” or “**Bondholder**,” whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

“**Insurance**” means any financial guaranty insurance policy or municipal bond insurance policy issued by an Insurer insuring the payment when due of principal of and interest on a Series of Bonds as provided in such financial guaranty insurance policy or municipal bond insurance policy.

“**Insurer**” means any provider of Insurance with respect to a Series of Bonds.

“**Interest Fund**” means the fund by that name established pursuant to Section 5.02.

“**Interest Payment Date**,” with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

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

“**Investment Securities**” means the following:

(1) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies and federally sponsored entities set forth in clause (3) below to the extent unconditionally guaranteed by the United States of America;

(2) any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (1);

(3) obligations of the Federal National Mortgage Association, the Federal Farm Credit System, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation;

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

(5) obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that at the time of their purchase such obligations are rated in either of the two highest long-term or highest short-term Rating Categories by both Moody's and Standard & Poor's;

(6) any bonds or other obligations of any state of the United States of America or any political subdivision thereof (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (1) or (2) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (1) or (2) which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (6) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (6), as appropriate, and (d) which have been rated in one of the two highest long-term Rating Categories by Moody's and Standard & Poor's;

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

(8) demand or time deposits or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the

Trustee), provided that such certificates of deposit shall be purchased directly from such a bank, trust company or national banking association and shall be either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, (b) continuously and fully secured by such securities and obligations as are described above in clauses (1) through (5), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking, or (c) be issued by an institution the senior debt obligations of which are rated "AA" or higher by Standard & Poor's;

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

(10) variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest Rating Category for its short-term rating, if any, and in either of the two highest Rating Categories for its long-term rating, if any, by both Moody's and Standard & Poor's, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligation by the Trustee, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in either of the two highest long-term Rating Categories by both Moody's and Standard & Poor's;

(11) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee) having a minimum permanent capital of one hundred million dollars (\$100,000,000) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities and obligations described in clauses (1), (2), (3) or (4) above, which shall have a market value (exclusive of accrued interest and valued at least monthly) at least equal to 102% of the principal amount of such investment and shall be lodged with the Trustee or other fiduciary, as custodian for the Trustee, by the bank, trust company, national banking association or bond dealer executing such repurchase agreement, and the entity executing each such repurchase agreement required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least monthly) will be an amount equal to 102%

of the principal amount of each such repurchase agreement and the Trustee shall be entitled to rely on each such undertaking;

(12) any cash sweep or similar account arrangement of or available to the Trustee, the investments of which are limited to investments described in clauses (1), (2), (3), (4), (5) and (11) of this definition of Investment Securities and any money market fund, the entire investments of which are limited to investments described in clauses (1), (2), (3), (4), (5) and (11) of this definition of Investment Securities, in each case rated in the highest short-term Rating Categories by both Moody's and Standard & Poor's; provided that as used in this clause (12) and clause (13) investments will be deemed to satisfy the requirements of clause (11) if they meet the requirements set forth in clause (11) ending with the words "clauses (1), (2), (3) or (4) above" and without regard to the remainder of such clause (11);

(13) any investment agreement with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which has at the date of execution thereof long-term ratings in either of the two highest long-term Rating Categories by both Moody's and Standard & Poor's; provided that if the long-term ratings falls below the two highest long-term Rating Categories by either Moody's or Standard & Poor's then (i) collateral shall be posted which is (A) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the investment if consisting of securities outlined in clause (3) or 104% if the collateral consists of securities outlined in clauses (1) or (2) of the definition of Investment Securities above, (B) held by the Trustee or other custodian acceptable to the Trustee, (C) subject to a perfected first lien in the Trustee, and (D) free and clear from all third party liens; or (ii) the agreement shall terminate;

(14) forward delivery agreements with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which has at the date of execution thereof long-term ratings in any of the three highest long-term Rating Categories by both Moody's and Standard & Poor's that calls for delivery of securities as outlined in clauses (1), (2) or (3) of the definition of Investment Securities, provided that if the long-term ratings falls below the three highest long-term Rating Categories by either Moody's or Standard & Poor's the agreement shall terminate;

(15) collateralized investment agreements with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which has at the date of execution thereof long-term ratings in either of the two highest long-term Rating Categories by both Moody's and Standard & Poor's provided that the agreement is fully secured by obligations described in items (1), (2) or (3) of the definition of Investment Securities which are (A) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the investment if consisting of securities outlined in clause (3) or 104% if the collateral consists of securities outlined in clauses (1) or (2) of the definition of Investment Securities above, (B) held by the Trustee or other custodian acceptable to

the Trustee, (C) subject to a perfected first lien in the Trustee, and (D) free and clear from all third party liens; and further provided that if the long-term ratings of the counterparty fall below the three highest long-term Rating Categories by either Moody's or Standard & Poor's the agreement shall terminate;

(16) shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (1) through (15) of this definition of Investment Securities and which companies have either the highest rating by both Moody's and Standard & Poor's or have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in such securities and obligations and with assets under management in excess of \$500,000,000;

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

(18) bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by both Moody's and Standard & Poor's, which purchases may not exceed 270 days maturity;

(19) the pooled investment fund of the County of Los Angeles, California, which is administered in accordance with the investment policy of said County as established by the Treasurer-Tax Collector thereof, as permitted by Section 53601 of the Government Code of the State, copies of which policy are available upon written request to said Treasurer-Tax Collector; and

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

“Junior Subordinate Obligations” means any obligations of the Authority issued or incurred in accordance with Section 3.06(G), and secured, in one or more tiers, by a lien and charge on Pledged Revenues subordinate to the liens and charges on Pledged Revenues that secure the Bonds and Parity Obligations, Subordinate Obligations and obligations to pay Fees and Expenses.

“Junior Subordinate Obligations Fund” means the fund by that name established pursuant to Section 5.02(A)(7).

“Letter of Credit Account” means an account by that name established to hold funds that are drawn on Credit Enhancement provided in the form of a letter of credit and that are to be applied to pay the principal of or interest on a Series of Bonds, which account shall be

established pursuant to the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

“Liquidity Facility” means, with respect to a Series of Bonds, a line of credit, letter of credit, standby purchase agreement or similar liquidity facility securing or guaranteeing the payment of purchase price of such Series of Bonds and issued by a commercial bank, insurance company, pension fund or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

“Liquidity Facility Bonds” means any Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding any Bonds no longer considered to be Liquidity Facility Bonds in accordance with the terms of the applicable Liquidity Facility.

“Liquidity Facility Rate” means, with respect to a Series of Bonds, the interest rate per annum, if any, specified as applicable to Liquidity Facility Bonds in the Liquidity Facility delivered in connection with such Series of Bonds.

“Liquidity Provider” means, with respect to a Series of Bonds, the commercial bank, insurance company, pension fund or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect with respect to such Series of Bonds.

“Local Return” means 15% of the Measure R Sales Tax (net of refunds and the administrative fee of the CDTFA and net of the Authority’s administrative costs permitted under the Ordinance), calculated on an annual basis, which 15% is, under the Ordinance, allocated to local jurisdictions for street improvements and transit purposes.

“Mandatory Sinking Account Payment” means, with respect to Bonds of any Series and maturity, the amount required by the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds to be deposited by the Authority in a Sinking Account for the payment of principal of Term Bonds of such Series and maturity.

“Maturity Date” means, with respect to a Series of Bonds, the date of maturity or maturities specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

“Maximum Annual Debt Service” means the maximum amount of Annual Debt Service becoming due and payable on all Bonds Outstanding and all Parity Obligations outstanding during the period from the date of such calculation through the final maturity date of the Bonds and Parity Obligations, calculated utilizing the assumptions set forth under the definition of Debt Service.

“Maximum Interest Rate” means, with respect to all Bonds other than Liquidity Facility Bonds, the lesser of (i) 12% per annum and (ii) the maximum rate of interest that may legally be paid on the Bonds from time to time, and means, with respect to Liquidity Facility Bonds, the lesser of (x) the Liquidity Facility Rate and (ii) the maximum rate of interest that may legally be paid on the Liquidity Facility Bonds from time to time.

“Measure R Sales Tax” means the retail transactions and use tax imposed by the Ordinance and approved by a vote of more than two-thirds of the electors of the County at an election held November 4, 2008.

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

“Notice Parties” means, as and to the extent applicable, the Authority, the Trustee, the Credit Provider, if any, for the Series of Bonds to which the notice being given relates, the auction agent, if any, for the Series of Bonds to which the notice being given relates, the broker-dealer, if any, for the Series of Bonds to which the notice being given relates, the Liquidity Provider, if any, for the Series of Bonds to which the notice being given relates, and the remarketing agent, if any, for the Series of Bonds to which the notice being given relates.

“Obligations” has the meaning given to such term in the definition of “Debt Service.”

[“One Month USD LIBOR Rate” means the rate for deposits in U.S. dollars for a one-month maturity that appears on Reuters Screen LIBOR01 Page (or such other page as may replace that page on that service, or such other service as may be nominated by the British Bankers Association, for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on the date of determination of such rate, except that, if such rate does not appear on such page on such date, the One Month USD LIBOR Rate means a rate determined on the basis of the rates at which deposits in U.S. dollars for a one-month maturity and in a principal amount of at least U.S. \$1,000,000 are offered at approximately 11:00 a.m., London time, on such date, to prime banks in the London interbank market by three major banks in the London interbank market (herein referred to as the “Reference Banks”) selected by the Trustee (provided, however, that the Trustee may appoint an agent to identify such Reference Banks). The Trustee or its agent is to request the principal London office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the One Month LIBOR Rate will be the arithmetic mean of such quotations. If fewer than two quotations are provided, the One Month LIBOR Rate will be the arithmetic mean of the rates quoted by three (if three quotations are not provided, two or one, as applicable) major banks in New York City, selected by the Trustee or its agent, at approximately 11:00 a.m., New York City time, on such date for loans in U.S. dollars to leading European banks in a principal amount of at least U.S. \$1,000,000 having a one-month maturity. If none of the banks in New York City selected by the Trustee or its agent is then quoting rates for such loans, then the One Month LIBOR Rate for the ensuing interest period will mean the One Month LIBOR Rate most recently in effect.]

“Opinion of Bond Counsel” means a written opinion of a law firm of national standing in the field of public finance selected by the Authority.

“Ordinance” means Ordinance No. 08-01, including the Expenditure Plan, adopted by the Authority on July 24, 2008, and any amendments or extensions thereto, together with any

future ordinance that is adopted pursuant to the Authority Act from time to time and that is designated as the “Ordinance” hereunder pursuant to a Supplemental Trust Agreement, as such future ordinance may be amended or extended pursuant to the Authority Act or other applicable law.

“**Outstanding**,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Trust Agreement except: (1) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.10; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Trust Agreement; provided, however, that in the event the principal of or interest due on any Bonds shall be paid by the Credit Provider pursuant to the Credit Enhancement issued in connection with such Bonds, such Bonds shall remain Outstanding for all purposes and shall not be considered defeased or otherwise satisfied or paid by the Authority and the pledge of Pledged Revenues and all covenants, agreements and other obligations of the Authority to the Holders shall continue to exist and shall run to the benefit of such Credit Provider and such Credit Provider shall be subrogated to the rights of such Holders.

“**Paired Obligations**” means any Series (or portion thereof) of Obligations designated as Paired Obligations in the Supplemental Trust Agreement or other document authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts; and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the Authority for the term of such Obligations.

“**Parity Obligations**” means (i) any indebtedness, installment sale obligation, lease obligation or other obligation of the Authority for borrowed money or (ii) any Interest Rate Swap Agreement (excluding fees and expenses on Interest Rate Swap Agreements and Swap Termination Payments, which fees and expenses and Swap Termination Payments shall be secured by a lien and charge on the Pledged Revenues subordinate to the liens and charges upon Pledged Revenues that secure the Bonds, any Parity Obligations, Subordinate Obligations and Junior Subordinate Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with Section 3.06(C), and in each case having an equal lien and charge upon the Pledged Revenues and therefore being payable on a parity with the Bonds (whether or not any Bonds are Outstanding).

“**Participating Underwriter**” means any of the original underwriters of a Series of Bonds required to comply with Rule 15c2-12.

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

“Pledged Revenues” means (i) all Pledged Tax Revenues and (ii) all Swap Revenues; provided, however, that after making the required monthly deposits of Pledged Revenues from the Revenue Fund pursuant to Section 5.02 hereof, any remaining amounts transferred to the Authority pursuant to Section 5.02(B) hereof shall be released from the lien of this Trust Agreement and shall no longer constitute Pledged Revenues hereunder. Pledged Revenues shall also include such additional sources of revenue, if any, pledged to pay the Bonds as set forth in a Supplemental Trust Agreement.

“Pledged Tax Revenues” means the amounts collected on account of the Measure R Sales Tax (i) less any refunds and the administrative fee deducted by the CDTFA and (ii) less the Local Return.

“Principal Fund” means the fund by that name established pursuant to Section 5.02.

“Principal Office” means, with respect to the Trustee, the corporate trust office of the Trustee at 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, or such other or additional offices as may be designated by the Trustee from time to time, and means, with respect to a Credit Provider or a Liquidity Provider, the office designated as such in writing by such party in a notice delivered to the Trustee and the Authority.

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

“Project Fund” means the fund or funds by that name established pursuant to Section 5.08 hereof to hold the proceeds of a Series of Bonds or a portion thereof prior to expenditure on the portion of the Project being financed with the proceeds of such Series of Bonds.

“Proportionate Basis,” when used with respect to the redemption of Bonds, means that the amount of Bonds of each maturity to be redeemed shall be determined as nearly as practicable by multiplying the total amount of funds available for redemption by the ratio which the amount of Bond Obligation of Bonds of such maturity bears to the amount of all Bond Obligation of Bonds to be redeemed, provided, however that, any Bond may only be redeemed in an Authorized Denomination. For purposes of the foregoing, Term Bonds shall be deemed to mature in the years and in the amounts of the Mandatory Sinking Account Payments, and Capital Appreciation Bonds and Current Interest Bonds maturing or subject to Mandatory Sinking Account Payments in the same year shall be treated as separate maturities. When used with respect to the payment or purchase of a portion of Bonds, “Proportionate Basis” shall have the

same meaning set forth above except that “pay” or purchase” shall be substituted for “redeem” or “redemption” and “paid” or “purchased” shall be substituted for “redeemed.”

“**Purchase Fund**” means a fund by that name established to hold funds to be applied to pay the purchase price of a Series of Bonds, which fund shall be established pursuant to the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

“**Rating Agency**” means, as and to the extent applicable to a Series of Bonds, each of Fitch, Moody’s and Standard & Poor’s then maintaining a rating on such Series of Bonds at the request of the Authority.

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

“**Rating Confirmation**” means written evidence from each rating agency then rating any Series of Bonds to the effect that, following the event which requires the Rating Confirmation, the then current rating for such Series of Bonds will not be lowered or withdrawn solely as a result of the occurrence of such event.

“**Rebate Fund**” means that fund by that name established pursuant to Section 5.09.

“**Rebate Instructions**” means, with respect to any Series of Bonds, those calculations and directions required to be delivered to the Trustee by the Authority pursuant to the Tax Certificate delivered in connection with such Series of Bonds.

“**Rebate Requirement**” means, with respect to any Series of Bonds, the Rebate Requirement determined in accordance with the Tax Certificate delivered in connection with such Series of Bonds.

“**Record Date,**” with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

“**Redemption Fund**” means the fund by that name established pursuant to Section 5.08.

“**Redemption Price**” means, with respect to any Bond (or portion thereof) the Bond Obligation of such Bond (or portion thereof) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Trust Agreement.

“**Refunding Bonds**” means a Series of Bonds or a portion of a Series of Bonds issued pursuant to the provisions set forth in Section 3.04.

“**Repository**” means the Municipal Securities Rulemaking Board and any other public or private entity designated as a Repository in a Continuing Disclosure Certificate executed and delivered in connection with a Series of Bonds.

“Reserve Facility” means any insurance policy, letter of credit or surety bond issued by a Reserve Facility Provider, meeting the requirements set forth in the Supplemental Trust Agreement establishing the related Reserve Fund, and delivered to the Trustee in satisfaction of all or a portion of the Reserve Requirement applicable to one or more Series of Bonds.

“Reserve Facility Provider” means any issuer of a Reserve Facility.

“Reserve Fund” means any fund by that name established with respect to one or more Series of Bonds pursuant to the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

“Reserve Requirement” with respect to a Series of Bonds for which the Authority shall have established a Reserve Fund shall have the meaning specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

“Revenue Fund” means the Revenue Fund established pursuant to Section 5.01.

“Rule 15c2-12” means Securities and Exchange Commission Rule 15c2-12, as supplemented and amended from time to time.

“Second Supplemental Trust Agreement” means the Second Supplemental Trust Agreement, dated as of February 20, 2014, between the Authority and the Trustee, supplementing this Trust Agreement.

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

“Serial Bonds” means Bonds, maturing in specified years, for which no Mandatory Sinking Account Payments are provided.

“Series,” whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

“Series 2010 Bonds” means, collectively, the Series 2010-A Bonds and the Series 2010-B Bonds.

“Series 2010-A Bonds” means the Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds, Series 2010-A (Taxable Build America Bonds), authorized by, and at any time Outstanding pursuant to, this Trust Agreement and the First Supplemental Trust Agreement.

“Series 2010-B Bonds” means the Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds, Series 2010-B (Tax-Exempt), authorized

by, and at any time Outstanding pursuant to, this Trust Agreement and the First Supplemental Trust Agreement.

“**Series 2016-A Bonds**” means the Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds, Series 2016-A, authorized by, and at any time Outstanding pursuant to, this Trust Agreement and the Fourth Supplemental Trust Agreement.

“**SIFMA Swap Index**” means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association (formerly the Bond Market Association) (“SIFMA”) or by any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date.

“**Sinking Account**” means an account by that name established in the Principal Fund pursuant to Section 5.04 for the payment of Term Bonds.

“**Standard & Poor’s**” or “**S&P**” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation or division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“**State**” means the State of California.

“**Subordinate Obligations**” means any obligations of the Authority issued or incurred in accordance with Section 3.06(D), and secured, in one or more tiers, by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Bonds and Parity Obligations and senior to the liens and charges on Pledged Revenues that secure the obligation to pay Fees and Expenses and the Junior Subordinate Obligations.

“**Subordinate Obligations Fund**” means the fund by that name established pursuant to Section 5.02.

“**Supplemental Trust Agreement**” means any supplemental trust agreement hereafter duly executed and delivered, supplementing, modifying or amending this Trust Agreement, but only if and to the extent that such supplemental trust agreement is authorized specifically hereunder.

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

“**Swap Termination Payments**” means the aggregate amount payable to the Counterparty by the Authority upon termination prior to stated maturity of all or a portion of the

Interest Rate Swap Agreement, net of all amounts payable to the Authority by such Counterparty upon early unwind of all or a portion of such Interest Rate Swap Agreement. For the avoidance of doubt, all calculations of such amounts payable under the Interest Rate Swap Agreements shall be made in accordance with the terms of the applicable Interest Rate Swap Agreement.

“**Tax Certificate**” means each Tax Certificate delivered by the Authority at the time of issuance and delivery of a Series of Bonds bearing interest that purports to be excluded from the gross income of the Holder thereof for federal income tax purposes, as the same may be amended or supplemented in accordance with its terms.

“**Tax Expiration Date**” means June 30, 2039, or such later date to which the levy of the Measure R Sales Tax is extended in accordance with the Authority Act or other applicable law.

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

“**Third Supplemental Trust Agreement**” means the Third Supplemental Trust Agreement, dated as of May 21, 2014, between the Authority and the Trustee, supplementing this Trust Agreement.

“**Trust Agreement**” means this Second Amended and Restated Trust Agreement, dated as of _____ 1, 2020, between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Trust Agreement delivered pursuant to the provisions hereof.

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

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

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

Any such certificate given by an officer of the Authority may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, a financial advisor, an investment banker or an independent consultant,

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

ARTICLE II

THE BONDS

SECTION 2.01 **Authorization of Bonds.** Bonds may be issued hereunder as fully registered bonds without coupons, in book-entry form or otherwise, from time to time as the issuance thereof is approved by the Authority. The maximum principal amount of Bonds which may be issued hereunder is not limited; subject, however, to any limitations contained in the Act and the Ordinance and to the right of the Authority, which is hereby reserved, to limit the aggregate principal amount of Bonds which may be issued or Outstanding hereunder. The Bonds are designated generally as "Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained.

SECTION 2.02 **Terms of the Bonds.** The Bonds of each Series shall bear interest, if any, at such rate or rates or determined in such manner and payable at such intervals as may be determined by the Authority at the time of issuance thereof pursuant to the Supplemental Trust Agreement under which issued, not to exceed the Maximum Interest Rate, and shall mature and become payable on such date or dates and in such year or years as the Authority may determine by the Supplemental Trust Agreement creating such Series; provided that no Bond shall have a Maturity Date later than the Tax Expiration Date. Principal of and interest on such Bonds shall be payable in such manner as may be specified in the Supplemental Trust Agreement creating such Series. The Bonds of each Series shall be issued in such denominations as may be authorized by the Supplemental Trust Agreement creating such Series.

Unless otherwise provided in the Supplemental Trust Agreement delivered in connection with such Series of Bonds, the Bonds of each Series shall be initially registered in the name of

“Cede & Co.,” as nominee of the Securities Depository and shall be evidenced by one bond certificate for each maturity of each Series of Bonds. Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or in the event the use of the Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

SECTION 2.03 **Form of Bonds.** The Bonds of any Series shall be in such form or forms as may be specified in the Supplemental Trust Agreement creating such Series. All Bonds shall contain on the face thereof a statement to the following effect:

Neither the faith and the credit nor the taxing power of the County of Los Angeles, the State of California or any political subdivision or any public agency, other than the Los Angeles County Metropolitan Transportation Authority to the extent of the Pledged Revenues, is pledged to the payment of the principal (or face amount, as applicable) of, or interest on, this obligation.

SECTION 2.04 **Execution of Bonds.** The Bonds shall be executed in the name and on behalf of the Authority by the facsimile or manual signature of one or more of its Authorized Representatives. Unless otherwise provided in any Supplemental Trust Agreement, the Bonds shall then be delivered to the Trustee for authentication by the Trustee. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of execution of such Bond shall be the proper officers of the Authority although at the nominal date of such Bond any such person shall not have been such officer of the Authority.

Except as may be otherwise be provided in a Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds, only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form recited in the Supplemental Trust Agreement creating such Series of Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Trust Agreement, and such certificate of authentication when manually executed by the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Trust Agreement.

SECTION 2.05 **Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the register required to be kept pursuant to the provisions of Section 2.07, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of the same Series,

tenor, maturity and interest rate and a like aggregate principal amount; provided that, unless otherwise provided in any Supplemental Trust Agreement, no registration of transfer may occur during the period established by the Trustee for selection of Bonds for redemption, or of any Bond or portion of a Bond so selected for redemption. The Trustee shall require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

SECTION 2.06 **Exchange of Bonds.** Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same Series, tenor, maturity and interest rate; provided that, unless otherwise provided in any Supplemental Trust Agreement, no exchange may occur during the period established by the Trustee for selection of Bonds for redemption, or of any Bond or portion of a Bond so selected for redemption. The Trustee shall require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

SECTION 2.07 **Bond Register.** Unless otherwise provided in a Supplemental Trust Agreement delivered in connection with a Series of Bonds, the Trustee will keep or cause to be kept, at its Corporate Trust Office sufficient books for the registration and transfer of each Series of Bonds (the “Bond Register”), which shall at all times be open to inspection during normal business hours by the Authority and each Credit Provider upon reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

SECTION 2.08 **Temporary Bonds.** The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Authority, shall be in registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. A temporary Bond may be in the form of a single Bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds maturing on such date. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds the Authority will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations of the same Series, tenor and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09 **Bonds Mutilated; Lost; Destroyed or Stolen.** If any Bond shall become mutilated, the Authority, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee

shall be canceled by the Trustee and delivered to, or upon the Order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and to the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to both shall be given, the Authority, at the expense of the Holder, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity). The Authority may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

SECTION 2.10 **Use of Securities Depository.** Unless otherwise provided in a Supplemental Trust Agreement delivered in connection with a Series of Bonds, notwithstanding any provision of this Trust Agreement to the contrary:

(A) The Bonds shall be delivered and registered as provided in Section 2.02. Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except:

(1) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) (each, a “substitute depository”); provided that any successor of the Securities Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any substitute depository designated by the Authority upon (a) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository or (b) a determination by the Authority that the Securities Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) To any Person as provided below, upon (a) the resignation of the Securities Depository or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained or (b) a determination by the Authority that it is in the best interests of the Authority to remove

the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(B) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (A) above, upon receipt of the Outstanding Bonds by the Trustee, together with a Statement of the Authority to the Trustee, a single new Bond for each maturity of each Series of Bonds then Outstanding shall be executed and delivered in the aggregate principal amount of the Bonds of such Series then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Statement of the Authority. In the case of any transfer pursuant to clause (3) of subsection (A) hereof, upon receipt of the Outstanding Bonds by the Trustee together with the Statement of the Authority to the Trustee, new Bonds of each Series then Outstanding shall be authorized and prepared by the Authority and authenticated and delivered by the Trustee in such authorized denominations and registered in the names of such Persons as are requested in such a Statement of the Authority, numbered in such manner as the Trustee shall determine, subject to the limitations of Section 2.02.

(C) In the case of partial redemption or an advance refunding of any Series of the Bonds evidencing all or a portion of such amount Outstanding, the Securities Depository shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(D) The Authority and the Trustee shall be entitled to treat the Person in whose name any Bond is registered as the Bondholder thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communicating with, notifying or otherwise dealing with any Beneficial Owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the Beneficial Owners or to any other party including the Securities Depository or its successor (or substitute depository or its successor), except for the Holder of any Bond.

(E) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns in effecting payment of the principal of, redemption premium, if any, purchase price and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

ARTICLE III

ISSUANCE OF BONDS

SECTION 3.01 Issuance of Bonds. Whenever the Authority shall determine to issue a Series of Bonds hereunder, the Authority (i) shall authorize the execution of a Supplemental Trust Agreement specifying the principal amount, and prescribing the forms of Bonds of such Series and providing the terms, conditions, distinctive designation,

denominations, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions, tender provisions, if any, and place or places of payment of principal or Redemption Price, if any, of and interest on such Bonds, and any other provisions respecting the Bonds of such Series not inconsistent with the terms of this Trust Agreement, (ii) shall execute such Supplemental Trust Agreement and (iii) shall deliver such Supplemental Trust Agreement to the Trustee for execution.

SECTION 3.02 **Issuance of Additional Bonds.** Subsequent to the issuance of the Series 2010 Bonds, the Authority may by Supplemental Trust Agreement establish one or more additional Series of Bonds, payable from Pledged Revenues and secured by the pledge made under this Trust Agreement equally and ratably with the Series 2010 Bonds, and the Authority may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as shall be determined by the Authority, but only, with respect to each additional Series of Bonds issued subsequent to the Series 2010 Bonds issued under the First Supplemental Trust Agreement, upon compliance by the Authority with the provisions of this Section 3.02, Section 3.03 and any additional requirements set forth in said Supplemental Trust Agreement and subject to the specific conditions set forth below, each of which is hereby made a condition precedent to the issuance of any such additional Series of Bonds.

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

(B) Subject to the provisions of Section 5.05, in the event a Supplemental Trust Agreement providing for the issuance of such Series shall require either (i) the establishment of a Reserve Fund to provide additional security for such Series of Bonds or (ii) that the balance on deposit in an existing Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds, the Supplemental Trust Agreement providing for the issuance of such additional Series of Bonds shall require deposit of the amount necessary. Said deposit shall be made as provided in the Supplemental Trust Agreement providing for the issuance of such additional Series of Bonds and may be made from the proceeds of the sale of such Series of Bonds or from other funds of the Authority or from both such sources or may be made in the form of a Reserve Facility.

(C) The aggregate principal amount of Bonds issued hereunder shall not exceed any limitation imposed by the Ordinance or any other law or by any Supplemental Trust Agreement. The Authority shall file with the Trustee a Certificate of the Authority certifying that the issuance of such additional Series of Bonds and the expected use of proceeds thereof is in compliance with the provisions of Section 6.10 hereof.

(D) The Authority shall file with the Trustee a certificate prepared by a Consultant showing that the amount of Pledged Revenues (excluding Swap 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 Series of Bonds will become Outstanding shall have been at least equal to 2.5 times Maximum Annual Debt Service on all Series of Bonds and Parity Obligations then Outstanding and the additional Series of Bonds then

proposed to be issued, which certificate shall also set forth the computations upon which such certificate is based.

(E) Principal payments of each additional Series of Bonds shall be due on June 1 or December 1 in each year in which principal is to be paid if and to the extent deemed practical in the reasonable judgment of the Authority with regard to the type of Bond to be issued, and, if the interest on such Series of Bonds is to be paid semiannually, such interest payments shall be due on June 1 and December 1 in each year to the extent deemed practical in the reasonable judgment of the Authority with regard to the type of Bond to be issued.

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

In the event additional assets or revenues are included within the definition of “Pledged Revenues” by a Supplemental Trust Agreement, such additional assets or revenues shall be included in the calculations to be provided in subsection (D) above as if the Authority had received such additional assets or revenues as “Pledged Revenues” during all relevant periods of calculation.

SECTION 3.03 Proceedings for Issuance of Additional Bonds. Subsequent to the issuance of the Series 2010 Bonds, before any additional Series of Bonds shall be issued and delivered, the Authority shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied).

(A) A Supplemental Trust Agreement authorizing such Series executed by the Authority.

(B) A Certificate of the Authority certifying: (i) that no Event of Default has occurred and is then continuing; and (ii) that the requirements specified in Section 3.02(B) and Section 3.02(C) hereof have been satisfied by the Authority.

(C) A Certificate of the Authority certifying (on the basis of computations made as of the date of sale of such Series of Bonds) that the requirement of Section 3.02(D) is satisfied.

(D) An Opinion of Bond Counsel to the effect that the Supplemental Trust Agreement is being entered into in accordance with this Trust Agreement and that such Series of Bonds, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

SECTION 3.04 Issuance of Refunding Bonds.

(A) Refunding Bonds may be authorized and issued by the Authority without compliance with the provisions of Sections 3.02(D) or 3.03(C); provided that the Trustee shall have been provided with a certificate of a Consultant to the effect that Maximum Annual Debt

Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds. Such Refunding Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

- (1) the principal or Redemption Price of the Outstanding Bonds or outstanding Parity Obligations to be refunded;
- (2) all expenses incident to the calling, retiring or paying of such Outstanding Bonds or outstanding Parity Obligations and the Costs of Issuance of such Refunding Bonds;
- (3) any termination payment owed by the Authority to a Counterparty after offset for any payments made to the Authority from such Counterparty under any Interest Rate Swap Agreement that was entered into in connection with the Bonds or Parity Obligations to be refunded;
- (4) interest on all Outstanding Bonds or outstanding Parity Obligations to be refunded to the date such Bonds or Parity Obligations will be called for redemption or paid at maturity;
- (5) interest on the Refunding Bonds from the date thereof to the date of payment or redemption of the Bonds or Parity Obligations to be refunded; and
- (6) funding a Reserve Fund for the Refunding Bonds, if required.

(B) Before such Series of Refunding Bonds shall be issued and delivered pursuant to this Section 3.04, the Authority shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Refunding Bonds have been satisfied).

- (1) A Supplemental Trust Agreement authorizing such Series of Refunding Bonds executed by the Authority.
- (2) A Certificate of the Authority certifying that the requirements of Sections 3.02(A), (B) and (C) and 3.04(A) hereof are satisfied.
- (3) If any of the Bonds to be refunded are to be redeemed prior to their stated maturity dates, irrevocable instructions to the Trustee to give the applicable notice of redemption or a waiver of the notice of redemption signed by the Holders of all or the portion of the Bonds or Parity Obligations to be redeemed, or proof that such notice has been given by the Authority; provided, however, that in lieu of such instructions or waiver or proof of notice of redemption, the Authority may cause to be deposited with the Trustee all of the Bonds and Parity Obligations proposed to be redeemed (whether canceled or uncanceled) with irrevocable instructions to the Trustee to cancel said Bonds or Parity Obligations so to be redeemed upon the exchange and delivery of said

Refunding Bonds; and provided further that no provision of this Trust Agreement shall be construed to require the redemption of Bonds prior to their respective maturity dates in connection with the refunding thereof.

(4) An Opinion of Bond Counsel to the effect that the Supplemental Trust Agreement is being entered into in accordance with this Trust Agreement and that such Series of Refunding Bonds, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

(5) The proceeds of the sale of the Refunding Bonds shall be applied by the Trustee according to the Order of the Authority to the retirement of the Outstanding Bonds or Parity Obligations for the refunding of which said Refunding Bonds are to be issued, and the other expenses described in Section 3.04(A) hereof. All Bonds or Parity Obligations purchased, redeemed or retired by use of funds received from the sale of Refunding Bonds, and all Bonds surrendered to the Trustee against the issuance of Refunding Bonds, shall be forthwith canceled and shall not be reissued.

SECTION 3.05 [Reserved]

SECTION 3.06 Limitations on the Issuance of Obligations Payable from Pledged Revenues; Parity Obligations; Subordinate Obligations. Subsequent to the issuance of the Series 2010 Bonds and the Series 2016-A Bonds, the Authority will not, so long as any Bonds are Outstanding, issue or incur any obligations or securities, howsoever denominated, payable in whole or in part from Pledged Revenues except as set forth below.

- (A) Bonds authorized pursuant to Sections 3.01 and 3.02.
- (B) Refunding Bonds authorized pursuant to Section 3.04.
- (C) Parity Obligations, provided that the following conditions to the issuance or incurrence of such Parity Obligations are satisfied:

(1) Such Parity Obligations have been duly and legally authorized by the Authority for any lawful purpose;

(2) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery of a Certificate of the Authority to that effect, which Certificate of the Authority shall be filed with the Trustee;

(3) Such Parity Obligations are being issued or incurred either (i) for purposes of refunding in compliance with the requirements for the issuance of Refunding Bonds set forth in Section 3.04 or (ii) the Authority shall have placed on file with the Trustee a certificate of a Consultant, upon which the Trustee may conclusively rely certifying (on the basis of calculations made no later than the date of sale or incurrence of such Parity Obligations, as applicable) that the requirements set forth in Section 3.02(D) relating to the issuance of an additional Series of Bonds have been satisfied with respect to such Parity Obligations, which certificate shall also set forth the computations upon which such certificate is based; and

(4) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Parity Obligations and the Authority shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Parity Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Parity Obligations).

(D) Subordinate Obligations that are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Pledged Revenues after the prior payment or deposit of all amounts then required to be paid or deposited hereunder from Pledged Revenues for principal, premium, interest and reserve fund requirements, if any, for all Bonds Outstanding, and all Parity Obligations outstanding, as the same become due and payable, and at the times and in the amounts as required in this Trust Agreement and in the instrument or instruments pursuant to which any Parity Obligations were issued or incurred, and that are secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Bonds and Parity Obligations, provided that the following conditions to issuance or incurrence of such Subordinate Obligations are satisfied:

(1) Such Subordinate Obligations have been duly and legally authorized by the Authority for any lawful purpose;

(2) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery to the Trustee of a Certificate of the Authority to that effect; and

(3) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Subordinate Obligations and the Authority shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Subordinate Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Subordinate Obligations).

(E) The obligation to pay Fees and Expenses.

(F) The obligation to pay Swap Termination Payments.

(G) Junior Subordinate Obligations that are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Pledged Revenues after the prior payment or deposit of all amounts then required to be paid or deposited hereunder from Pledged Revenues for principal, premium, interest and reserve fund requirements, if any, for all Bonds Outstanding, all Parity Obligations outstanding, all Subordinate Obligations outstanding and all outstanding obligations to pay Fees and Expenses, as the same become due and payable, and at the times and in the amounts as required in this Trust Agreement and in the instrument or instruments pursuant to which any Parity Obligations, Subordinate Obligations or such obligations to pay Fees and Expenses were issued or incurred, and that are secured by a lien and charge on Pledged Revenues subordinate to the liens and charges on Pledged Revenues that secure the Bonds, Parity Obligations, Subordinate Obligations and Fees and Expenses; provided that the following conditions to issuance or incurrence of such Junior Subordinate Obligations are satisfied:

(1) Such Junior Subordinate Obligations have been duly and legally authorized by the Authority for any lawful purpose;

(2) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery to the Trustee of a Certificate of the Authority to that effect; and

(3) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Junior Subordinate Obligations and the Authority shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Junior Subordinate Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Junior Subordinate Obligations).

SECTION 3.07 Calculation of Maximum Annual Debt Service with Respect to Bonds and Parity Obligations. For purposes of this Article III, Maximum Annual Debt Service with respect to Bonds shall be determined no later than the date of delivery of such Bonds, and no earlier than the 60th day preceding the date of pricing or sale of such Bonds, utilizing the assumptions set forth in the definition of Debt Service. For purposes of this Article III, Maximum Annual Debt Service with respect to Parity Obligations shall be determined no later than the date of incurrence of such Parity Obligations utilizing the assumptions set forth in the definition of Debt Service; provided, however, that if a Parity Obligation is contingent upon funds being provided pursuant to such Parity Obligation to pay principal, or purchase price of, or interest on a Bond, such Parity Obligations shall not be considered outstanding until such payment is made thereunder.

SECTION 3.08 Application of Proceeds. Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Trust Agreement pursuant to which such Series of Bonds is issued.

ARTICLE IV

REDEMPTION, TENDER AND PURCHASE OF BONDS

SECTION 4.01 Terms of Redemption, Tender and Purchase. Each Series of Bonds may be made subject to redemption or mandatory or optional tender and purchase prior to their respective stated maturities, as a whole or in part, at such time or times, upon such terms and conditions and upon such notice and with such effect as may be provided in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

SECTION 4.02 Notice of Redemption. Unless otherwise specified in a Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds, each notice of redemption shall be mailed by the Trustee, not less than twenty (20) days nor more than ninety (90) days prior to the redemption date, to each Holder and the Repository. A copy of such notice shall also be provided to each of the Notice Parties with respect to Series of Bonds to which such notice relates. Notice of redemption to the Holders, the Repository and the applicable Notice Parties shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the Series of Bonds to which such notice relates, the

redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity, if any, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

Failure by the Trustee to give notice to any Notice Party or the Repository or failure of any Holder, any Notice Party or the Repository to receive notice or any defect in any such notice shall not affect the sufficiency or validity of the proceedings for redemption.

With respect to any notice of optional redemption of Bonds delivered pursuant to this Section 4.02 or any provision of any Supplemental Trust Agreement, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of Article X hereof, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Bonds to be redeemed, and that if such amounts shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

Any notice given pursuant to this Section 4.02 may be rescinded by written notice given to the Trustee by the Authority and the Trustee shall give notice of such rescission as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such redemption was given pursuant to this Section 4.02.

SECTION 4.03 **Partial Redemption of Bonds.** Upon surrender of any Bond redeemed in part only, the Authority shall execute (but need not prepare) and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations, and of the same Series, maturity and interest rate, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

SECTION 4.04 **Effect of Redemption.** Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest

accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Trust Agreement and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment and such funds are hereby pledged to such payment. All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

ARTICLE V

PLEDGED REVENUES

SECTION 5.01 Pledge of Pledged Revenues; Revenue Fund.

(A) As security for the payment of all amounts owing on the Bonds and Parity Obligations, there are irrevocably pledged to the Trustee: (i) all Pledged Revenues; and (ii) all amounts, including proceeds of the Bonds, held on deposit in the funds and accounts established hereunder (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund), subject to the provision of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in this Trust Agreement. The collateral identified above shall immediately be subject to this pledge, and this pledge shall constitute a first lien on and security interest in such collateral which shall immediately attach to the collateral and be effective, binding and enforceable against the Authority and all others asserting the rights therein, to the extent set forth, and in accordance with, this Trust Agreement irrespective of whether those parties have notice of this pledge and without the need for any physical delivery, recordation, filing or further act. The pledge of Pledged Revenues and all amounts held on deposit in the funds and accounts established hereunder (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund) herein made shall be irrevocable until all of the Bonds, all Parity Obligations and amounts owed in connection with the Bonds and Parity Obligations are no longer Outstanding.

All Bonds and Parity Obligations shall be of equal rank without preference, priority or distinction of any Bonds and Parity Obligations over any other Bonds and Parity Obligations.

The Authority shall cause Pledged Tax Revenues to be transmitted by the CDTFA directly to the Trustee. The Trustee shall forthwith deposit in a trust fund, designated as the "Revenue Fund," which fund the Trustee shall establish and maintain, all Pledged Tax Revenues, when and as received by the Trustee. The Pledged Tax Revenues and all other amounts deposited into the Revenue Fund pursuant to this Section 5.01(B), shall be received and held in trust by the Trustee for the benefit of the Holders of the Bonds and the Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Trust Agreement. Investment income on amounts held by the Trustee hereunder (other than amounts held in the Rebate Fund or for which particular instructions, such as with respect to a Project Fund, a Letter of Credit Account or a Purchase Fund, are provided in a Supplemental Trust

Agreement), shall also be deposited in the Revenue Fund. All moneys at any time held in the Revenue Fund shall be held in trust for the benefit of the Holders of the Bonds and the holders of Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Trust Agreement. The obligation of the Authority to make payments of principal of, interest on and redemption premium of Bonds and Parity Obligations shall be an absolute obligation and shall be payable prior to any allocation of such payments under the Ordinance and shall be payable notwithstanding whether the allocation of any such payments pursuant to the terms of the Ordinance to any line item, subfund or other expenditure category within the sales tax revenue fund established by the Ordinance has the effect of allocating Net Revenues and Interest on Sales Tax Revenues (as such terms are defined in the Ordinance) to such line item, subfund or other expenditure category in an amount that is in excess of the allocation permitted by the Ordinance.

(B) The Bonds are limited obligations of the Authority and are payable as to both principal and interest, and any premium upon redemption thereof, exclusively from the Pledged Revenues and other funds pledged hereunder.

SECTION 5.02 Allocation of Pledged Tax Revenues.

(A) So long as any Bonds are Outstanding and Parity Obligations, Subordinate Obligations, obligations to pay Fees and Expenses, obligations to pay Swap Termination Payments, Junior Subordinate Obligations and all other amounts payable hereunder remain unpaid, the Trustee shall set aside in each month following receipt of the Pledged Tax Revenues the moneys in the Revenue Fund in the following respective funds (each of which the Trustee shall establish, maintain and hold in trust for the benefit of the Holders of the Bonds and, as and to the extent applicable, the holders of Parity Obligations) in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Pledged Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that on a parity with such deposits specified in paragraphs (1) and (2) below the Trustee may set aside or transfer amounts with respect to any outstanding Parity Obligations as provided in the proceedings for such Parity Obligations delivered to the Trustee pursuant to Section 3.06 (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Bonds and such Parity Obligations); provided further that payments on Interest Rate Swap Agreements that are payable on a parity with the Bonds shall be payable from the Interest Fund and the required deposits below shall be adjusted to include payments on such Interest Rate Swap Agreements in accordance with Section 5.10:

(1) Interest Fund. Following receipt of the Pledged Tax Revenues in each month, the Trustee shall deposit in the Interest Fund as soon as practicable in such month an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) during the next ensuing six months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing

six months), until the requisite half-yearly amount of interest on all such Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) is on deposit in such fund; provided that from the date of delivery of a Series of Current Interest Bonds until the first Interest Payment Date with respect to such Series of Bonds the amounts set aside in such fund with respect to such Series of Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said Interest Payment Date with respect to such Series of Bonds, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by the Authority, or if the Authority shall not have specified an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus 100 basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued and paid during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six months upon all of the Bonds issued hereunder and then Outstanding, and on June 1 and December 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Bonds having Interest Payment Dates other than June 1 and December 1) shall be transferred to the Authority (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates). All Swap Revenues received by the Authority with respect to Interest Rate Swap Agreements that are Parity Obligations shall be transferred by the Authority to the Trustee and deposited in the Interest Fund and credited to the above required deposits.

(2) Principal Fund; Sinking Accounts. Following receipt of the Pledged Tax Revenues in each month, the Trustee shall deposit in the Principal Fund as soon as practicable in such month an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next twelve-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking

Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if the Authority certifies to the Trustee that any principal payments due on or prior to January 1, 2036 are expected to be refunded on or prior to their respective due dates, no amounts need be set aside towards such principal to be so refunded, except for amounts in any month to pay principal becoming due and payable in such month. All of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into any one such Sinking Account over any other such payment.

In the event that the Pledged Tax Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding Serial Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term Bonds required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said Serial Bonds and said Term Bonds shall bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding twelve-month period and any of said Term Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six-month period. In the event that the Pledged Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts shall be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current twelve-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such twelve-month period.

No deposit need be made into the Principal Fund so long as there shall be in such fund (i) moneys sufficient to pay the Bond Obligation of all Serial Bonds then Outstanding and maturing by their terms within the next 12 months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if the Authority certifies to the Trustee that any principal payments in the following 12-month period are expected to be paid from amounts on deposit in a Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no deposit need be made into the Principal Fund with respect to such principal payments. At the beginning of each Fiscal Year and in any event not later than June 1 of each year, the Trustee shall request from the Authority a Certificate of the Authority setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On June 1 of each year or as soon as practicable thereafter any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Bonds having principal payment dates other than June 1) shall be transferred to the Authority.

(3) Reserve Fund. Upon the occurrence of any deficiency in any Reserve Fund, the Trustee shall make such deposit to such Reserve Fund as is required pursuant to

Section 5.05(D), each such deposit to be made as soon as possible in each month, until the balance therein is at least equal to the applicable Reserve Requirement.

(4) Subordinate Obligations Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Subordinate Obligations Fund.” As long as any Subordinate Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits described in (1), (2) and (3) above have been made shall be transferred on the same Business Day to the Subordinate Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Subordinate Obligations, the Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(5) Fees and Expenses Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Fees and Expenses Fund.” At the direction of the Authority, after the deposits described in (1), (2), (3) and (4) above have been made, the Trustee shall deposit as soon as practicable in each month in the Fees and Expenses Fund (i) amounts necessary for payment of fees, expenses and similar charges (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for the Bonds or any Parity Obligations) owing in such month or the following month by the Authority in connection with the Bonds or any Parity Obligations and (ii) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by the Authority in connection with Subordinate Obligations. The Authority shall inform the Trustee of such amounts, in writing, on or prior to the first Business Day of each month.

(6) Junior Subordinate Obligations Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Junior Subordinate Obligations Fund.” As long as any Junior Subordinate Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits or payments described in (1), (2), (3), (4) and (5) above have been made shall be transferred on the same Business Day to the Junior Subordinate Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Junior Subordinate Obligations, the Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(7) Swap Termination Payments. The Trustee shall pay any Swap Termination Payments then due and payable to the applicable Counterparty.

(B) Any Pledged Revenues remaining in the Revenue Fund after the foregoing deposits described in (1), (2), (3), (4), (5), (6) and (7) of subsection (A) above shall be transferred to the Authority on the same Business Day or as soon as practicable thereafter, except as otherwise provided in a Supplemental Trust Agreement or as the Authority may otherwise direct in writing (which direction shall not be inconsistent with any other provision of this Trust Agreement) to be used by the Authority or transferred as directed by the Authority in writing for any lawful purpose and after such transfer to the Authority shall be released from the lien of this Trust Agreement and shall no longer constitute “Pledged Revenues” hereunder.

SECTION 5.03 Application of Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purposes of: (a) paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Trust Agreement), or for reimbursing the Credit Provider for a drawing for such purposes made on Credit Enhancement provided in the form of an irrevocable, direct-pay letter of credit, and (b) making periodic payments on Interest Rate Swap Agreements, as provided in Section 5.10.

SECTION 5.04 Application of Principal Fund.

(A) All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purposes of paying the Bond Obligation of the Bonds when due and payable, except that all amounts in the Sinking Accounts shall be used and withdrawn by the Trustee solely to purchase or redeem or pay at maturity Term Bonds, as provided herein, or for reimbursing the Credit Provider for a drawing for such purposes made on Credit Enhancement provided in the form of an irrevocable, direct-pay letter of credit.

(B) The Trustee shall establish and maintain within the Principal Fund a separate account for the Term Bonds of each Series and maturity, designated as the “_____ Sinking Account,” inserting therein the Series and maturity designation of such Bonds. On or before the Business Day prior to any date upon which a Mandatory Sinking Account Payment is due, the Trustee shall transfer the amount of such Mandatory Sinking Account Payment (being the principal thereof, in the case of Current Interest Bonds, and the Accreted Value, in the case of Capital Appreciation Bonds) from the Principal Fund to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of such Series and maturity for which such Sinking Account was established, in the manner provided in this Trust Agreement or the Supplemental Trust Agreement pursuant to which such Series of Bonds was created; provided that, at any time prior to giving such notice of such redemption, the Trustee shall, upon receipt of a Request of the Authority, apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as is directed by the Authority, except that the purchase price (excluding accrued interest, in the case of Current Interest Bonds) shall not exceed the principal amount or Accreted Value thereof. If, during the twelve-month period (or six-month period with respect to Bonds having semi-annual Mandatory Sinking Account Payments) immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, the Authority has deposited Term Bonds of such Series and maturity with the Trustee, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Term Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Term Bonds purchased or deposited pursuant to this subsection shall be cancelled by the Trustee and destroyed by the Trustee and a certificate of destruction shall be delivered to the Authority by the

Trustee. Any amounts remaining in a Sinking Account on June 1 of each year following the redemption as of such date of the Term Bonds for which such account was established shall be withdrawn by the Trustee and transferred as soon as practicable to the Authority to be used for any lawful purpose. All Term Bonds purchased from a Sinking Account or deposited by the Authority with the Trustee in a twelve-month period ending May 31 (or in a six-month period ending May 31 or November 30 with respect to Bonds having semi-annual Mandatory Sinking Account Payments) and prior to the giving of notice by the Trustee for redemption from Mandatory Sinking Account Payments for such period shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Term Bonds, if any, occurring on the next June 1 or December 1, then as a credit against such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Authority. All Term Bonds redeemed by the Trustee from the Redemption Fund shall be credited to such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Authority.

SECTION 5.05 Establishment, Funding and Application of Reserve Funds.

The Authority may at its sole discretion at the time of issuance of any Series of Bonds or at any time thereafter by Supplemental Trust Agreement provide for the establishment of a Reserve Fund as additional security for a Series of Bonds. Any Reserve Fund so established by the Authority shall be available to secure one or more Series of Bonds as the Authority shall determine and shall specify in the Supplemental Trust Agreement establishing such Reserve Fund. Any Reserve Fund established by the Authority shall be held by the Trustee and shall comply with the requirements set forth in this Section 5.05.

(A) Subject to Section 5.05(C), all amounts in any Reserve Fund (including all amounts which may be obtained from a Reserve Facility on deposit in such Reserve Fund) shall be used and withdrawn by the Trustee, as hereinafter provided: (i) for the purpose of making up any deficiency in the Interest Fund or the Principal Fund relating to the Bonds of the Series to which such Reserve Fund relates; or (ii) together with any other moneys available therefor, (x) for the payment or redemption of all Bonds then Outstanding of the Series to which such Reserve Fund relates, (y) for the defeasance or redemption of all or a portion of the Bonds then Outstanding of the Series to which such Reserve Fund relates; provided, however, that if funds on deposit in any Reserve Fund are applied to the defeasance or redemption of a portion of the Series of Bonds to which such Reserve Fund relates, the amount on deposit in the Reserve Fund immediately subsequent to such partial defeasance or redemption shall equal the Reserve Requirement applicable to all Bonds of such Series Outstanding immediately subsequent to such partial defeasance or redemption, or (z) for the payment of the final principal and interest payment of the Bonds of such Series. Unless otherwise directed in a Supplemental Trust Agreement, the Trustee shall apply amounts held in cash or Investment Securities in any Reserve Fund prior to applying amounts held in the form of Reserve Facilities in any Reserve Fund, and if there is more than one Reserve Facility being held on deposit in any Reserve Fund, shall, on a pro rata basis with respect to the portion of a Reserve Fund held in the form of a Reserve Facility (calculated by reference to the maximum amount of such Reserve Facility), draw under each Reserve Facility issued with respect to such Reserve Fund, in a timely manner and pursuant to the terms of such Reserve Facility to the extent necessary in order to obtain sufficient funds on or prior to the date such funds are needed to pay the Bond Obligation of, Mandatory Sinking Account Payments with respect to, and interest on the Bonds of the Series to which such Reserve

Fund relates when due. Unless otherwise specified in a Supplemental Trust Agreement, in the event that the Trustee has notice that any payment of principal of or interest on a Bond has been recovered from a Holder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee, pursuant to the terms of, and if so provided by, the terms of the Reserve Facility, if any, securing the Bonds of such Series, shall so notify the issuer thereof and draw on such Reserve Facility to the lesser of the extent required or the maximum amount of such Reserve Facility in order to pay to such Holders the principal and interest so recovered.

(B) The Trustee shall notify the Authority of any deficiency in any Reserve Fund (i) due to a withdrawal from such Reserve Fund for purposes of making up any deficiency in the Interest Fund or the Principal Fund relating to the Bonds of the Series to which such Reserve Fund relates or (ii) resulting from a valuation of Investment Securities held on deposit in such Reserve Fund pursuant to Section 5.11 and shall request that the Authority replenish such deficiency or repay any and all obligations due and payable under the terms of any Reserve Facility comprising part of any Reserve Requirement. Unless otherwise specified in a Supplemental Trust Agreement, upon receipt of such notification from the Trustee, the Authority shall instruct the Trustee to commence setting aside in each month following receipt of Pledged Tax Revenues for deposit in the applicable Reserve Fund an amount equal to one-twelfth of the aggregate amount of each unreplenished prior withdrawal from such Reserve Fund or decrease resulting from a valuation pursuant to Section 5.11 and shall further instruct the Trustee to transfer to each Reserve Facility Provider providing a Reserve Facility satisfying a portion of the Reserve Requirement relating to the Bonds of the Series to which such Reserve Fund relates, an amount equal to one-twelfth of the aggregate amount of any unreplenished prior withdrawal on such Reserve Facility, such amount to be transferred by the Trustee as promptly as possible after receipt of the Pledged Tax Revenues each month, commencing with the month following the Authority's receipt of notification from the Trustee of withdrawal or decrease resulting from a valuation, as applicable, until the balance on deposit in such Reserve Fund is at least equal to the Reserve Requirement relating to the Bonds of the Series to which such Reserve Fund relates.

(C) Unless the Authority shall otherwise direct in writing, any amounts in any Reserve Fund in excess of the Reserve Requirement relating to the Bonds of the Series to which such Reserve Fund relates shall be transferred by the Trustee to the Authority on the Business Day following June 1 of each year; provided that such amounts shall be transferred only from the portion of such Reserve Fund held in the form of cash or Investment Securities. In addition, amounts on deposit in any Reserve Fund shall be transferred by the Trustee to the Authority upon the defeasance, retirement or refunding of Bonds of the Series to which such Reserve Fund relates or upon the replacement of cash on deposit in such Reserve Fund with one or more Reserve Facilities in accordance with Section 5.05(A) or Section 5.05(B). The Reserve Requirement shall be calculated on each June 1 and upon the issuance or retirement of a Series of Bonds and upon the defeasance of all or a portion of a Series of Bonds.

SECTION 5.06 Application of Subordinate Obligations Fund, Fees and Expenses Fund and Junior Subordinate Obligation Fund.

(A) All moneys in the Subordinate Obligations Fund shall be applied to the payment of principal of and interest on Subordinate Obligations in accordance with Section 5.02(A)(4).

(B) All amounts in the Fees and Expenses Fund shall be used and withdrawn by the Trustee solely for the purpose of paying fees, expenses and similar charges owed by the Authority in connection with the Bonds or any Parity Obligations or Subordinate Obligations as such amounts shall become due and payable.

(C) All moneys in the Junior Subordinate Obligations Fund shall be applied to the payment of principal of and interest on Junior Subordinate Obligations in accordance with Section 5.02(A)(7).

SECTION 5.07 [reserved].

SECTION 5.08 Establishment, Funding and Application of Project Fund.
Proceeds of Bonds which are to be used to pay Costs of the Project shall be deposited into a Fund or Funds which individually and collectively shall be designated the “Los Angeles County Metropolitan Transportation Authority Measure R Sales Tax Revenue Bonds Project Fund” (the “Project Fund”), which may be held either by the Authority or the Trustee or part by the Authority and part by the Trustee, all as provided by this Trust Agreement and relevant Supplemental Trust Agreements. The Project Fund shall be deemed to be part of the sales tax revenue fund referred to in the Ordinance. All moneys in the Project Fund shall be held and disbursed as provided in the Supplemental Trust Agreement or Supplemental Trust Agreements under which such Fund or Funds were created. Within the Project Fund there are hereby established the following subfunds:

- (1) the Transit Capital Subfund, consisting of the New Rail/Bus Rapid Transit Capital Projects Account, the Metrolink Capital Improvement Projects Account and the Metro Rail Capital Account;
- (2) the Highway Capital Subfund; and
- (3) the Operations Subfund, consisting of the Rail Operations Account and the Bus Operations Account.

The Authority may by Supplemental Trust Agreement create additional accounts and subaccounts within the subfunds described above. The Trustee shall transfer moneys between and among such subfunds, accounts and subaccounts to the extent held by it upon the receipt of a Request of the Authority.

SECTION 5.09 Rebate Fund.

(A) Upon receipt of funds to be applied to the Rebate Requirement, the Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary in order to comply with the terms and requirements of each Tax Certificate as directed in writing by the Authority. Subject to the transfer provisions provided in paragraph (C) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the federal government of the United States of America, and neither the Trustee nor any Holder nor any other Person shall have any rights in or claim to such money. All amounts deposited into or

on deposit in the Rebate Fund shall be governed by this Trust Agreement and by the applicable Tax Certificates. The Authority hereby covenants to comply with the directions contained in each Tax Certificate and the Trustee hereby covenants to comply with all written instructions of the Authority delivered to the Trustee pursuant to each Tax Certificate (which instructions shall state the actual amounts to be deposited in or withdrawn from the Rebate Fund and shall not require the Trustee to make any calculations with respect thereto). The Trustee shall be deemed conclusively to have complied with the provisions of this Section 5.09(A) if it follows such instructions of the Authority, and the Trustee shall have no liability or responsibility to enforce compliance by the Authority with the terms of any Tax Certificate nor to make computations in connection therewith.

(B) Pursuant to each Tax Certificate, an amount shall be deposited in the Rebate Fund by the Authority so that the balance of the amount on deposit thereto shall be equal to the Rebate Requirement applicable to the Series of Bonds to which such Tax Certificate relates. Computations of each Rebate Requirement shall be furnished by or on behalf of the Authority to the Trustee in accordance with the applicable Tax Certificate.

(C) The Trustee shall invest all amounts held in the Rebate Fund, pursuant to written instructions of the Authority, in Investment Securities, subject to the restrictions set forth in the applicable Tax Certificate. Money shall not be transferred from the Rebate Fund except as provided in paragraph (D) below.

(D) Upon receipt of Rebate Instructions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the Rebate Instructions. Any funds remaining in the Rebate Fund after redemption and payment of all of a Series of Bonds and payment and satisfaction of any Rebate Requirement applicable to such Series of Bonds, shall be withdrawn and remitted to the Authority in accordance with a Request of the Authority.

(E) Notwithstanding any other provision of this Trust Agreement, including in particular Article X thereof, the obligation to remit the Rebate Requirement applicable to each Series of Bonds to the federal government of the United States of America and to comply with all other requirements of this Section and each Tax Certificate shall survive the defeasance or payment in full of the Bonds.

SECTION 5.10 Payment Provisions Applicable to Interest Rate Swap Agreements. In the event the Authority shall enter into an Interest Rate Swap Agreement in connection with a Series of Bonds, the amounts received by the Authority, if any, pursuant to such Interest Rate Swap Agreement shall also be applied to the deposits required hereunder. If the Authority so designates in a Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds (or if such Interest Rate Swap Agreement is entered into subsequent to the issuance of such Series of Bonds, if the Authority so designates in a Certificate of the Authority delivered to the Trustee concurrently with the execution of such Interest Rate Swap Agreement), regularly-scheduled payments payable under such Interest Rate Swap Agreement (excluding Swap Termination Payments and obligations to pay fees and expenses incurred in connection with Interest Rate Swap Agreements which shall in all cases be payable

from, and secured by, Pledged Revenues on a subordinate basis to Bonds, Parity Obligations, Subordinate Obligations and fees and expenses payable from the Fees and Expenses Fund) shall constitute Parity Obligations under this Trust Agreement, and, in such event, the Authority shall pay or cause to be paid to the Trustee for deposit in the Interest Fund, at the times and in the manner provided by Section 5.02, the amounts to be paid pursuant to such Interest Rate Swap Agreement, as if such amounts were additional interest due on the Series of Bonds to which such Interest Rate Swap Agreement relates, and the Trustee shall pay to the Counterparty to such Interest Rate Swap Agreement, to the extent required thereunder, from amounts deposited in the Interest Fund for the payment of interest on the Series of Bonds with respect to which such Interest Rate Swap Agreement was entered into.

SECTION 5.11 Investment in Funds and Accounts. All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Trust Agreement shall be invested, as directed by the Authority, solely in Investment Securities. All Investment Securities shall, as directed by the Authority in writing or by telephone, promptly confirmed in writing, be acquired subject to the limitations set forth in Section 6.08, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Authority. If and to the extent the Trustee does not receive investment instructions from the Authority with respect to the moneys in the funds and accounts held by the Trustee pursuant to this Trust Agreement, such moneys shall be invested in Investment Securities described in clause (12) of the definition thereof and the Trustee shall thereupon request investment instructions from the Authority for such moneys.

Unless otherwise provided in a Supplemental Trust Agreement establishing such Reserve Fund, moneys in any Reserve Fund shall be invested in Investment Securities maturing in not more than five years, or having a put option or demand option providing funds upon request for the purpose of payment of the Bonds to which such Reserve Fund relates as provided herein. Moneys in the remaining funds and accounts shall be invested in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

Unless otherwise provided in a Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds or a Request of the Authority: (i) all interest, profits and other income received from the investment of moneys in the Interest Fund representing accrued interest or capitalized interest shall be retained in the Interest Fund; (ii) all interest, profits and other income received from the investment of moneys in a Reserve Fund shall be retained in such Reserve Fund to the extent of any deficiency therein, and otherwise shall be transferred to the Revenue Fund; (iii) all interest, profits and other income received from the investment of moneys in a Costs of Issuance Fund shall be transferred to the Revenue Fund; (iv) all interest, profits and other income received from the investment of moneys in the Project Fund shall be retained in the Project Fund, unless the Authority shall direct that such earnings be transferred to the Rebate Fund; (v) all interest, profits and other income received from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund, except as otherwise provided in Section 5.09, (vi) all interest, profits and other income received from the investment of moneys in any Purchase Fund shall be retained in such Purchase Fund; and (vii) all interest, profits and other income received from the investment of moneys in any other fund or account shall be transferred to the Revenue Fund. Notwithstanding anything to the contrary contained in this

paragraph, an amount of interest received with respect to any Investment Securities equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Securities shall be credited to the fund or account from which such accrued interest was paid.

Unless otherwise provided in a Supplemental Trust Agreement establishing such Reserve Fund, all Investment Securities credited to any Reserve Fund shall be valued (at market value) as of June 1 and December 1 of each year (or the next succeeding Business Day if such day is not a Business Day), such market value to be determined by the Trustee in the manner then currently employed by the Trustee or in any other manner consistent with corporate trust industry standards. Notwithstanding anything to the contrary herein, in making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to it, including those available through its regular accounting system.

The Trustee may commingle any of the funds or accounts established pursuant to this Trust Agreement (except the Rebate Fund and any Purchase Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Trust Agreement. The Trustee may act as principal or agent in the making or disposing of any investment and, with the prior written consent of the Authority may impose its customary charge therefor. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Securities are credited. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01 **Punctual Payments.** The Authority will punctually pay or cause to be paid the principal or Redemption Price of and interest on all the Bonds, in strict conformity with the terms of the Bonds and of this Trust Agreement, according to the true intent and meaning thereof, and shall punctually pay or cause to be paid all Mandatory Sinking Account Payments, but in each case only out of Pledged Revenues as provided in this Trust Agreement.

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

SECTION 6.03 **Waiver of Laws.** The Authority will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the covenants and agreements contained in this Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.04 **Further Assurances.** The Authority will make, execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Trust Agreement.

SECTION 6.05 **Against Encumbrances.** The Authority will not create any pledge, lien or charge upon any of the Pledged Tax Revenues having priority over or having parity with the lien of the Bonds except only as permitted in Section 3.06.

SECTION 6.06 **Accounting Records.** The Authority will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Pledged Revenues. Such books of record and account shall be available for inspection by the Trustee at reasonable hours and under reasonable circumstances; provided, the Trustee shall have no duty or obligation to inspect such books of record and account.

SECTION 6.07 **Collection of Pledged Tax Revenues.**

(A) The Authority covenants and agrees that it has duly levied the Measure R Sales Tax in accordance with the Authority Act, pursuant to and in accordance with the Ordinance, duly passed and adopted by the Authority. The Ordinance will not be amended, modified or altered so long as any of the Bonds are Outstanding in any manner which would reduce the amount of or timing of receipt of Pledged Tax Revenues, and the Authority will continue to levy and collect the Measure R Sales Tax to the full amount permitted by law. The Authority further covenants that it has entered into an agreement with the CDTFA, as successor to the State Board of Equalization, under and pursuant to which the CDTFA will process and supervise collection of the Measure R Sales Tax and will transmit Pledged Tax Revenues directly to the Trustee. Said agreement will be continued in effect so long as any Bonds are Outstanding and shall not be amended, modified or altered without the written consent of the Trustee so long as any of the Bonds are Outstanding. The Authority will receive and hold in trust for (and remit immediately to) the Trustee any Pledged Tax Revenues paid to the Authority by the CDTFA.

(B) Pledged Tax Revenues received by the Trustee shall be transmitted to the Authority pursuant to Section 5.02; provided that, during the continuance of an Event of Default, any Pledged Tax Revenues received by the Trustee shall be applied as set forth in Section 7.02.

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

(D) The Authority covenants that so long as the Bonds are Outstanding, it will not, to the best of its ability, suffer or permit any change, modification or alteration to be made to the Act which would materially and adversely affect the rights of Bondholders.

SECTION 6.08 **Tax Covenants.** The Authority covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of, or any federal subsidy with respect to, the interest on the Bonds under section 103 of the Code; provided that, prior to the issuance of any Series of Bonds, the Authority may exclude the application of the covenants contained in this Section 6.08 and Section 5.09 to such Series of Bonds. The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority, or take or omit to take any action that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code. To that end, the Authority will comply with all requirements of the Tax Certificate relating to each Series of the Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section 6.08 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement, the Authority shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the Authority agrees that there shall be paid from time to time all amounts required to be rebated to the federal government of the United States of America pursuant to section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. The Authority specifically covenants to pay or cause to be paid to the federal government of the United States of America the Rebate Requirement with respect to each Series of Bonds at the times and in the amounts determined under and as described in the Tax Certificate executed and delivered in connection with such Series of Bonds.

Notwithstanding any provision of this Section 6.08, Section 5.09 and any Tax Certificate, if the Authority shall receive an Opinion of Bond Counsel to the effect that any action required under this Section 6.08, Section 5.09 or any Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of, or any federal subsidy with respect to, the interest on the Bonds pursuant to Section 103 of the Code, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

Notwithstanding any provisions of this Trust Agreement, including particularly Article X, the covenants and obligations set forth in this Section 6.08 shall survive the defeasance of the Bonds or any Series thereof.

SECTION 6.09 **Continuing Disclosure.** Upon the issuance of any Series of Bonds requiring an undertaking regarding continuing disclosure under Rule 15c2-12, the Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed and delivered in connection with such Series of Bonds. Notwithstanding any other provision of this Trust Agreement, failure of the Authority to comply with the provisions of any Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating

Underwriter or of the Holders of at least 25% aggregate principal amount of any Series of Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Holder or beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Section 6.09.

SECTION 6.10 Compliance with Allocation and Expenditure Requirements of the Ordinance. The Authority hereby covenants and agrees that it shall comply with the Ordinance. In conformance with Section 7 of the Ordinance, the Authority hereby covenants and agrees that it shall deposit or allocate the proceeds of the Bonds and Parity Obligations in the appropriate subfunds and accounts of the Project Fund and shall account for the expenditure of such proceeds in accordance with the expenditure allocation categories defined in the Ordinance. In order to preserve its ability to comply with such expenditure allocation requirements during the entire period that the Measure R Sales Tax is levied, the Authority covenants and agrees that at the time of issuance of any Series of Bonds or Parity Obligations the portion of projected Measure R Sales Tax revenues attributable to such category in each year, as determined by the Authority, divided by the Assumed Debt Service attributable to such Bonds or Parity Obligations for any expenditure allocation category defined in the Ordinance shall not be less than 110%.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

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

(A) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, or default in the redemption from any Sinking Account of any Bonds in the amounts and at the times provided therefor;

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

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

(D) if any payment default shall exist under any agreement governing any Parity Obligations and such default shall continue beyond the grace period, if any, provided for with respect to such default;

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

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

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

SECTION 7.02 Application of Pledged Revenues and Other Funds After Default; No Acceleration. If an Event of Default shall occur and be continuing, the Trustee shall apply all Pledged Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement (excluding the Rebate Fund and any Purchase Fund and except as otherwise provided in this Trust Agreement) as follows and in the following order:

(1) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds and Parity Obligations, including the costs and expenses of the Trustee and the Bondholders in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under this Trust Agreement;

(2) to the payment of the whole amount of Bond Obligation then due on the Bonds and Parity Obligations (upon presentation of the Bonds and Parity Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement (including Section 9.02), with interest on such Bond Obligation, at the rate or rates of interest borne by the respective Bonds and on Parity Obligations, to the payment to the persons entitled thereto of all installments of interest then due and payable and the unpaid principal or Redemption Price of any Bonds and Parity Obligations which shall have become due and payable, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue Bond Obligation and Parity Obligations at the rate borne by the respective Bonds and Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds and Parity Obligations due

and payable on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Accreted Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference;

(3) to the extent Pledged Revenues are available therefor, to be transferred to the trustee for the Subordinate Obligations in the amount necessary for payment of Subordinate Obligations;

(4) to the extent Pledged Revenues are available therefor, to be transferred to the trustee for the Junior Subordinate Obligations in the amount necessary for payment of Junior Subordinate Obligations; and

(5) to the payment of all other obligations payable hereunder.

Notwithstanding anything in this Trust Agreement to the contrary, in no event are the Bonds subject to acceleration if an Event of Default occurs and is continuing; provided, however, that the accelerated payment of Liquidity Facility Bonds or reimbursement obligations relating to Liquidity Facility Bonds pursuant to the term out provisions of any related Liquidity Facility, letter of credit reimbursement agreement or similar agreement between the Authority and the related Liquidity Provider shall not be considered to be an acceleration for purposes of this paragraph.

SECTION 7.03 Trustee to Represent Bondholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Trust Agreement, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and, with respect to any Series of Bonds for which a Credit Enhancement has been provided, upon the written request of the Credit Provider providing such Credit Enhancement, or if such Credit Provider is then failing to make a payment required pursuant to such Credit Enhancement, upon the written request of the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under this Trust Agreement, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Pledged Tax Revenues and other assets pledged under this Trust Agreement, pending such proceedings; provided, however, that, with respect to any Series of Bonds for which a Credit Enhancement has been provided, the Trustee may only act with the consent of the Credit Provider providing such Credit Enhancement. All rights of action under this Trust Agreement or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the

possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Trust Agreement (including Section 7.05).

SECTION 7.04 Bondholders' Direction of Proceedings. Anything in this Trust Agreement to the contrary (except provisions relating to the rights of a Credit Provider to direct proceedings as set forth in Section 7.10) notwithstanding, the Holders of a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder; provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders or holders of Parity Obligations not parties to such direction.

SECTION 7.05 Limitation on Bondholders' Right to Sue. No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, the Act or any other applicable law with respect to such Bond, unless: (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; provided, however, that the written consent of a Credit Provider providing a Credit Enhancement with respect to a Series of Bonds shall be required if the Credit Enhancement with respect to such Series of Bonds is in full force and effect and if the Credit Provider providing such Credit Enhancement is not then failing to make a payment as required in connection therewith.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or the rights of any other Holders of Bonds, or to enforce any right under this Trust Agreement, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Trust Agreement.

SECTION 7.06 **Absolute Obligation of the Authority.** Nothing in Section 7.05 or in any other provision of this Trust Agreement, or in the Bonds, contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Pledged Revenues and other assets herein pledged therefor, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

SECTION 7.09 **No Waiver of Default.** No delay or omission of the Trustee, any Credit Provider or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Trust Agreement to the Trustee, to any Credit Provider or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by Trustee or by any Credit Provider or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 Appointment, Duties Immunities and Liabilities of Trustee.

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

(B) The Authority may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (E) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and each Credit Provider then providing a Credit Enhancement for any Series of Bonds, and thereupon shall appoint a successor Trustee by an instrument in writing.

(C) The Trustee may at any time resign by giving written notice of such resignation to the Authority and each Credit Provider then insuring any Series of Bonds and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(D) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement, shall signify its acceptance of such appointment by executing and delivering to the Authority, each Credit Provider then insuring any Series of Bonds and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the

moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall give notice of the succession of such Trustee to the trusts hereunder by mail to the Bondholders at the addresses shown on the registration books maintained by the Trustee. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(E) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or bank having the powers of a trust company having (or, if such trust company or bank is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (E), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

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

immediately following the month in which the Series 2010 Bonds are delivered by the Trustee pursuant to the provisions of this Trust Agreement.

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

SECTION 8.04 **Liability of Trustee.**

(A) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond), and makes no representations as to the validity or sufficiency of this Trust Agreement, or of the Bonds, as to the sufficiency of the Pledged Revenues or the priority of the lien of this Trust Agreement thereon, or as to the financial or technical feasibility of any portion of the Project and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Holder of a Bond may be entitled to take, with like effect as if the Trustee was not the Trustee under this Trust Agreement. The Trustee may in good faith hold any other form of indebtedness of the Authority, own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the Authority and make disbursements for the Authority and enter into any commercial or business arrangement therewith, without limitation.

(B) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

(C) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

(D) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any Credit Provider or any of the Bondholders pursuant to the provisions of this Trust Agreement, including, without

limitation, the provisions of Article VII hereof, unless such Credit Provider or such Bondholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that no security or indemnity shall be requested or required for the Trustee to deliver a notice to obtain funds under the Credit Enhancement delivered in connection with any Series of Bonds in order to pay principal of and interest on such Series of Bonds.

(E) No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder or in the exercise of its rights or powers.

(F) The Trustee shall not be deemed to have knowledge of, and shall not be required to take any action with respect to, any Event of Default (other than an Event of Default described in subsections (A) or (B) of Section 7.01) or event that would, with the giving of notice, the passage of time or both, constitute an Event of Default, unless the Trustee shall have actual knowledge of such event or shall have been notified of such event by the Authority, any Credit Provider then providing a Credit Enhancement for a Series of Bonds or the Holders of twenty-five percent (25%) of the Bond Obligation Outstanding. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain, monitor or inquire as to the performance or observance by the Authority of the terms, conditions, covenants or agreements set forth in Article VI hereof (including, without limitation, the covenants of the Authority set forth in Section 5.09 and 6.08 hereof, other than the covenants of the Authority to make payments with respect to the Bonds when due as set forth in Section 6.01 and to file with the Trustee when due, such reports and certifications as the Authority is required to file with the Trustee hereunder.

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

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

(I) The Trustee shall not be responsible for:

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

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

(3) any error or omission by the Authority in making any computation or giving any instruction pursuant to Section 5.09 and Section 6.08 and may rely

conclusively on the Rebate Instructions and any computations or instructions furnished to it by the Authority in connection with the requirements of Section 5.09, Section 6.08 and each Tax Certificate;

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

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

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

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

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

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

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS TRUST AGREEMENT

SECTION 9.01 **Amendments Permitted.**

(A) (1) This Trust Agreement and the rights and obligations of the Authority, the Holders of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the Authority and the Trustee may enter into when the written consent of the Holders of a majority in aggregate amount of Bond Obligation of the Bonds (or, if such Supplemental Trust Agreement is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section.

(2) No such modification or amendment shall (a) extend the maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (b) reduce the aforesaid percentage of Bond Obligation the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Pledged Revenues and other assets pledged under this Trust Agreement prior to or on a parity with the lien created by this Trust Agreement, or deprive the Holders of the Bonds of the lien created by this Trust Agreement on such Pledged Revenues and other assets (in each case, except

as expressly provided in this Trust Agreement), without the consent of the Holders of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution and delivery by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this Section 9.01(A), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Trust Agreement to the Holders of the Bonds at the addresses shown on the registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

(B) This Trust Agreement and the rights and obligations of the Authority, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the Authority and the Trustee may enter into without the consent of any Bondholders, but only to the extent that such modification or amendment is permitted by the Act and does not materially and adversely affect the interests of the Holders of the Bonds and only for any one or more of the following purposes:

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

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Trust Agreement, or in regard to matters or questions arising under this Trust Agreement, as the Authority may deem necessary or desirable, and which shall not materially and adversely affect the interests of the Holders of the Bonds;

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

(4) to provide for the issuance of an additional Series of Bonds pursuant to the provisions of Article III hereof;

(5) to make modifications or adjustments necessary, appropriate or desirable to provide for the issuance or incurrence, as applicable, of Capital Appreciation Bonds, Parity Obligations, Subordinate Obligations, Junior Subordinate Obligations or Variable Rate Indebtedness, with such interest rate, payment, maturity and other terms as the Authority may deem desirable; subject to the provisions of Section 3.02, Section 3.03 and Section 3.06;

(6) to make modifications or adjustments necessary, appropriate or desirable to provide for change from one interest rate mode to another in connection with any Series of Bonds;

(7) to make modifications or adjustments necessary, appropriate or desirable to accommodate Credit Enhancements, Liquidity Facilities and Reserve Facilities;

(8) to make modifications or adjustments necessary, appropriate or desirable to provide for the appointment of an auction agent, a broker-dealer, a remarketing agent, a tender agent and/or a paying agent in connection with any Series of Bonds;

(9) to modify the auction provisions applicable to any Series of Bonds in accordance with the terms and provisions set forth in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds;

(10) to provide for any additional covenants or agreements necessary to maintain the tax-exempt status of, or any federal subsidy with respect to, interest on any Series of Bonds;

(11) to provide for the issuance of Bonds in book-entry form or bearer form and/or to modify or eliminate the book-entry registration system for any Series of Bonds;

(12) to modify, alter, amend or supplement this Trust Agreement in any other respect, including amendments that would otherwise be described in Section 9.01(A), if the effective date of such amendments is a date on which all Bonds affected thereby are subject to mandatory tender for purchase pursuant to the provisions of this Trust Agreement or if notice of the proposed amendments is given to Holders of the affected Bonds at least 30 days before the proposed effective date of such amendments and, on or before such effective date, such Holders have the right to demand purchase of their Bonds pursuant to the provisions of this Trust Agreement or if all Bonds affected thereby are in an auction mode and a successful auction is held following notice of such amendment; and

(13) for any other purpose that does not materially and adversely affect the interests of the Holders of the Bonds.

Any Supplemental Trust Agreement entered into pursuant to this Section shall be deemed not to materially adversely affect the interest of Holders to the extent that (i) such Holders' Bonds are secured by Credit Enhancement and (ii) the relevant Credit Provider shall have given its written consent to such Supplemental Trust Agreement as provided in Section 9.01(A); provided that such Credit Provider is not in default of its obligations under such Credit Enhancement.

SECTION 9.02 **Effect of Supplemental Trust Agreement.** From and after the time any Supplemental Trust Agreement becomes effective pursuant to this Article, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Authority, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced

hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Trust Agreement shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

SECTION 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Trust Agreement becomes effective pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Trust Agreement, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of his Bond for such purpose at the Corporate Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Trust Agreement shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Trust Agreement, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Corporate Trust Office, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same Series, tenor and maturity.

SECTION 9.04 Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Trust Agreement. Bonds of any Series or a portion thereof may be paid by the Authority in any of the following ways:

- (A) by paying or causing to be paid the Bond Obligation of and interest on such Outstanding Bonds, as and when they become due and payable;
- (B) by depositing with the Trustee, an escrow agent or other fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Outstanding Bonds; or
- (C) by delivering to the Trustee, for cancellation by it, such Outstanding Bonds.

If the Authority shall pay all Series for which any Bonds are Outstanding and also pay or cause to be paid all other sums payable hereunder by the Authority with respect to Parity Obligations, Subordinate Obligations and Junior Subordinate Obligations, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Trust Agreement), and notwithstanding that any Bonds shall not have been surrendered for payment, this Trust Agreement and the pledge of Pledged Revenues and other assets made under

this Trust Agreement and all covenants, agreements and other obligations of the Authority under this Trust Agreement shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the Authority all moneys or securities or other property held by it pursuant to this Trust Agreement which, as evidenced by a verification report, upon which the Trustee may conclusively rely, from an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

SECTION 10.02 **Discharge of Liability on Bonds.** Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, provided that the Holder thereof shall thereafter be entitled to the payment of the principal of and premium, if any, and interest on the Bonds, and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment.

If the Bonds being discharged are Variable Rate Indebtedness, (i) the Bonds shall be redeemed at the first possible redemption date or purchase date applicable to such Bonds and to the extent the rate of interest payable on such Bonds prior to such redemption or purchase date is not known, such rate of interest shall be assumed to be the maximum rate payable thereon or (ii) the Trustee shall receive a confirmation from the Rating Agency then rating the Bonds that the defeasance will not result in the reduction or withdrawal of the then-current ratings on the Bonds.

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

Notwithstanding anything in this Section 10.02 to the contrary, if the principal of or interest on a Series of Bonds shall be paid by a Credit Provider pursuant to the Credit Enhancement issued in connection with such Series of Bonds, the obligations of the Authority shall not be deemed to be satisfied or considered paid by the Authority by virtue of such payments, and the right, title and interest of the Authority herein and hereto and the obligations of the Authority hereunder shall not be discharged and shall continue to exist and to run to the benefit of such Credit Provider, and such Credit Provider shall be subrogated to the rights of the Holders of the Bonds of such Series.

SECTION 10.03 Deposit of Money or Securities. Whenever in this Trust Agreement it is provided or permitted that there be deposited with or held in trust money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Trust Agreement and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Defeasance Securities the principal of and interest on which when due will, in the opinion of an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm delivered to the Trustee (as confirmed by a verification report upon which verification report the Trustee may conclusively rely), provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Trust Agreement or by Request of the Authority) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

SECTION 10.04 Payment of Bonds After Discharge of Trust Agreement. Any moneys held by the Trustee in trust for the payment of the principal, Redemption Price, or interest on any Bond and remaining unclaimed for one year after such principal, Redemption Price, or interest has become due and payable (whether at maturity or upon call for redemption as provided in this Trust Agreement), if such moneys were so held at such date, or one year after the date of deposit of such principal, Redemption Price or interest on any Bond if such moneys were deposited after the date when such Bond became due and payable, shall be repaid to the Authority free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail to the Holders of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Holders thereof and the Trustee shall not be required to pay Holders any interest on, or be liable to the Holders or any other person (other than the Authority) for interest earned

on, moneys so held. Any interest earned thereon shall belong to the Authority and shall be deposited upon receipt by the Trustee into the Revenue Fund.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Liability of Authority Limited to Pledged Revenues. Notwithstanding anything in this Trust Agreement or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Pledged Revenues and other assets pledged hereunder for any of the purposes in this Trust Agreement mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Trust Agreement.

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

SECTION 11.03 Limitation of Rights. Nothing in this Trust Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Trustee, each Credit Provider, each Liquidity Provider, each Reserve Facility Provider, the Holders of the Bonds, the holders of any Parity Obligations, the holders of any Subordinate Obligations and the holders of any Junior Subordinate Obligations, including each Counterparty, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, each Credit Provider, each Liquidity Provider, each Reserve Facility Provider, the Holders of the Bonds and the holders of any Parity Obligations, including each Counterparty. Each Credit Provider and each Liquidity Provider is an express third party beneficiary of this Trust Agreement.

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

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

SECTION 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Trust Agreement or in the Bonds shall for any reason be held to be

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

SECTION 11.07 Notice to Authority and Trustee. Any notice to or demand may be served or presented, and such demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed, as the case may be, to the parties as listed below. Any such communication may also be sent by Electronic Means, receipt of which shall be confirmed.

Trustee: U.S. Bank National Association
633 West Fifth Street
24th Floor
Mail Stop: LM-CA-T24T
Los Angeles, California 90071
Telephone: (213) 615-6047
Fax: (213) 615-6197

Authority: Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, California 90012
Attention: Treasurer
Telephone: (213) 922-4047
Fax: (213) 922-4027

SECTION 11.08 Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Trust Agreement to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

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

The ownership of Bonds shall be proved by the bond registration books held by the Trustee. The Trustee may establish a record date as of which to measure consent of the Holders in order to determine whether the requisite consents are received.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09 Disqualified Bonds. In determining whether the Holders of the requisite aggregate Bond Obligation of Bonds have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Bonds that are owned or held by or for the account of the Authority, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlled by, or under direct or indirect common control with, the Authority. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal, Redemption Price or purchase price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

SECTION 11.11 Funds and Accounts. Any fund required by this Trust Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every holder thereof.

SECTION 11.12 Limitations on Rights of Credit Providers, Liquidity Providers, Reserve Facility Providers. A Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds may provide that any Credit Provider, Liquidity Provider or Reserve Facility Provider may exercise any right under this Trust Agreement given to the Holders of the Bonds to which such Credit Enhancement, Liquidity Facility or Reserve Facility relates. All provisions under this Trust Agreement authorizing the exercise of rights by a Credit Provider, a Liquidity Provider or a Reserve Facility Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider, Liquidity Provider or Reserve Facility Provider were not

mentioned therein (i) during any period during which there is a default by such Credit Provider, Liquidity Provider or Reserve Facility Provider under the applicable Credit Enhancement, Liquidity Facility or Reserve Facility or (ii) after the applicable Credit Enhancement, Liquidity Facility or Reserve Facility shall at any time for any reason cease to be valid and binding on the provider thereof, or shall be declared to be null and void by final, non-appealable judgment of a court of competent jurisdiction, or after the Credit Enhancement, Liquidity Facility or Reserve Facility has been rescinded, repudiated by the provider thereof or terminated, or after a receiver, conservator or liquidator has been appointed for the provider thereof. All provisions relating to the rights of a Credit Provider, Liquidity Provider or Reserve Facility Provider shall be of no further force and effect if all amounts owing to such Credit Provider, Liquidity Provider or Reserve Facility Provider shall have been paid pursuant to the terms of the applicable Credit Enhancement, Liquidity Facility or Reserve Facility and such Credit Enhancement, Liquidity Facility or Reserve Facility shall no longer be in effect.

SECTION 11.13 Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement.

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

SECTION 11.14 Waiver of Personal Liability. No Board member, officer, agent or employee of the Authority or the Trustee shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent or employee of the Authority or the Trustee from the performance of any of any official duty provided by law or by this Trust Agreement.

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

SECTION 11.16 Business Day. Except as specifically set forth in this Trust Agreement or a Supplemental Trust Agreement, transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day with the same effect as if made on such prior date.

SECTION 11.17 Effective Date of Trust Agreement. This Trust Agreement shall take effect upon its execution and delivery.

SECTION 11.18 Existing Supplemental Agreements. Upon the execution and delivery of this Trust Agreement by the parties hereto:

(i) the First Supplemental Trust Agreement and the Fourth Supplemental Trust Agreement shall remain in full force and effect, and

(ii) the Second Supplemental Trust Agreement, the Third Supplemental Trust Agreement and the Fifth Supplemental Trust Agreement shall be deemed terminated and void and shall have no further force or effect.

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

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

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: _____
Treasurer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer