

THIS PRINT COVERS CALENDAR ITEM NO. : 11

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the substitution of a letter of credit to provide credit support for the issuance and sale from time to time of Commercial Paper Notes on a revolving basis in a principal amount not to exceed \$100 million in one or more tax-exempt or taxable series in connection with the SFMTA's commercial note program to finance capital improvements which may need bridge financing in the future; approving the form of Amended and Restated Issuing and Paying Agent Agreement with US Bank, the Amended Dealer Agreements with Loop Capital and Morgan Stanley, respectively, and the form of new Letter of Credit and Reimbursement Agreement, together with the Fee Agreement, with Sumitomo Mitsui Banking Corporation, and authorizing the Director of Transportation to negotiate and execute the final forms of these agreements and take related actions for the SFMTA's commercial paper program subject to Board of Supervisors concurrence.



SUMMARY:

- The Charter and Administrative Code authorize the SFMTA to issue Commercial Paper Notes, with the concurrence of the Board of Supervisors without voter approval, and the Board of Supervisors has previously authorized the SFMTA to issue Commercial Paper Notes.
- The SFMTA wishes to substitute a letter of credit supporting the commercial paper program originally approved by the Board in 2013 in order to access low-cost, interim financing to fund the costs of certain projects through the issuance of Commercial Paper Notes.
- Investors require commercial paper programs to have credit support through a letter of credit or other credit facility to ensure that funds are available to pay principal and interest at maturity and, therefore, on November 28, 2017, the SFMTA issued a Request for Proposals for a letter of credit or alternative credit facility to substitute for the prior letter of credit approved in 2013.
- Based on the responses to the Request for Proposals, Sumitomo Mitsui Banking Corporation was selected as the Letter of Credit bank.

ENCLOSURES:

1. SFMTAB Resolution
2. Form of Letter of Credit and Reimbursement Agreement, together with Fee Agreement
3. Form of Amended and Restated Dealer Agreements
4. Form of Amended and Restated Issuing and Paying Agent Agreement
5. Form of Offering Memorandum

APPROVALS:

	DATE
DIRECTOR  _____	3/13/2018
SECRETARY  _____	3/13/2018

ASSIGNED SFMTAB CALENDAR DATE: March 20, 2018

PURPOSE

Authorizing the substitution of a letter of credit for the issuance and sale from time to time of Commercial Paper Notes on a revolving basis in a principal amount not to exceed \$100 million in one or more tax-exempt or taxable series in connection with the SFMTA's commercial note program to finance capital improvements which may need bridge financing in the future; approving the form of the Amended and Restated Issuing and Paying Agent Agreement with US Bank, Amended Dealer Agreements with Loop Capital and Morgan Stanley, respectively, and the form of new Letter of Credit and Reimbursement Agreement, together with the Fee Agreement, with Sumitomo Mitsui Banking Corporation, and authorizing the Director of Transportation to negotiate and execute the final forms of these agreements and take related actions for the SFMTA's commercial paper program subject to Board of Supervisors concurrence.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item will support the following goal and objectives of the SFMTA Strategic Plan:

- Goal 3: Improve the environment and quality of life in San Francisco
- Objective 3.5: Reduce capital and operating structural deficits

This item will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.

DESCRIPTION

Background

Currently, the SFMTA's debt program consists of (a) long-term fixed rate revenue bonds and (b) Commercial Paper Notes program. Commercial paper is a form of short-term (or interim) indebtedness designed to provide "as needed" interim funding for capital projects. Commercial paper notes are issued only when needed to pay project costs as incurred. Commercial paper has a fixed maturity date from one to 270 days, compared with a final maturity of up to 30-years for the SFMTA's long-term revenue bonds. On the maturity date, the commercial paper note may be "rolled" (or refinanced) with the subsequent issuance of commercial paper notes or retired through the issuance of long-term revenue bonds (or other available repayment sources e.g. grants).

The Commercial Paper Notes program was initially approved by the SFMTA Board, with the concurrence of the Board of Supervisors, and implemented in 2013. The initial five year letter of credit provided by State Street Bank is scheduled to expire in September 2018. The SFMTA and its financial advisor contacted State Street Bank to seek a renewal of the letter of credit under its terms. The renewal pricing offered by State Street Bank was not competitive and the SFMTA, in consultation with its financial advisors and the Controller's Office of Public Finance (OPF), decided to issue a new Request for Proposals (RFP) for a letter of credit or alternative credit facility to substitute for the 2013 letter of credit.

The RFP was issued on November 28, 2017 and five responses providing both letters of credit and alternative credit facilities were received. The review panel, consisting of the SFMTA, its financial advisors and the City Attorney's Office, evaluated the proposals based on qualifications, strength of bank, debt coverage requirements, credit rating requirements, term, default provisions and proposed fees. OPF was also consulted. Based on this competitive selection process, Sumitomo Mitsui Bank (Bank) was selected to provide a substitute letter of credit. The SFMTA will continue with the broker/dealers, Loop Capital and Morgan Stanley selected in 2013 as CP Dealers. The broker-dealer agreements with the CP Dealers are being amended to provide final expiration dates. The SFMTA will also continue with the Paying Agent selected in 2013, US Bank. However, the Issuing and Payment Agreement with US Bank will be amended and restated to reflect terms of the new letter of credit.

By substituting the letter of credit, the SFMTA will be continuing its Commercial Paper Note program (CP Program) at a not-to-exceed principal amount of \$100 million, utilizing the substitution of a new five year letter of credit to be provided by the Bank. Under the CP Program, Commercial Paper Notes (CP Notes) will be issued from time to time on a revolving basis to pay for Board-approved project costs in the SFMTA Capital Improvement Program and approved budgets. Interest accruing from outstanding CP Notes will be paid from legally available monies and budgeted in the SFMTA's operating budget and/or the proceeds of "rolls" of CP Notes.

The CP Program provides many benefits to the SFMTA. It allows the SFMTA to diversify its sources of financing by accessing the short-term market and thereby reduces borrowing costs by accessing debt markets only as funds are needed and at short-term borrowing rates, which are usually lower than long-term fixed rates. In addition, use of the commercial paper program improves the efficiency of the SFMTA's debt program by reducing the number of times that the SFMTA accesses the long-term debt market.

This is a short term funding vehicle that allows SFMTA to borrow as needed. At this point the SFMTA has no specific capital projects in mind. This action sets up the mechanism by which such a transaction could be used, if needed.

The Charter and Administrative Code authorize the SFMTA to issue CP Notes, with the concurrence of the Board of Supervisors without voter approval. In particular, City Charter 8A.102(b)13 states: "To the maximum extent permitted by law, with the concurrence of the Board of Supervisors, and notwithstanding the requirements and limitations of Sections 9.107, 9.108, and 9.109, have authority without further voter approval to incur debt for Agency purposes and to issue or cause to be issued bonds, notes, certificates of indebtedness, commercial paper, financing leases, certificates of participation or any other debt instruments. Upon recommendation from the Board of Directors, the Board of Supervisors may authorize the Agency to incur on behalf of the City such debt or other obligations provided: 1) the Controller first certifies that sufficient unencumbered balances are expected to be available in the proper fund to meet all payments under such obligations as they become due; and 2) any debt obligation, if secured, is secured by revenues or assets under the jurisdiction of the Agency."

The City has an established commercial paper program. In addition, the San Francisco International Airport and the San Francisco Public Utilities Commission have long standing commercial paper programs.

FINANCING DOCUMENTS

Amended and Restated Issuing and Paying Agent Agreement

An Amended and Restated Issuing and Paying Agent Agreement (IPA Agreement) is the agreement between the SFMTA and a paying agent (US Bank) that sets forth the terms for the issuance from time to time on a revolving basis of commercial paper notes. The Board is asked to approve a form of an IPA Agreement, which is the 2013 IPA Agreement amended to conform to the substituted letter of credit, and to authorize the Director of Transportation to negotiate the terms of the final IPA Agreement within the parameters established in the attached resolution and subject to Board of Supervisors concurrence. The IPA Agreement creates a security interest on the SFMTA's transportation revenue for the benefit of the CP Notes on a subordinate basis to the SFMTA's revenue bonds. The IPA Agreement provides that draws on the letter of credit will be used to support the commercial paper notes.

Reimbursement Agreement

The letter of credit and reimbursement agreement is the legal document between the SFMTA and the Bank which sets out the terms by which the Bank will provide the letter of credit supporting the CP Notes. The document provides terms for draws on the letter of credit, SFMTA representations and covenants, events of default, Bank remedies and SFMTA indemnities to the Bank. The Board is asked to approve the form of Letter of Credit and Reimbursement Agreement and to authorize the Director of Transportation to negotiate the final terms with the Bank within the parameters established in the attached Resolution and subject to Board of Supervisors concurrence. The attached resolution approves the form of Reimbursement Agreement that provides for an Irrevocable Letter of Credit (the Letter of Credit) in the maximum stated amount that will cover the principal and interest on the up to \$100 million Commercial Paper Notes that may be drawn upon by the SFMTA. The SFMTA is required to repay the Bank should there be amounts drawn under the Letter of Credit in accordance with the terms and conditions set forth in the Reimbursement Agreement, which also includes a note to the Bank. The term of the letter of credit is five years. The interest rate on any bank bond shall not exceed 12% per year and the amortization of such bank bond shall be five years. It is expected that the Bank will be repaid from the remarketing of commercial paper or the proceeds of long term take-out revenue bonds (or other available repayment sources).

The SFMTA currently expects to enter a Reimbursement Agreement with the Bank with the terms described above which would result in annual fees of approximately 0.40% or \$440,000 under the substituted letter of credit vs. 0.535% or \$585,000 previously. The Reimbursement Agreement may be terminated at the option of the SFMTA for any reason, subject to a termination fee equal to the Commitment Fee during the first two years equal to bank fee which would have accrued from the date of termination or reduction through the second anniversary of the closing date. During the first two years, the Reimbursement Agreement may also be terminated without a termination fee should two of the Bank's short term credit ratings fall below "P-1," or "A-1" by Moody's Investors Service (Moody's) or Standard & Poor's (S&P), respectively (collectively, the Rating Agencies).

The current fee structure assumes that the SFMTA's senior lien revenue bonds credit rating from S&P does not decline below "AA-" (it is currently "AA") and that the Moody's rating does not

PAGE 5.

decline below “Aa3” (it is currently “Aa2”). The commitment fee may be increased in increments of 0.20% for every notch rating downgrade below the ratings of “Aa3” or “AA-“. Should the SFMTA’s senior lien revenue bonds credit rating fall below “Baa1” and “BBB+,” this would trigger a default. If an event of default occurs and is continuing, the commitment fee will automatically increase to 3.00% annually, commencing on the date of default and continuing until the SFMTA’s ratings are raised or the default is waived by the Bank or until the letter of credit is terminated. Other customary remedies are also available to the Bank in the event of a default, including declaring all principal and interest to be immediately payable, as well as other remedies specified in Section 7.02 of the Reimbursement Agreement.

Amended and Restated Dealer Agreements

The Amended and Restated Dealer Agreements with the CP Dealers (CP Dealer Agreements) set forth the duties of the CP Dealers, including soliciting and arranging the sales of the CPs on behalf of the SFMTA at such rates and maturities as then prevailing in the market. The CP Notes will be purchased and/or sold in accordance with the terms and conditions and in the manner provided in the CP Dealer Agreements. The CP Dealer Agreements include a term not less than one year with a cost not to exceed 0.05% per year of the weighted average of the principal amount of CPs outstanding each quarter, paid by the SFMTA quarterly in arrears.

Commercial Paper Memorandum

A draft of the commercial paper memorandum (CP Memo) has been prepared which describes the terms and security for the CP Notes, including a description of the Bank and the Letter of Credit. The CP Memo will be utilized by the CP Dealers as the disclosure document in the sale of the CP Notes. The CP Memo contains no financial information about the SFMTA. CP Note holders will rely on the credit of the Bank and its credit for repayment, rather than the SFMTA. There is no continuing disclosure associated with the CP Memo.

Commercial Paper Administration

The SFMTA CP program will be jointly administered by OPF and the SFMTA. OPF will be responsible for initiating the issuance of CP with the CP Dealers and reporting on the CP Program. The SFMTA will be responsible for requesting drawdowns based on cash flow needs and encumbrance and expenditure schedules. Annual administration fees of the CP Program are not expected to exceed \$700,000, which is inclusive of the letter of credit, dealer fees, ratings surveillance and staff costs.

Documentation and Next Steps

The Board is being asked to consider several legal documents authorizing the issuance of commercial paper by the SFMTA. These documents include the following:

- Form of an Amended and Restated IPA Agreement with US Bank
- Form of a Letter of Credit and Reimbursement Agreement with Sumitomo Mitsui Bank, together with the proposed Fee Agreement
- Form of Amended and Restated Dealer Agreements for Loop Capital and Morgan Stanley

PAGE 6.

The Director of Transportation will be authorized to make any necessary modifications, changes or additions to the documents described above as long as they are within the parameters of the attached resolution.

The City Attorney's Office has reviewed this report.

STAKEHOLDER ENGAGEMENT

Public outreach has been conducted as part of the Capital Budget and Capital Improvement Plan outreach. This program has been included in these discussions with various stakeholders, including the Citizens' Advisory Council and Bond Oversight Committee.

ALTERNATIVES CONSIDERED

The alternatives to approving a letter of credit are to fund capital improvements from the operating budget, to issue additional revenues bonds or other debt instruments or to defer capital improvements.

The SFMTA opted to enter into a substitution letter of credit rather than extend the 2013 commercial paper program letter of credit after checking the capital markets for better pricing, terms and alternative products.

FUNDING IMPACT

The proceeds from this program will enable the SFMTA to fund approved capital projects. Fee and interest payments are budgeted in the SFMTA's two-year operating budget.

The table below compares the costs of the current commercial paper program versus an extension with the existing provider and the replacement program being recommended:

	Current Program	Extension of Current Program	Replacement Program
LOC Sizing			
LOC Principal Component	100,000,000	100,000,000	100,000,000
LOC Interest Component @ max rate for 270 days	8,876,712	8,876,712	8,876,712
Total LOC Size	108,876,712	108,876,712	108,876,712
Annual LOC Fee Rate	0.535%	0.520%	0.400%
Annual LOC Fee \$ Amount	582,490	566,159	435,507
Total Fees			
Total LOC Fee	582,490	566,159	435,507
Dealer Fee @ .05% /.05% /.045%	50,000	50,000	45,000
Surveillance Fee (for two rating agencies - estimated)	15,000	15,000	15,000
IPA Fee	2,000	2,000	2,000
Total	\$ 649,490	\$ 633,159	\$ 497,507
Additionally, the estimate for cost of issuance was/ is:	\$ 362,000	\$ 121,000	\$ 171,000

ENVIRONMENTAL REVIEW

On February 5, 2018, the SFMTA, under authority delegated by the Planning Department, determined that the proposed Commercial Paper Program is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

For projects which would be potentially funded by the proceeds from the CP Notes program, the SFMTA will not proceed with any project until there has been complete compliance with CEQA and the City’s Environmental Quality Regulations (San Francisco Administrative Code Section 31). If the project(s) are found to cause significant adverse impacts, the SFMTA retains absolute discretion to: (1) modify the project to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts of the project, (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the project, as identified upon environmental evaluation in compliance with CEQA and the Chapter 31, (4) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

This transaction will require the concurrence of the Board of Supervisors. The Controller will also need to issue a certification of the SFMTA’s financial condition.

RECOMMENDATION

Authorize the substitution of a letter of credit to provide credit support for the issuance and sale from time to time of Commercial Paper Notes on a revolving basis in a principal amount not to exceed \$100 million in one or more tax-exempt or taxable series in connection with the SFMTA’s commercial paper program to finance capital improvements which may need bridge financing in the future; approve the form of Amended and Restated Issuing and Paying Agent Agreement with US Bank, the Amended Dealer Agreements with Loop Capital and Morgan Stanley, respectively, and the form of new Letter of Credit and Reimbursement Agreement, together with the Fee Agreement, with Sumitomo Mitsui Banking Corporation, and authorize the Director of Transportation to negotiate and execute the final forms of these agreements and take related actions for the SFMTA’s commercial paper program subject to Board of Supervisors concurrence.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Pursuant to Section 8A.102(b)(13) of the Charter (the “Charter”) and Chapter 43, Article XIII of the Administrative Code of the City and County of San Francisco (the “City”), the San Francisco Municipal Transportation Agency (SFMTA) may issue revenue bonds, commercial paper and other debt instruments, with the concurrence of the Board of Supervisors (“Board of Supervisors”) of the City and without voter approval; and,

WHEREAS, Pursuant to the procedures outlined in Ordinance No. 57-12, finally passed by the Board of Supervisors on April 17, 2012, and signed by the Mayor on April 19, 2012, codified under Chapter 43, Article XIII of the Administrative Code of the City, the Board of Directors of the SFMTA (the “Board of Directors”) may issue commercial paper notes (“CP Notes”) authorized in accordance with the Charter; and,

WHEREAS, Pursuant to Resolution No. 13-071, approved by the Board of Directors on June 4, 2013, the Board of Directors has authorized up to \$100 million aggregate principal amount in CP Notes to be issued from time to time on a revolving basis in one or more tax exempt or taxable series to finance SFMTA capital improvements and other SFMTA-related purposes, subject to approval by the Board of Supervisors; and,

WHEREAS, Pursuant to Resolution No. 246-13, adopted by the Board of Supervisors on July 16, 2013, and signed by the Mayor on July 25, 2013, the Board of Supervisors has authorized up to \$100 million aggregate principal amount in CP Notes to be issued from time to time on a revolving basis in one or more tax exempt or taxable series to finance SFMTA capital improvements and other SFMTA-related purposes; and,

WHEREAS, Pursuant to the foregoing ordinance and resolutions, SFMTA finances the costs of certain transportation projects included in the SFMTA Board of Directors approved Capital Improvement program and Capital Budget through the a commercial paper program (“CP Program”) through the issuance of CP Notes; and,

WHEREAS, In order to carry out the CP Program SFMTA previously appointed State Street Bank and Trust (“State Street”) to provide credit support for the CP notes under irrevocable direct pay letter of credit (“2013 Letter of Credit”) issued pursuant to the terms of a letter of credit and reimbursement agreement (the “2013 Reimbursement Agreement”) between the SFMTA and State Street; and,

WHEREAS, On February 5, 2018, the SFMTA, under authority delegated by the Planning Department, determined that the proposed Commercial Paper Program is not defined as a “project” under the California Environmental Quality Act (“CEQA”) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the Board of Directors, and is incorporated herein by reference; and,

WHEREAS, For projects which would be potentially funded by the proceeds from the Commercial Paper Notes program, the SFMTA will not proceed with any project until there has been complete compliance with CEQA and the City's Environmental Quality Regulations (San Francisco Administrative Code Section 31), and if any of the projects are found to cause significant adverse impacts, the SFMTA retains absolute discretion to: (1) modify the project to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts of the project, (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the project, as identified upon environmental evaluation in compliance with CEQA and the Chapter 31, (4) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts; and,

WHEREAS, The 2013 Letter of Credit expires by its terms on September 10, 2018; and,

WHEREAS The 2013 Reimbursement Agreement allowed for an extension, the renewal pricing was determined not to be attractive to the SFMTA; therefore a request for proposals was issued to evaluate both a replacement commercial paper program and an alternative product; and,

WHEREAS, After an evaluation of the responses to such request for bids, SFMTA staff determined that a letter of credit supporting the \$100 million aggregate principal amount of CP Notes (the "SMBC Letter of Credit"), offered by Sumitomo Mitsui Banking Corporation (SMBC), acting through its New York Branch, to be most advantageous to the SFMTA; and,

WHEREAS, The proposed form of Reimbursement Agreement (the "SMBC Reimbursement Agreement"), which includes the form of SMBC Letter of Credit and the related Bank Note (the "Bank Note"), each as an exhibit thereto, and its related Fee Agreement (the "SMBC Fee Agreement"), to be entered into between SFMTA and SMBC, have been presented to the Board of Directors and filed with the Secretary; and,

WHEREAS, In order to carry out the CP Program with the new SMBC Letter of Credit, SFMTA will enter into an Amended and Restated Issuing and Paying Agent Agreement (the "IPA Agreement") that sets forth the terms for the issuance from time to time on a revolving basis of the CP Notes and creates a security interest on the SFMTA's transportation revenue for the benefit of the CP Notes on a subordinate basis to the SFMTA's revenue bonds; and,

WHEREAS, In order to carry out the CP program with the new SMBC Letter of Credit, SFMTA will retain Loop Capital Markets, LLC and Morgan Stanley & Co., LLC, as commercial paper dealers (each a "Dealer," and together, the "Dealers") pursuant to the terms of Amended and Restated Dealer Agreements between SFMTA and each Dealer (each, a "Dealer Agreement," and together, the "Dealer Agreements"), which Dealers will utilize a CP Notes Offering Memorandum (the "Offering Memorandum" and collectively with the SMBC Letter of

Credit, the SMBC Reimbursement Agreement, the Bank Note, the SMBC Fee Agreement, the IPA Agreement and the Dealer Agreements, the “Financing Documents”) to be prepared by the SFMTA; and,

WHEREAS, The proposed forms of the IPA Agreement, the Dealer Agreements and the Offering Memorandum have been presented to the Board of Directors and filed with the Secretary, and the SFMTA finds it in its best interest to enter into such IPA Agreement and Dealer Agreements and to deliver the Offering Memorandum in connection with the CP Notes; and,

WHEREAS, The Board of Directors has duly considered such transactions and wishes at this time to approve such transactions in the interests of public transportation subject to the Board of Supervisors’ concurrence; and,

WHEREAS, A form of a proposed resolution of the Board of Supervisors (the “Proposed City Resolution”) providing such Board of Supervisors’ concurrence with the foregoing has been presented to the Board of Directors and filed with the Secretary; now therefore be it

RESOLVED, That the SFMTA Board of Directors hereby appoints Sumitomo Mitsui Banking Corporation as the letter of credit bank to provide credit support in an amount up to \$100 million aggregate principal amount for the Commercial Paper Notes issued from time to time on a revolving basis in one or more tax exempt or taxable series to finance SFMTA capital improvements and other SFMTA-related purposes, and approves the form of the SMBC Reimbursement Agreement; provided however, that (a) the term of any such letter of credit at its time of delivery shall not be less than one year nor more than six years, (b) the interest rate on amounts owed to SMBC shall be not to exceed twelve percent (12%) per annum (provided that such interest rate may be higher under certain circumstances as provided in the SMBC Reimbursement Agreement, including document provisions commonly known as claw backs or that characterize payment of interest as a fee) (c) the letter of credit fee payable on such letter of credit shall not exceed 1.5% of the original stated amount of the SMBC Letter of Credit (provided that such rate may be higher if the SFMTA is in default), and (d) the SMBC Reimbursement Agreement shall contain such covenants, customary bank indemnity, defense and increased cost provisions as SMBC shall require, and as the City Attorney shall approve, or on such terms and conditions as the Director of Transportation shall deem necessary, advisable or appropriate upon consultation with the City Attorney; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute and deliver the Commercial Paper Notes, the Issuing and Paying Agent Agreement, the SMBC Reimbursement Agreement, the Bank Note, the SMBC Fee Agreement, the Dealer Agreements, the Offering Memorandum and such other related agreements, instruments, certificates and documents necessary or desirable to achieve the purposes and intent of this Resolution, including such resolutions or ordinances as may be necessary to obtain Board of Supervisors concurrence of the SFMTA’s CP Program set forth herein and that the Director of Transportation and all other appropriate officers, employees, representatives and agents of the SFMTA are authorized and directed to do everything necessary or desirable to provide for the execution and delivery of the Financing Documents, including, but not limited to, executing and

delivering such agreements, instruments, certificates and other documents as they may deem necessary or advisable; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute amendments to the SMBC Letter of Credit and the SMBC Reimbursement Agreement to extend the terms thereof for up to five years provided such amendments are in the best interests of the SFMTA, do not materially increase the costs or exposure of the SFMTA to SMBC and are otherwise executed in accordance with the Charter; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to approve and make such modifications, changes, additions or amendments to the IPA Agreement, SMBC Reimbursement Agreement, the Bank Note, the SMBC Fee Agreement, the Dealer Agreements and the Offering Memorandum, upon consultation with the City Attorney, as may be necessary or desirable in the interests of the SFMTA, and which changes are within the parameters of this resolution and that the Director of Transportation's approval of such modifications, changes, additions or deletions shall be conclusively evidenced by the execution and delivery by the Director of Transportation, of the IPA Agreement, the SMBC Reimbursement Agreement, the Bank Note, the SMBC Fee Agreement, the Dealer Agreements and the Offering Memorandum, provided that the Director of Transportation shall report to the Board of Directors on any modification, change, addition or amendment executed; and be it

FURTHER RESOLVED, That prior to entering into the Financing Documents, the Board of Supervisors shall have passed a resolution, substantially in the form of the Proposed City Resolution, and by passage of this resolution the Board of Directors hereby recommends that the Board of Supervisors adopt the Proposed City Resolution; and be it

FURTHER RESOLVED, That the Director of Transportation is authorized to present to the Board of Supervisors the Proposed City Resolution.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 20, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Enclosure 2

Form of Letter of Credit and Reimbursement Agreement, together with Fee Agreement

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of

April 1, 2018

by and between

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

and

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

TABLE OF CONTENTS

SECTION	HEADING	PAGE
Article I	Definitions	1
Section 1.01.	Definitions.....	1
Section 1.02.	Gender; Plural	8
Section 1.03.	Accounting Terms and Determinations	9
Article II	Issuance of Letter of Credit; Payment	9
Section 2.01.	Issuance of Letter of Credit; Drawings under the Letter of Credit	9
Section 2.02.	Repayment of Drawings; Bank Note	10
Section 2.03.	Payment of Bank Fees	13
Section 2.04.	No Deductions and Withholding for Taxes, Increased Costs	13
Section 2.05.	Extensions of the Letter of Credit.....	16
Section 2.06.	Limited Recourse Obligations	16
Section 2.07.	Obligations Unconditional.....	16
Article III	Conditions Precedent	17
Section 3.01.	Conditions Precedent to Effectiveness of Agreement	17
Section 3.02.	Conditions Precedent to Issuance of Letter of Credit	17
Section 3.03.	Conditions Precedent to any Drawing	19
Section 3.04.	Conditions Precedent to Advances and Term Loans	19
Section 3.05.	Request to Increase Stated Amount of the Letter of Credit	20
Section 3.06.	Conditions Precedent to the Issuance of Commercial Paper Notes	20
Article IV	Representations of Agency and the Bank	21
Section 4.01.	Representations of the Agency	21
Section 4.02.	Representations and Warranties of the Bank	24
Article V	Affirmative Covenants	25
Section 5.01.	Payment of Principal and Interest.....	25
Section 5.02.	Financial Statements	25
Section 5.03.	Operation and Maintenance of Transportation System	26
Section 5.04.	Inspection and Information.....	26
Section 5.05.	Compliance with Agreements.....	26
Section 5.06.	Preservation of Existence.....	26
Section 5.07.	Use of Proceeds.....	26
Section 5.08.	Offering and Disclosure Documents.....	27
Section 5.09.	Pledge of Available Transportation System Revenues	27
Section 5.10.	Payment of Taxes, Etc.	27
Section 5.11.	Compliance with Laws, Regulations and Investment Policies	27
Section 5.12.	Ratings	27

Section 5.13.	Maintenance of Insurance	28
Section 5.14.	Further Assurances.....	28
Section 5.15.	Future Credit Facilities	28
Section 5.16.	Preservation of Authority to Refinance Notes	29
Article VI	Negative Covenants	29
Section 6.01.	Compliance with Laws	29
Section 6.02.	Sale or Other Disposition of Property.....	29
Section 6.03.	Amendments	29
Section 6.04.	Tax Covenant	29
Section 6.05.	Liens.....	29
Section 6.06.	Dealers	29
Section 6.07.	Issuance of Commercial Paper Notes	30
Section 6.08.	Immunities	30
Article VII	Events of Default; Remedies	30
Section 7.01.	Events of Default	30
Section 7.02.	Remedies.....	33
Section 7.03.	No Issuance Notice	33
Article VIII	Miscellaneous	34
Section 8.01.	Amendments and Waivers	34
Section 8.02.	No Personal Liability of Agency Members and Officials	34
Section 8.03.	Limitation on Liability	34
Section 8.04.	Indemnification	34
Section 8.05.	Bank Information	35
Section 8.06.	Cost and Expenses	36
Section 8.07.	Notices	36
Section 8.08.	No Waiver; Remedies	37
Section 8.09.	Successors and Assigns; Participation of Agreement.....	37
Section 8.10.	City Requirements	38
Section 8.11.	Severability	38
Section 8.12.	No Third Party Rights.....	38
Section 8.13.	Governing Law; Waiver of Jury Trial	38
Section 8.14.	Counterparts.....	38
Section 8.15.	Prior Agreements Superseded.....	38
Section 8.16.	Headings	39
Section 8.17.	Patriot Act	39
Section 8.18.	OFAC	39
Section 8.19.	Assignment to Federal Reserve Bank.....	39
Section 8.20.	No Advisory or Fiduciary Responsibility	39
Section 8.21.	Redaction	40

EXHIBIT A	—	Irrevocable Letter of Credit
EXHIBIT B	—	Request for Increase in Stated Amount
EXHIBIT C	—	2018 City Holidays
EXHIBIT D	—	City Requirements
EXHIBIT E	—	Form of Bank Note
EXHIBIT F	—	Notice of Event of Default under Reimbursement Agreement
EXHIBIT G	—	Form of Final Drawing Notice
EXHIBIT H	—	Form of No Issuance Notice

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

This LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT is dated as of April 1, 2018 by and between the SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY (the “Agency”), and SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (together with its successors and assigns, the “Bank”).

WHEREAS, the Agency has undertaken a commercial paper program by causing the execution and delivery of its Commercial Paper Notes from time to time pursuant to the Amended and Restated Issuing and Paying Agent Agreement, dated as of April 1, 2018, by and between the Agency and the Issuing and Paying Agent (as hereinafter defined); and

WHEREAS, the Agency has determined to issue from time to time Commercial Paper Notes for the purposes of paying on an interim basis for the construction or acquisition of certain capital improvements for transit, parking improvements and street and traffic improvements of its Transportation System (as hereinafter defined) of the Agency, paying the principal of and interest on maturing Commercial Paper Notes, and paying for costs of issuing the Commercial Paper Notes; and

WHEREAS, the Agency has requested that the Bank issue an irrevocable direct-pay letter of credit (the “Letter of Credit”) to support the payment when due of the principal of and interest on the Commercial Paper Notes; and

WHEREAS, the Bank is willing to issue the Letter of Credit upon the terms and conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to enter into this Agreement, the Agency and the Bank hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Capitalized terms used herein and not defined herein shall have the definitions ascribed thereto in the Issuing and Paying Agent Agreement. The following terms, as used herein, have the following respective meanings:

“Advance” and “Advances” has the meaning set forth in Section 2.02(c) hereof.

“Advance Maturity Date” shall mean the maturity date of any Advance, which date shall be the earliest of (i) 180 days following the date of the Drawing that gave rise to such Advance and (ii) the date the Letter of Credit terminates in accordance with its terms.

“Agency” means the San Francisco Municipal Transportation Agency as duly constituted from time to time under the Charter, and all commissions, agencies or public bodies which shall succeed to the powers, duties and obligations of the Agency.

“*Agreement*” means this Letter of Credit and Reimbursement Agreement dated as of April 1, 2018, by and between the Agency and the Bank, as amended, modified or supplemented from time to time, in accordance with the provisions hereof.

“*Available Transportation System Revenues*” has the meaning ascribed to that term in the Issuing and Paying Agent Agreement.

“*Bank*” has the meaning ascribed to that term in the introductory paragraph of this Agreement.

“*Bank Agreement*” means any credit agreement, bond purchase agreement, liquidity agreement, direct purchase agreement or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by the Agency with any Person, directly or indirectly, or otherwise consented to by the Agency, under which any Person or Persons undertakes to purchase debt, make loans, extend credit or liquidity to the Agency in connection with any Parity Obligations, Senior Lien Revenue Bonds or Parity Notes.

“*Bank Information*” means information describing the Bank and furnished from time to time in writing by the Bank expressly for inclusion in any Offering Materials.

“*Bank Note*” has the meaning set forth in Section 2.02(b) hereof and shall be in the form of Exhibit E.

“*Bank Rate*” means, for any day, the rate of interest per annum equal to the greatest of (i) the Prime Rate *plus* two percent (2.00%), (ii) the Federal Funds Rate *plus* three percent (3.00%), (iii) the One Month USD LIBOR Rate in effect at such time *plus* three percent (3.00%) (*provided*, that if the One Month USD LIBOR Rate is no longer published, this clause (iii) shall be disregarded for purposes of calculating the Bank Rate), (iv) the SIFMA Rate in effect at such time *plus* three percent (3.00%) and (v) seven and one half percent (7.50%).

“*Bank-Related Persons*” means the Bank, its affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and affiliates.

“*Business Day*” means any day other than (i) a Saturday, Sunday or other day on which commercial banks located in New York, New York and San Francisco, California or the city in which is located the office of the Bank at which demands for a draw on the Letter of Credit will be made, are required or authorized by law to close for business, (ii) the New York Stock Exchange is closed or (iii) a legal holiday of the City or any other day the City is authorized by law to be closed for official business.

“*Change of Law*” means the adoption or implementation, after the Closing Date, of, or any change, after the Closing Date, in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change, after the Closing Date, in the interpretation or administration thereof by any court, central bank or other administrative or Governmental Agency (in each case whether or not having the force of law), or compliance by the Bank with any request or directive of any such court, central bank or other administrative or Governmental Agency (whether or not having

the force of law) or the occurrence of the effective date of any of the foregoing if adopted prior to the Closing Date or any change after the Closing Date in the application, interpretation or enforcement of any of the foregoing.

“*Charter*” means the Charter of the City and County of San Francisco, as amended and supplemented from time to time, and any new or successor Charter.

“*City*” means the City and County of San Francisco, a charter city and a municipal corporation organized and existing under the Constitution and laws of the State of California.

“*Closing Date*” means April __, 2018, the date on which the Letter of Credit is delivered to the Issuing and Paying Agent.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“*Commercial Paper Notes*” has the meaning ascribed to such term in the Issuing and Paying Agent Agreement.

“*Dealer*” means Loop Capital Markets LLC, Morgan Stanley & Co. LLC and any successor or assigns permitted under a Dealer Agreement and any other dealer for the Commercial Paper Notes, which is appointed by the Agency and has entered into a Dealer Agreement.

“*Dealer Agreement*” means each Dealer Agreement (such Dealer Agreement may be an Amended and Restated Dealer Agreement), dated as of April 1, 2018, by and between the Agency and a Dealer, and any and all modifications, alterations, amendments and supplements thereto, any other dealer agreement entered into by the Agency and a Dealer with respect to the Commercial Paper Notes, as amended and supplemented from time to time, and any such agreement with any successor Dealer.

“*Debt Service Fund*” has the meaning ascribed to such term in the Issuing and Paying Agent Agreement.

“*Default Rate*” means, as of any date of determination, a fluctuating rate per annum equal to the Bank Rate in effect on such date plus 4.00%.

“*Designated Representatives*” means each of the Director of Transportation, the Chief Financial Officer of the Agency and the Director of Public Finance of the City, and the respective successors to the powers and duties thereof, or such other person as may be designated to act on behalf of the Agency.

“*Dodd-Frank Act*” means the Dodd-Frank Wall Street Reform and Consumer Protection Act and all regulations, guidelines and direction in connection therewith.

“*Drawing*” means any Principal Drawing or Interest Drawing.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof.

“*Excess Amount*” has the meaning set forth in Section 2.02(i) hereof.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank on the Business Day next succeeding such day; *provided*, that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%) on any day, then the Federal Funds Rate shall be deemed to be zero percent (0.0%) for such day

“*Fee Agreement*” means that certain Fee Agreement dated as of April __, 2018, between the Agency and the Bank, as supplemented, restated and amended, in each case with a signature from a Designated Representative of the Agency evidencing acceptance of such Fee Agreement.

“*Final Drawing Notice*” means a Final Drawing Notice in the form of Exhibit G to this Agreement.

“*Fiscal Year*” means the twelve (12) month period commencing on July 1 of each year and ending on the next following June 30 or any other twelve consecutive months as may be adopted by the Agency as its fiscal year.

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

“*Governmental Agency*” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, central bank or comparable authority and shall include the Agency.

“*Interest Component*” has the meaning ascribed to such term in the Letter of Credit.

“*Interest Drawing*” means a drawing under the Letter of Credit, accompanied by a certificate in the form of Annex B to the Letter of Credit.

“*Issuing and Paying Agent*” means U.S. Bank National Association, or any successor or assigns permitted by the Issuing and Paying Agent Agreement, or any other Issuing and Paying Agent appointed by the Agency pursuant to the Issuing and Paying Agent Agreement.

“*Issuing and Paying Agent Agreement*” means the Amended and Restated Issuing and Paying Agent Agreement, dated as of April 1, 2018, by and between the Agency and the Issuing

and Paying Agent, including any and all modifications, alterations, amendments or supplements thereto and restatements thereof.

“Letter of Credit” means the irrevocable direct pay letter of credit to be issued by the Bank for the account of the Agency in favor of the Issuing and Paying Agent, as beneficiary, which shall be in substantially the form of Exhibit A to this Agreement.

“Lien” means any mortgage, lien, pledge, charge, security interest or encumbrance of any kind.

“Liquidity Rate” means, for any day, a rate of interest per annum equal to (i) from the date the related Advance is made to and including the thirtieth (30th) day immediately succeeding the date the related Advance was made, the Bank Rate from time to time in effect, (ii) for any day commencing on the thirty-first (31st) day immediately succeeding the date the related Advance was made to and including the ninetieth (90th) day immediately succeeding the date the related Advance was made, the sum of the Bank Rate from time to time in effect plus one (1.00%) percent and (iii) for any day commencing on the ninety-first (91st) day next the date the related Advance was made and thereafter, equal to the Bank Rate from time to time in effect plus two percent (2.00%); *provided, however*, that immediately and automatically upon the occurrence of an Event of Default and during the continuance of such Event of Default, “Liquidity Rate” shall mean the Default Rate; *provided, further*, that in no event shall the Liquidity Rate be less than the highest rate then borne by any outstanding Commercial Paper Notes.

“Material Adverse Effect” means the existence or lack of existence of any state of facts or the occurrence of any event or the failure of any event to occur or any combination of the foregoing that has or that could reasonably be expected to have in the foreseeable future a material adverse effect on (i) the Agency’s ability to timely perform its obligations under the Related Documents or the Senior Lien Revenue Bond Documents or (ii) the enforceability of this Agreement or any of the other Related Documents or (iii) the rights of or benefits or remedies available to the Bank under this Agreement or any other Related Document, other than as a result of a change in applicable law which results in a material adverse effect on the rights of or benefits or remedies available to the Bank under this Agreement or any other Related Document.

“Maximum Interest Rate” means the lesser of (i) the maximum rate imposed by applicable law and (ii) 12% per annum.

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

“No Issuance Notice” has the meaning set forth in Section 7.03 hereof.

“Notice of Extension” has the meaning set forth in Section 2.05 hereof.

“Obligations” means all obligations and liabilities of the Agency to the Bank under this Agreement and the Fee Agreement, including, but not limited to, Reimbursement Obligations.

“Offering Materials” means the Offering Memorandum and such future disclosure documents with respect to the Commercial Paper Notes and the Agency as may be prepared by the Agency or the Dealers from time to time in connection with the offering and sale of Commercial Paper Notes.

“Offering Memorandum” means the Offering Memorandum related to the Commercial Paper Notes dated April __, 2018.

“One Month USD LIBOR Rate” means, for any day, the rate per annum equal to the rate on deposits in United States dollars of amounts equal to or comparable to the principal amount of the Series B-3 Commercial Paper paid with the proceeds of a Drawing under the Letter of Credit, offered for a term of one month, which rate appears on the display designated as Reuters Screen LIBOR01 Page (or such other page as may replace Reuters Screen LIBOR01 Page or such other service or services as may be nominated by the ICE Benchmark Administration for the purpose of displaying London interbank offered rates for United States dollar deposits), determined as of approximately 11:00 a.m., London time, on such day. Notwithstanding anything herein to the contrary, if the One Month USD LIBOR Rate as determined as provided above would be less than zero percent (0.0%), then the One Month USD LIBOR Rate shall be deemed to be zero percent (0.0%).

“Original Stated Amount” has the meaning set forth in Section 2.01(a) hereof.

“Outstanding” (i) with respect to the Commercial Paper Notes, shall have the meaning assigned to such term in the Issuing and Paying Agent Agreement, (ii) with respect to the Bank Note, means the Bank Note, including the interest thereon, not repaid by the Agency, and (iii) with respect to Advances, means all Advances, including interest thereon, not repaid by the Agency and (iv) with respect to Term Loans, means all Term Loans, including interest thereon, not repaid by the Agency.

“Parent” means any Person controlling the Bank.

“Parity Notes” means commercial paper notes or other obligations payable from or secured by Available Transportation System Revenues on a subordinate basis to the lien on Transportation System Revenues securing the Senior Lien Revenue Bonds.

“Participant” has the meaning set forth in Section 8.09 hereof.

“Participation” has the meaning set forth in Section 8.09 hereof.

“Payment Office” has the meaning set forth in the Fee Agreement.

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

“*Prime Rate*” means the rate of interest announced by the Bank from time to time as its prime commercial rate or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate, it being understood that such rate may not be the Bank’s best or lowest rate.

“*Principal Component*” has the meaning ascribed to such term in the Letter of Credit.

“*Principal Drawing*” means a drawing under the Letter of Credit, accompanied by a certificate in the form of Annex A to the Letter of Credit.

“*Quarterly Payment Date*” means the first Business Day of each February, May, August and November.

“*Rating Agencies*” means Moody’s, Fitch and S&P.

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

“*Reimbursement Obligations*” means all obligations of the Agency payable under Section 2.02 hereof, including without limitation, all outstanding Advances and Term Loans.

“*Related Documents*” means this Agreement, the Commercial Paper Notes, the Fee Agreement, the Dealer Agreements, and the Issuing and Paying Agent Agreement.

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

“*Scheduled Termination Date*” means February __, 2023, unless extended in accordance with Section 2.05(a) hereof, in which case the Scheduled Termination Date means the date to which the Letter of Credit has been extended.

“*Senior Lien Parity Obligations*” means Parity Obligations as defined under the Senior Lien Revenue Bond Documents.

“*Senior Lien Revenue Bonds*” means all bonds currently outstanding or hereinafter issued by the Agency with a pledge or lien on the Available Transportation System Revenues prior to that of the Commercial Paper Notes.

“*Senior Lien Revenue Bond Documents*” means the Transportation System Bonds Indenture pursuant to which Senior Lien Revenue Bonds are issued from time to time.

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

“*SIFMA Rate*” 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 SIFMA or any Person acting in cooperation with

or under the sponsorship of SIFMA and acceptable to the Bank and effective from such date. In the event Municipal Market Data no longer produces an index satisfying the requirements of the preceding sentence, the SIFMA Rate (a/k/a, the “*SIFMA Municipal Swap Index*”) shall be deemed to be the S&P Municipal Bond 7 Day High Grade Rate Index, or if either such index is not available, such other similar national index as reasonably designated by the Bank. Notwithstanding anything herein to the contrary, if the SIFMA Rate as determined as provided above would be less than zero percent (0.0%) on any day, then the SIFMA Rate shall be deemed to be zero percent (0.0%) for such day.

“*Stated Amount*” has the meaning ascribed to such term in the Letter of Credit.

“*Scheduled Termination Date*” has the meaning ascribed to such term in the Letter of Credit.

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

“*Term Loan*” has the meaning set forth in Section 2.02(d) hereof.

“*Term Loan Maturity Date*” shall mean the maturity date of any Term Loan, which date shall be the earliest to occur of: (i) the date which is five (5) years following the date of the Drawing which gave rise to the related Advance that was converted to such Term Loan, (ii) the date on which an alternate credit facility becomes effective in substitution of the Letter of Credit, and (iii) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Scheduled Termination Date), including as a result of the occurrence of an Event of Default.

“*Term Loan Rate*” means, with respect to a Term Loan, the Bank Rate from time to time in effect plus 2.00%; *provided, however*, that immediately and automatically upon the occurrence of an Event of Default and during the continuance of such Event of Default, “*Term Loan Rate*” shall mean the Default Rate; *provided, further*, that in no event shall the Term Loan Rate be less than the highest rate then borne by any outstanding Commercial Paper Notes.

“*Termination Date*” means the date on which the Letter of Credit expires or terminates in accordance with its terms.

“*Transportation System Revenue Bonds Indenture*” has the meaning ascribed to such term in the Issuing and Paying Agent Agreement.

“*Transportation System*” has the meaning ascribed to such term in the Issuing and Paying Agent Agreement.

“*Underlying Provisions*” has the meaning set forth in Section 5.23 hereof.

Section 1.02. Gender; Plural. Unless the context clearly requires otherwise, all references made herein (i) in the neuter, masculine or feminine gender shall be deemed to have been made in

all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

Section 1.03. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the most recent audited financial statements of the Agency delivered to the Bank with respect to the Transportation System.

ARTICLE II

ISSUANCE OF LETTER OF CREDIT; PAYMENT

Section 2.01. Issuance of Letter of Credit; Drawings under the Letter of Credit. (a) The Agency hereby applies to the Bank for, and authorizes and instructs the Bank to issue for the Agency's account, the Letter of Credit, and to make Advances and Term Loans. The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Issuing and Paying Agent for the benefit of the owners from time to time of the Commercial Paper Notes, the Letter of Credit (substantially in the form of Exhibit A hereto), dated the Closing Date and completed in accordance with such form and the terms of this subsection 2.01(a). The initial stated amount of the Letter of Credit as of the Closing Date shall be \$108,876,713 (the "*Original Stated Amount*"), which amount is equal to \$100,000,000 maximum aggregate principal amount of the Commercial Paper Notes plus an interest component of \$8,876,713. Subject to Section 2.01(d), the Stated Amount may be from time to time reduced and/or reinstated or adjusted in accordance with the terms of the Letter of Credit, but shall in no event be less than the aggregate principal amount of the Commercial Paper Notes Outstanding plus interest on the Commercial Paper Notes for 270 days at an assumed rate equal to the Maximum Interest Rate based on a year of 365 days. The Bank will use only its own funds in honoring Drawings under the Letter of Credit. Unless otherwise terminated in accordance with its terms, the Letter of Credit shall expire on the Scheduled Termination Date. Upon honoring any Drawing, the Bank shall be deemed to have made a loan for the benefit of the Agency the proceeds of which shall be used by the Issuing and Paying Agent to pay the principal of and accrued interest on Commercial Paper Notes at the stated maturity thereof.

(b) The Letter of Credit is transferable in whole only to a successor Issuing and Paying Agent. Any such transfer (including any successor transfer) shall be effective upon receipt by the Bank of (i) the signed original of the instrument effecting each such transfer signed by an authorized officer of the transferor and by an authorized officer of the transferee in the form of Annex F attached to the Letter of Credit (which shall be conclusive of such transfer), (ii) the then current Letter of Credit and (iii) payment of the transfer fee described in the Fee Agreement. Upon the effectiveness of such a transfer (A) the Bank shall deliver a replacement Letter of Credit that is identical to the surrendered Letter of Credit but for the name of the beneficiary to the transferee or an amendment to the then current Letter of Credit reflecting that the transferee is the beneficiary of the Letter of Credit and (B) the transferee instead of the transferor shall, without the necessity of further action, be entitled to all the benefits of and rights under the Letter of Credit in the

transferor's place; *provided*, that in each case, any certificates of the Issuing and Paying Agent to be provided under the Letter of Credit shall be signed by one who states therein that such person is a duly authorized officer of the transferee.

(c) All Principal Drawings to be made under the Letter of Credit shall be made in the form of Annex A to the Letter of Credit and all Interest Drawings to be made under the Letter of Credit shall be made in the form of Annex B to the Letter of Credit, and the drawing made after receipt of a Final Drawing Notice shall be made in the form of Annex H to the Letter of Credit, each to be addressed to the Bank and submitted by an authorized officer of the Issuing and Paying Agent at the time and place specified in the Letter of Credit, and no further presentation of documentation, including the original Letter of Credit, need be made; it being understood that such draw request in the form of Annex A or Annex B shall, in all events, be considered to be the sole operative instrument of drawing.

(d) *Reduction of Stated Amount; Termination of Letter of Credit.* (i) The Agency may, upon at least thirty (30) days' prior written notice to the Bank, reduce the Stated Amount from time to time during the period from such date through the Termination Date, *provided*, that (A) the Stated Amount may not be reduced below the sum of the aggregate principal amount of the Outstanding Commercial Paper Notes plus interest on the outstanding principal amount of Commercial Paper Notes for 270 days at an assumed rate equal to the Maximum Interest Rate based on a year of 365 days, (B) the Bank shall have received a certificate in the form of Annex C to the Letter of Credit with respect to such reduction submitted by an authorized officer of the Issuing and Paying Agent and (C) the Bank shall have received the Reduction Fee, to the extent due pursuant to the terms of the Fee Agreement.

(ii) In the event that the Agency terminates the Letter of Credit pursuant to (d)(i) above, the Agency shall pay to the Bank any fee due under the Fee Agreement in connection with such termination and all other amounts owing under this Agreement, the Fee Agreement and the Bank Note.

Section 2.02. Repayment of Drawings; Bank Note.

(a) *Payment of Amounts Drawn on Drafts.* Subject to Sections 2.02(b) and (c) hereof, the Agency shall reimburse, or shall cause the Issuing and Paying Agent in accordance with the Issuing and Paying Agent Agreement to reimburse, the Bank for the amount paid by the Bank upon a Drawing under the Letter of Credit by 4:00 p.m. (New York time) on the day such Drawing is paid by the Bank.

(b) *Bank Note.* (i) The Obligations of the Agency to the Bank under this Agreement shall be evidenced by a promissory note (the "*Bank Note*") issued by the Agency on the Closing Date and which shall be registered in the name of and delivered to the Bank. The Bank Note shall evidence an obligation of the Agency until the principal of and interest with respect to the Bank Note and any and all Reimbursement Obligations shall have been paid by the Agency to the Bank in the amounts and at the times provided therein and herein. The Bank shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each Drawing honored by the Bank under the Letter of Credit and each Advance and Term Loan made

from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement or the Bank Note, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded. The Agency shall, without duplication (i) make a principal payment on the Bank Note on each date on which the Agency is required to make a principal payment on any Drawing, Advance and/or Term Loan, as applicable, in an amount equal to the principal payment due on such date and (ii) pay interest on the Bank Note on each date on which the Agency is required to make an interest payment with respect to any Drawing, Advance and/or Term Loan, as applicable, in an amount equal to the interest payment due on such. The payment of the principal of and interest on the Bank Note shall constitute payment of the principal of and interest on the related Drawings, Advances and Term Loans and the payment of the principal of and interest on the Drawings, Advances and Term Loans shall constitute the payment of and principal and interest on the Bank Note and the failure to make any payment on any Drawings, Advance or Term Loan when due shall be a failure to make a payment on the Bank Note and the failure to make any payment on the Bank Note when due shall be a failure to make a payment on the Drawing, Advance or Term Loan.

(ii) The principal amount of the Bank Note and the interest thereon shall not be paid with the proceeds of a Drawing under the Letter of Credit.

(c) *Advances.* If the Bank shall make any payment under the Letter of Credit pursuant to a Drawing and the conditions precedent set forth in Section 3.04(a) shall have been fulfilled, and the Agency does not reimburse or cause to be reimbursed the Bank in connection therewith by 5:00 p.m. (New York time) on the day such payment is made, then such payment shall constitute an advance made by the Bank to the Agency on the date and in the amount of such payment (each such advance being an “*Advance*” and, collectively, the “*Advances*”), and such unreimbursed Drawing shall be deemed paid. Each Advance made by the Bank to the Agency shall mature and the outstanding principal amount of such Advance shall be due and payable by the Agency on earliest of (i) the Advance Maturity Date for such Advance, (ii) the date on which an alternate credit facility becomes effective in substitution of the Letter of Credit, and (iii) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Scheduled Termination Date), including as a result of the occurrence of an Event of Default. Subject to Section 2.02(g) hereof, interest shall accrue on the unpaid principal amount of each Advance during the period from the date such Advance is made to and including the Advance Maturity Date for such Advance at a rate per annum equal to the Liquidity Rate. Accrued interest on each Advance shall be payable by the Agency in arrears on the first Business Day of each calendar month and the Advance Maturity Date for such Advance. In the event that the principal of, and interest on, any outstanding Advance is not paid when due, the Agency shall pay interest on the principal amount of such Advance and the amount of the unpaid interest, if any, on demand, at the Default Rate. Interest shall be calculated on the basis of a year consisting of 365 days and actual days elapsed. The Agency may prepay each Advance, in whole or in part, at any time, pursuant to Section 2.02(e) below.

(d) *Term Loans.* Unless the Agency has paid the Advance in full on the Advance Maturity Date, then, *provided* that the conditions precedent set forth in Section 3.04(b) hereof shall

have been fulfilled, the unpaid principal amount of such Advance shall be converted into, and the Bank shall be deemed to have extended to the Agency, a term loan (each, a “*Term Loan*”), and such unpaid Advance shall be deemed paid. Each Term Loan shall mature and be payable by the Agency on the Term Loan Maturity Date therefor. The Agency shall pay the principal amount of each Term Loan in twenty (20) equal quarterly installments in arrears over the term of the applicable Term Loan to be made on each Quarterly Payment Date commencing with the first Quarterly Payment Date to occur at least the three (3) months after the date on which such Term Loan was extended and continuing until paid in full on or prior to the Term Loan Maturity Date for such Term Loan. Subject to Section 2.02(g) hereof, interest shall accrue on the unpaid principal amount of each Term Loan from the date upon which such Term Loan is made to and including the Term Loan Maturity Date at the Term Loan Rate. Interest on each Term Loan shall be payable by the Agency, (i) on or prior to the applicable Term Loan Maturity Date for such Term Loan, monthly in arrears on the first Business Day of each month and on the Term Loan Maturity Date, and (ii) upon each date of prepayment of such Term Loan. In the event that the principal of, and interest on, any outstanding Term Loan is not paid when due, the Agency shall pay interest on the principal amount of such Term Loan and the amount of the unpaid interest, if any, on demand, at the Default Rate. Interest shall be calculated on the basis of a year consisting of 365 days and actual days elapsed. The Agency may prepay each Term Loan, in whole or in part, at any time, pursuant to Section 2.02(e) below.

(e) *Optional Prepayment.* (i) The Agency may prepay any Outstanding Advance and any Outstanding Term Loan, together with accrued interest to the date of such prepayment, in whole, or in part in a minimum amount of \$100,000, at any time upon one Business Day’s prior written notice delivered to the Bank. In the event an Advance or Advances or a portion of the Outstanding Advances or Term Loans are prepaid in part, such prepayment shall be applied as shall be determined by the Agency with the approval of the Bank.

(ii) Upon a prepayment of an Advance, the Principal Component and the Interest Component of the Letter of Credit corresponding to the related Drawing shall be reinstated as provided in the Letter of Credit.

(f) *Payments and Computations.* The Agency will make each payment pursuant to this Section 2.02 and pursuant to Sections 2.03 hereof not later than 4:00 p.m. (New York time) on the date when due, in lawful money of the United States of America and in immediately available funds, to the Bank to the Bank’s Payment Office set forth in the Fee Agreement.

Whenever any payment to be made under this Agreement or the Fee Agreement shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall in such case be included in the computation of interest or fees, as the case may be. All computations of interest hereunder or under the Fee Agreement shall be made on the basis of a year of 365 days for the actual number of days occurring in the period for which such interest is payable. Amounts received later than 4:00 p.m. New York time on a Business Day but before the Bank’s close of business on such Business Day shall be deemed received on or before 4:00 p.m. New York time on the next Business Day.

(g) *Default Rate.* If the Agency shall fail to pay when due (whether at maturity or otherwise) principal of or interest on the Bank Note or shall fail to pay any other Obligation after the grace period provided for such payment in Section 7.01 hereof shall have lapsed (other than with respect to the principal on the Bank Note or any Advance), each such unpaid amount shall bear interest for each day from and including the date it was so due or such grace period shall have expired, as applicable, until paid in full at a rate per annum equal to the Default Rate. During the continuance of an Event of Default, each Drawing, Advance, Term Loan and any other Obligation shall bear interest at a rate per annum equal to the Default Rate. Interest shall be calculated on the basis of a year consisting of 365 days and actual days elapsed.

(h) *Determination of Bank Rate.* The Bank shall give notice to the Agency and the City of the Bank Rate as soon as practicable following a request therefor. Each determination of the Bank Rate shall be conclusive (absent error) and binding upon the Agency and the City.

(i) *Maximum Interest Rate.* No interest rate due to the Bank hereunder, under the Fee Agreement or under the Bank Note shall exceed the Maximum Interest Rate; *provided, however,* that if the rate of interest payable hereunder, under the Bank Note or under the Fee Agreement shall exceed the Maximum Interest Rate for any period for which interest is payable, then (i) interest at the Maximum Interest Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Interest Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such Maximum Interest Rate, at which time the Agency shall pay or cause to be paid to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, under the Fee Agreement or under the Bank Note, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal such Maximum Interest Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. Upon the termination of this Agreement, in consideration for any limitation of the rate of interest which may otherwise be payable hereunder or under the Bank Note, the Agency shall pay or cause to be paid to the Bank the amount of all unpaid deferred Excess Interest.

Section 2.03. Payment of Bank Fees. The Bank and the Agency agree to perform the obligations provided for in the Fee Agreement, including without limitation, the payment of any and all fees provided therein. The terms of said Fee Agreement are incorporated by reference as if set forth in full herein. The Fee Agreement and this Agreement shall be construed as one agreement between the Agency and the Bank and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. All references to amounts due hereunder or under this Agreement shall be deemed to include all amounts and obligations (including without limitation fees and expenses) due under the Fee Agreement and all obligations under the Fee Agreement shall be construed as obligations hereunder. All fees paid under this Agreement and the Fee Agreement shall be fully earned when due and nonrefundable when paid.

Section 2.04. No Deductions and Withholding for Taxes, Increased Costs. (a) All payments made by the Agency hereunder, under the Fee Agreement and under the Bank Note shall be made without setoff, counterclaim or other defense. All such payments will be made free and

clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (but excluding, except as provided below, any tax imposed on or measured by the overall net income of the Bank pursuant to the laws of the jurisdiction (or any political subdivision or taxing authority thereof or therein) under which the Bank is organized) and all interest, penalties or similar liabilities with respect thereto (collectively, “*Taxes*”). If the Agency shall be required by any law, rule or regulation to deduct any Taxes from or in respect of any sum payable under this Agreement, the Fee Agreement or any Related Document to the Bank, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Agency shall make such deductions, (iii) the Agency shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws, rules and regulations and (iv) within forty-five (45) days after the date of such payment, the Agency shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof. The Agency will to the maximum extent permitted by applicable law indemnify and hold harmless the Bank, and reimburse the Bank upon its written request, for the amount of any Taxes so levied or imposed and paid by the Bank.

(b) If the Bank shall have determined that a Change of Law shall (A) change the basis of taxation of payments to the Bank of any amounts payable hereunder or under the Fee Agreement (except for taxes on the overall net income of the Bank), (B) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against making or maintaining its obligations under this Agreement or the Letter of Credit or assets held by, or deposit with or for the account of, the Bank or (C) impose on the Bank any other condition regarding this Agreement or the Letter of Credit, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to the Bank of making or maintaining its obligations hereunder or under the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank hereunder or under the Fee Agreement, then the Agency shall pay to the Bank, at such time and in such amount as is set forth in paragraph (e) of this Section, such additional amount or amounts as will compensate the Bank for such increased costs or reductions in amount received or receivable.

(c) If the Bank shall have determined that a Change of Law shall impose, modify or deem applicable any capital adequacy, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or the Bank’s Parent or holding company allocates capital resources to its commitments, including its obligations under letters of credit) that either (A) affects or would affect the amount of capital or liquidity to be maintained by the Bank or the Bank’s Parent or holding company or (B) reduces or would reduce the rate of return on the Bank’s or the Bank’s Parent or holding company’s capital to a level below that which the Bank or the Bank’s Parent or holding company could have achieved but for such circumstances (taking into consideration the Bank’s or the Bank’s Parent or holding company’s policies with respect to capital adequacy), then the Agency shall pay to the Bank or the Bank’s Parent or holding company at such time and in such amount as is set forth in paragraph (e) of this Section 2.04, such additional amount or amounts as will compensate the Bank or the Bank’s Parent or holding

company for such cost of maintaining such increased capital or liquidity or such reduction in the rate of return on the Bank's or the Bank's Parent or holding company's capital.

(d) Notwithstanding the foregoing, for purposes of this Section 2.04, (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Change of Law, regardless of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar Agency) or any Governmental Agency shall be deemed a Change of Law regardless of the date enacted, adopted or issued.

(e) All payments of amounts referred to in paragraphs (b) and (c) of this Section 2.04 shall be due and payable in full within thirty (30) days after the Agency's receipt of notice thereof. Interest on the sums due as described in paragraphs (a), (b) and (c) of this Section 2.04, and in the preceding sentence, shall begin to accrue from the date when the payments were first due at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full and shall be payable on demand and in accordance with Section 2.04 hereof. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank as a result of any event mentioned in paragraph (a), (b) or (c) of this Section 2.04 setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the Agency and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by such certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like as the Bank in good faith determines to be appropriate.

(f) Notwithstanding the provisions of this Section 2.04, the Agency shall have no liability for cost increases, yield reductions or other costs described in this Section 2.04 to the extent incurred by the Bank or imposed on the Bank more than 120 days prior to the date on which the Bank provides the certificate specified in clause (e) above; *provided*, that, to the extent such Change of Law that gives rise to such increased cost or reduction is retroactive, then the foregoing 120 day period shall be extended to include the period of retroactive effect thereof.

(g) The obligations of the Agency under this Section 2.04 shall survive the termination of this Agreement.

(h) The Bank and each Participant (if any) will promptly notify the Agency in writing of any event of which it has knowledge, occurring after the date hereof, which will entitle the Bank or such Participant to compensation pursuant to this Section. Each demand for compensation pursuant to this Section 2.04 shall be accompanied by a certificate of the Bank or such Participant in reasonable detail setting forth an explanation and a computation of such compensation (including the reason therefor). The Agency shall only be responsible for payment of any amounts under this Section 2.04 if notified of the event giving rise to such increased amount within one hundred twenty (120) days of such event.

(i) Notwithstanding anything to the contrary contained in this Section 2.04, the Agency shall have no obligation to pay amounts to any Participant pursuant to this Section 2.04 in an

amount greater than that which it would have been required to pay if the Bank had not participated any interest in the Letter of Credit.

Section 2.05. Extensions of the Letter of Credit. Not more than 240 days and not less than 60 days prior to the Scheduled Termination Date, the Agency may request in writing to the Bank that the Bank extend the Scheduled Termination Date. Within thirty (30) days of the receipt of such written request, the Bank will notify the Agency in writing of the decision by the Bank in its absolute discretion (and after such due diligence (if any) as the Bank shall undertake) whether to extend for such additional period, the Scheduled Termination Date for purposes of this Agreement and the Letter of Credit, including in such notice the extended Scheduled Termination Date and the conditions of such consent (including conditions relating to legal documentation and the consent of the Issuing and Paying Agent). If the Bank shall not so notify the Agency, the Bank shall be deemed to have denied any such extension. If the Bank, in its sole discretion, elects to extend the Scheduled Termination Date then in effect, the Bank shall deliver to the Agency and the Issuing and Paying Agent a notice of extension in the form of Annex G to the Letter of Credit (each, a “*Notice of Extension*”) designating the date to which the Scheduled Termination Date is being extended. Such extension of the Scheduled Termination Date shall be effective, after receipt of such notice, on the Business Day following the date of delivery of such Notice of Extension, and thereafter all references in this Agreement to the Scheduled Termination Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the Issuing and Paying Agent.

Section 2.06. Limited Recourse Obligations. Notwithstanding any other provision of this Agreement or any other Related Document to the contrary, the Obligations (including the payment of the principal of, interest on and redemption price of the Bank Note, which shall have a lien on Available Transportation System Revenues as provided in the Issuing and Paying Agent Agreement) shall not be payable from any income, receipts or revenues of the Agency other than Available Transportation System Revenues, as provided in the Issuing and Paying Agent Agreement and from other amounts as set forth in Section 6.01 of the Issuing and Paying Agent Agreement, nor shall the Obligations (other than the payment of the principal of, interest on and redemption price of the Bank Note) constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the property or upon any of the income, receipts, or revenues of the Agency, except Available Transportation System Revenues.

Section 2.07. Obligations Unconditional. Subject to Section 2.06 hereof, the Agency’s obligations under this Agreement, under the Fee Agreement and under the Bank Note shall be absolute, unconditional and irrevocable under any and all circumstances (except where the Bank has honored a drawing under the Letter of Credit (i) which constitutes gross negligence or willful misconduct of the Bank and (ii) the Bank has made such payment to a party other than the Agency, the Issuing and Paying Agent or any other Person as directed by the Issuing and Paying Agent in such request for Drawing).

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Effectiveness of Agreement. This Agreement shall become effective upon the execution hereof by the parties hereto.

Section 3.02. Conditions Precedent to Issuance of Letter of Credit. The Letter of Credit shall be issued upon the request of the Agency when each of the following conditions precedent has been fulfilled in a manner satisfactory to the Agency and the Bank, such satisfaction of the Bank to be conclusively evidenced by the issuance of the Letter of Credit by the Bank:

(a) *Delivery of Documents.* The Bank shall have received on or before the Closing Date the following, each in form and substance satisfactory to the Bank and its counsel and, unless indicated otherwise, dated the Closing Date:

(i) executed copies of the Related Documents, dated their respective dates, and any amendments and supplements thereto, and a specimen copy of the Commercial Paper Notes;

(ii) a certificate of a Designated Representative of the Agency, certifying as to the incumbency and signature of each of the officers of the Agency authorized to sign the Related Documents to which the Agency is a party;

(iii) a certified copy of the resolution of the Agency approving the execution, delivery and performance of the Related Documents to which the Agency is a party, certified by a duly authorized officer of the Agency on the Closing Date, which certificate shall state that the resolution has not been amended or annulled and is in full force and effect on the Closing Date;

(iv) a certificate of a Designated Representative of the Agency certifying that they have delivered or caused to be delivered to the Bank true and correct copies of the Senior Lien Revenue Bond Documents, and that such documents have not been amended, modified or rescinded.

(v) a certified copy of the resolution of the Board of Supervisors of the City approving of the issuance of the Commercial Paper Notes by the Agency, which certificate shall state that the Agency has authority to issue up to \$100 million in Commercial Paper Notes;

(vi) (A) the audited financial statements of the Agency with respect to the Transportation System for the Fiscal Years ended 2016 and 2017, (B) a copy of the Fiscal Years 2017-18 annual operating budget of the Agency for such Transportation System, and (C) a copy of the City's investment policy;

(vii) (A) an opinion of Bond Counsel addressed to the Bank to the effect that this Agreement, the Fee Agreement and the other Related Documents (excluding the Commercial Paper Notes) are valid and binding agreements of the Agency enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium or other laws affecting creditors' rights, to general principles of equity and to limitations on remedies against public agencies; and (B) a reliance letter from Bond Counsel addressed to the Bank to the effect that the Bank may rely Bond Counsel's opinion that interest on the Notes is exempt from gross income for federal income tax purposes;

(viii) a certificate of a duly authorized officer of the Agency, certifying that all conditions precedent with respect to the execution of the Related Documents shall have been satisfied and that, except as previously disclosed to the Bank, there has been no material adverse change in the financial condition, business, assets, liabilities or prospects of the Transportation System since June 30, 2017;

(ix) an opinion of the City Attorney of the City to the effect that (A) the Agency is duly organized and validly existing as a Agency of the City pursuant to the Charter with full legal power and authority to execute this Agreement and the other Related Documents and to issue the Commercial Paper Notes; (B) this Agreement and the other Related Documents are valid and binding agreements of the Agency enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium or other laws affecting creditors' rights, to general principles of equity and to limitations on remedies against public agencies; (C) no authorization, approval, consent or order of any agency or body having jurisdiction over the Agency is required which has not been obtained; (D) the issuance of the Commercial Paper Notes and the execution, delivery and performance of this Agreement and the other Related Documents do not conflict in any material respect with any law or agreements to which the Agency is a party, or cause a default under any documents to which the Agency is a party; and (E) no litigation is pending or threatened against the Agency threatening its existence or power or the ability to issue the Commercial Paper Notes or to enter into and perform its obligations under this Agreement and the other Related Documents;

(x) written confirmation from S&P and Moody's that the Commercial Paper Notes are rated: A-1 and P-1, respectively;

(xi) a certificate of the Issuing and Paying Agent, as to such matters as the Bank may reasonably request;

(xii) an opinion of counsel to the Issuing and Paying Agent, as to such matters as the Bank may reasonably request; and

(xiii) an opinion of United States counsel to the Bank, in form and substance satisfactory to the Bank and the Agency.

(xiv) a CUSIP number and long-term rating from at least one rating agency of at least investment grade shall be assigned to the Bank Note.

(b) *Representations and Covenants of the Agency; No Event of Default.* The following statements shall be true and correct on and as of the Closing Date, and the Bank shall have received a certificate signed by the Designated Representative of the Agency, dated the Closing Date, stating that:

(i) the representations of the Agency contained in Section 4.01 hereof are true and correct in all material respects on and as of the Closing Date as though made on and as of such date;

(ii) the Agency has performed or complied with all of its obligations, agreements and covenants to be performed or complied with by it on or prior to the Closing Date; and

(iii) after giving effect to the issuance of the Letter of Credit and the execution and delivery of this Agreement by the Agency, no Event of Default has occurred and is continuing.

(c) *Fees, Costs and Expenses.* The Bank shall have received payment of the fees, costs and expenses referred to in Section 8.06 hereof that are to be paid on or prior to the Closing Date.

Section 3.03. Conditions Precedent to any Drawing. The obligation of the Bank to honor any Drawing is subject to the fulfillment of each of the following conditions precedent:

(a) The Bank shall have timely received (or waived the receipt of, in the sole discretion of the Bank) a Drawing certificate in conformity with Annex A and/or Annex B, as applicable, to the Letter of Credit; and

(b) The Termination Date shall not have occurred.

Section 3.04. Conditions Precedent to Advances and Term Loans.

(a) *Advances.* Following any payment by the Bank under the Letter of Credit pursuant to a Drawing, an Advance shall be made available to the Agency if on the date of such Advance (i) the representations and warranties set forth in this Agreement shall be true and correct in all material respects and (ii) no Default (of which the Agency has actual knowledge and, for purposes of clarity, the Agency shall be deemed to have actual knowledge if the Bank has provided the Agency notice of any such Default) or Event of Default has occurred and is continuing.

(b) *Term Loans.* An Advance may be converted into a Term Loan if on the date of the making of such Term Loan (i) the representations and warranties set forth in this Agreement shall be true and correct in all material respects and (ii) no Default (of which the Agency has actual knowledge and, for purposes of clarity, the Agency shall be deemed to have actual knowledge if

the Bank has provided the Agency notice of any such Default) or Event of Default has occurred and is continuing.

Section 3.05. Request to Increase Stated Amount of the Letter of Credit. During the period from and including the date hereof to and including the Termination Date, so long as (i) the representations and warranties set forth in the Agreement are true and correct in all material respects and (ii) no Default or Event of Default has occurred and is continuing, the Agency may, from time to time, submit a request to the Bank for an increase to the Stated Amount of the Letter of Credit. Such request shall be in the form of Exhibit B hereto and shall provide:

- (a) the requested increase in the Stated Amount of the Letter of Credit;
- (b) the date on which the increase in the Stated Amount of the Letter of Credit shall become effective; and
- (c) a certification from the Agency to the Bank that (i) the representations and warranties set forth in the Agreement are true and correct in all material respects; and (ii) no Default or Event of Default has occurred and is continuing.

The Bank may, in its sole and absolute discretion, decide to accept or reject any such request (and, any such increase shall be subject to internal credit approval) and no increase shall become effective unless the Bank shall have delivered an amendment to the Letter of Credit effecting such increase. The Bank shall use commercially reasonable efforts to respond to any request within 60 days from the date of any such request. If the Bank shall have failed to definitively respond to any such request within 60 days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision, the Bank shall be deemed to have refused to grant such request.

Section 3.06. Conditions Precedent to the Issuance of Commercial Paper Notes. (a) On or prior to the first date of issuance of any Commercial Paper Notes, the Agency shall deliver a Tax Certificate acceptable to Bond Counsel and Bond Counsel shall have delivered its opinion substantially in the form attached as Appendix C to the Offering Memorandum.

(b) The Agency shall not issue any Commercial Paper Notes following the Closing Date, unless each of the following conditions precedent has been fulfilled in a manner satisfactory to the Agency and the Bank: (1) on the date of the issuance of such Commercial Paper Note(s) no Event of Default has occurred and is continuing; (2) such issuance of Commercial Paper Note(s) will not cause the sum of the principal components of (i) any unreimbursed Drawings, (ii) Outstanding Advances and Term Loans, and (iii) Commercial Paper Notes outstanding (including the Commercial Paper Note(s) proposed to be issued), to exceed the Principal Component of the Stated Amount; and (3) no No Issuance Notice or Final Drawing Notice shall have been issued by the Bank in accordance with the terms of this Agreement.

ARTICLE IV

REPRESENTATIONS OF AGENCY AND THE BANK

Section 4.01. Representations of the Agency. The Agency represents to the Bank as follows:

(a) *Legal Existence; Powers.* The Agency (i) is an agency of the City and County of San Francisco organized and existing under the Charter, and (ii) has the full legal right, power and authority to (A) control its properties and to carry on its business as now being and hereafter proposed to be conducted, (B) execute and deliver the Related Documents to which it is a party, (C) perform its obligations under the Related Documents to which it is a party, (D) issue the Commercial Paper Notes in accordance with the Issuing and Paying Agent Agreement, and (E) repay the Bank Note, to pay all interest thereon, and to pay all fees and other amounts payable by the Agency hereunder.

(b) *Due Authorization; No Violation; No Conflicts.* The issuance of the Commercial Paper Notes and the execution, delivery and performance by the Agency of the Related Documents to which the Agency is a party have been duly authorized by all necessary action on the part of the Agency, and do not and will not (i) violate the Charter, or any material provision of any court order by which the Agency is bound, (ii) conflict with or violate any material provision of existing law or regulation, or any order or decree of any court, tribunal or governmental authority, or (iii) conflict with, violate or cause a material default under any material provision of any bond, note or other evidence of indebtedness or other material agreement to which the Agency is a party.

(c) *Consents.* No consent of any Person and no material license, approval or authorization of or notice to or registration, filing or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity or enforceability of any of the Related Documents to which the Agency is a party or for the Agency to issue the Commercial Paper Notes or incur the Obligations in accordance with this Agreement or, if required, the same has been obtained and is in full force and effect.

(d) *Validity.* The Related Documents to which the Agency is a party constitute legal, valid and binding agreements or obligations, as the case may be, of the Agency, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency moratorium or similar laws affecting creditors' rights generally, (ii) the availability of equitable remedies may be limited by equitable principles of general applicability and (iii) remedies available against public agencies such as the Agency may be limited.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the date hereof, there are no actions, suits or proceedings at law or in equity pending or, to the knowledge of the Agency, threatened against or affecting it or its properties before any court or arbitrator or any governmental or nongovernmental body, agency or official having

jurisdiction over the Agency in which the Agency determines an adverse decision would result in a Material Adverse Effect.

(f) *Accuracy of Financial Reports.* The most recent financial reports of the Transportation System as of June 30, 2017, copies of which have been furnished to the Bank, have been prepared in accordance with generally accepted accounting principles and fairly present the financial position and results of operations of the Transportation System except as previously disclosed to the Bank in writing, as of the dates and for the periods set forth therein. Since June 30, 2017, except as previously disclosed to the Bank in writing, there have been no material adverse changes in the financial condition of the Transportation System.

(g) *No Sovereign Immunity.* The Agency does not enjoy any defense on the grounds of immunity (sovereign, governmental or otherwise) with respect to its obligations under this Agreement or any other Related Document, nor may there be attributed to the Agency any such immunity (whether or not claimed).

(h) *Security.* The Issuing and Paying Agent Agreement creates a valid pledge on the Available Transportation System Revenues in favor of the Bank securing all Obligations, and all action necessary to create a lien on such funds and accounts and on moneys on deposit therein have been duly and validly taken. The Agency's obligation to pay the Obligations is pari passu with its obligation to pay all other Parity Notes.

(i) *Business Days.* Exhibit C hereto contains a complete list of the days that are legal holidays of the City for 2018 as well as any other day the City is authorized by law to be closed for official business during 2018

(j) *Disclosure.* No written information furnished by the Agency to the Bank in connection with this Agreement (except information which has been superseded by subsequent information provided by the Agency and except for the Offering Memorandum) is incorrect or incomplete in any material respect. Except for information contained in the Offering Memorandum under the headings [**“SECURITY FOR THE PAYMENT OF THE COMMERCIAL PAPER NOTES—The Letter of Credit and Reimbursement Agreement” and “THE BANK,”**] as to which no representation is made, the Offering Memorandum is accurate in all materials respects.

(k) *Compliance with Laws.* The Agency is and has been in full compliance with all laws, rules, regulations, governmental orders, judgments and decrees to which it is subject the failure to comply with which would have a Material Adverse Effect.

(l) *Retirement Plan.* The Agency, as an enterprise fund department of the City, participates in the San Francisco City and County Employees' Retirement System (the "*City Plan*"). All required contributions to the City Plan have been made. The City Plan is a "governmental plan" that is not subject to the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time.

(m) *Environmental Matters.* The Agency has not received notice to the effect that its Transportation System operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action would result in a Material Adverse Effect.

(n) *Tax-Exempt Status.* The Agency has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by the City or any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Tax-Exempt Notes from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(o) *No Margin Stock.* The Agency is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Notes will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(p) *Event of Default.* No Default (of which the Agency has actual knowledge and, for purposes of clarity, the Agency shall be deemed to have actual knowledge if the Bank has provided the Agency notice of any such Default) or Event of Default has occurred and is continuing hereunder as of the date hereof.

(q) *Anti-Terrorism Laws.* The Agency is not in violation of Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), or of the Patriot Act (the “*Patriot Act*” and, together with the Executive Order, the “*Anti-Terrorism Laws*”);

(i) The Agency is not any of the following:

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(E) a Person that is named as a “specially designated national and blocked person” on the most current list published by OFAC or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list; and

(ii) to the best of the Agency’s knowledge, the Agency (A) does not conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (i) above, (B) does not deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) does not engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 4.02. Representations and Warranties of the Bank. The Bank represents and warrants to the Agency as follows:

(a) *Organization; Power.* The Bank is duly organized and existing under the laws of the United States of America and has all requisite power and authority (i) to conduct its business and to carry on its activities and (ii) to execute, deliver and perform its obligations under this Agreement and the Letter of Credit.

(b) *Valid and Binding Obligations.* This Agreement has been duly executed by an authorized representative of the Bank, the Letter of Credit has been duly issued by the Bank and this Agreement and the Letter of Credit constitute the legal, valid and binding obligations of the Bank enforceable against the Bank in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally and subject to general equitable principles.

(c) *Due Authorization; No Violation; No Conflicts.* The execution, delivery and performance by the Bank of this Agreement and the Letter of Credit has been duly authorized by the Bank and will not (i) conflict with or violate any material law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Bank or (ii) result in a material breach of or constitute a material default under any material indenture, mortgage, deed of trust or loan or credit agreement or any other material agreement or instrument to which the Bank is a party or by which it or its properties may be bound or affected.

(d) *Litigation.* There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board, body or official pending or, to the knowledge of the Bank, threatened against or affecting (i) the transactions contemplated by or the validity of this Agreement or the Letter of Credit, (ii) the Bank’s ability to perform its obligations under this Agreement or the Letter of Credit or (iii) which in any material way contests the existence, organization or powers of the Bank or the titles of the officers of the Bank to their respective offices, or which in any manner questions the validity or enforceability of this Agreement or the Letter of Credit.

(e) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption [“**THE BANK,**”] as of the Closing Date is accurate in all material respects.

ARTICLE V

AFFIRMATIVE COVENANTS

Section 5.01. Payment of Principal and Interest. The Agency will punctually pay or cause to be paid the principal and interest (and premium, if any) to become due in respect of every Commercial Paper Note issued pursuant to the Issuing and Paying Agent Agreement at the times and places and in the manner provided therein and in the Commercial Paper Notes, in strict conformity with the terms of the Issuing and Paying Agent Agreement and of the Commercial Paper Notes, but solely from the Available Transportation System Revenues as provided in the Issuing and Paying Agent Agreement.

Section 5.02. Financial Statements. (a) The Agency will keep proper books of record and accounts of the Transportation System, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Transportation System. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Bank or their representatives authorized in writing, at reasonable hours and under reasonable conditions.

(b) The Agency covenants that it will deliver to the Bank or post on its website: (i) as soon as practicable and in any event within 270 days after the end of each fiscal year of the Agency, (A) a copy of the comprehensive annual financial report for the Transportation System for such year (“*CAFR*”) including an audited balance sheet, an audited statement of net assets as of the end of such fiscal year, an audited statement of revenues, expenses and changes in net assets and an audited statement of cash flows for such fiscal year (or, in each case, the equivalent thereof), setting forth in comparative form the corresponding figures for the preceding fiscal year, all in reasonable detail and accompanied in each case by an audit report of independent certified public accountants of recognized standing which are a member of the American Institute of Certified Public Accountants stating that such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and that such financial statements included in the *CAFR* present fairly the financial position of the Transportation System for such fiscal year and (B) a certificate of an authorized officer of the Agency, substantially in the form of Exhibit I hereto, demonstrating that the Pledged Revenues (as defined in the Transportation System Revenue Bonds Indenture) in such Fiscal Year (and available fund balances held by the Agency or the Trustee (as defined in the Transportation System Revenue Bonds Indenture) were at least equal to Annual Debt Service (as defined in the Transportation System Revenue Bonds Indenture), payments due on Subordinate Bonds (as defined in the Transportation System Revenue Bonds Indenture) (but (i) excluding the principal of commercial paper notes issued by or on behalf of the Agency so long as the payment of such principal is supported by a third-party liquidity facility or a third-party credit facility and (ii) including any amounts payable under a third-party liquidity facility or third-party credit facility supporting commercial paper notes issued by or on behalf of the Agency to reimburse the provider of such facility for payment thereunder) and

payment of all costs reasonably necessary to operate the Transportation System in such Fiscal Year (but not including costs that have been funded from other sources not constituting Pledged Revenues or that may reasonably be deferred) and (ii) as soon as practicable and in any event within 45 days after the final adoption thereof the annual budget of the Transportation System.

Section 5.03. Operation and Maintenance of Transportation System. The Agency covenants that it will operate and maintain its operations and the Transportation System as a revenue producing enterprise in accordance with law, including but not limited to the Charter and the Act. The Agency will make such repairs to its facilities and equipment as shall be required to enable it to perform its covenants contained herein.

Section 5.04. Inspection and Information. The Agency covenants that upon reasonable notice and at reasonable times it will permit any Person designated by the Bank in writing, at the Bank's expense, to visit any of the properties of the Transportation System, to examine the municipal books and financial records of the Agency and make copies thereof or extracts therefrom to the extent legally permissible and at the Bank's expense, and to discuss the affairs, finances and accounts of the Transportation System with the principal officers of the Agency all at such reasonable times. The Agency also covenants to provide the Bank with any information reasonably requested by the Bank from time to time, including but not limited to management letters and information regarding the financial position, results of operations, business or prospects of the Agency.

Section 5.05. Compliance with Agreements. The Agency will observe and perform all of its material covenants, agreements and obligations under the Commercial Paper Notes and the Related Documents to which it is a party.

Section 5.06. Preservation of Existence. The Agency will not take any action to accomplish a merger or consolidation of the Transportation System with any other entity or enterprise, unless and until the Agency shall have provided a method for segregating the Available Transportation System Revenues from the revenues of said other entity or enterprise in a manner that shall preserve the lien described in Section 5.09 hereof upon the Available Transportation System Revenues for the payment of the Commercial Paper Notes, the Bank Note and all obligations of the Agency relating to such Notes, and shall have obtained an opinion of counsel from a firm nationally recognized in the practice of tax-exempt financing that such merger or consolidation will not, in and of itself, (i) adversely affect the exclusion from gross income of the interest on the Commercial Paper Notes and (ii) cause the security interest created by the Issuing and Paying Agent Agreement and this Agreement in favor of the Bank to secure the Obligations to be no longer valid. In the event the Agency does effect such a merger or consolidation, the Agency shall provide written notice thereof to the Bank and shall deliver a copy of the aforementioned opinion to the Bank.

Section 5.07. Use of Proceeds. The Agency shall use the proceeds of the Commercial Paper Notes solely in accordance with the purposes set forth in the Issuing and Paying Agent Agreement and shall cause the Drawings to be used solely to pay principal of and interest with respect to Commercial Paper Notes.

Section 5.08. Offering and Disclosure Documents. As soon as practicable the Agency shall deliver to the Bank or post on its website, (a) after the issuance of any Senior Lien Revenue Bonds or any other bonds payable from Available Transportation System Revenues, a copy of the offering document relating thereto and (b) following the public distribution thereof, any disclosure documents distributed in connection with the Commercial Paper Notes pursuant to the Issuing and Paying Agent Agreement.

Section 5.09. Pledge of Available Transportation System Revenues. The Commercial Paper Notes and the Bank Note are revenue obligations, are not secured by the taxing power of the Agency and shall be payable as to both principal and interest from, and shall be secured by a pledge (which pledge shall be effected in the manner and to the extent hereinafter provided) of, the Available Transportation System Revenues. The Available Transportation System Revenues constitute a trust fund for the security and payment of the interest on and principal of the Commercial Paper Notes and the Bank Note and all obligations of the Agency relating to such Notes hereunder and under the Issuing and Paying Agent Agreement and all Parity Notes secured by Available Transportation System Revenues. The Available Transportation System Revenues are hereby pledged to the payment of the Commercial Paper Notes and the Bank Note and all obligations of the Agency relating to such Notes hereunder and under the Issuing and Paying Agent Agreement without priority or distinction of one over the other. The pledge of Available Transportation System Revenues herein made shall be irrevocable until all of the Commercial Paper Notes and the Bank Note and any Parity Notes secured by Available Transportation System Revenues have been paid and retired and any related obligations of the Agency under this Agreement and the Issuing and Paying Agent Agreement have been satisfied.

Section 5.10. Payment of Taxes, Etc. The Agency will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency on account of the Transportation System or any portion thereof and which, if unpaid, might impair the security of the Commercial Paper Notes, when the same shall become due, but nothing herein contained shall require the Agency to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. The Agency will duly observe and conform to all valid material requirements of any governmental authority relative to the Transportation System or any part thereof.

Section 5.11. Compliance with Laws, Regulations and Investment Policies. The Agency shall comply with each statute, law, ordinance, order, rule or regulation, judgment, decree or requirement now in force or hereafter enacted by any competent governmental authority or agency, including but not limited to environmental, health and safety statutes and regulations, applicable or with respect to or affecting the acquisition, construction or reconstruction of the Transportation System or with respect to the operation, manner, use or condition of the Transportation System; *provided*, that the Agency need not comply with any such statute, law, ordinance, order, rule, regulation, judgment, decree, or requirement if failure to comply is not expected to result in a Material Adverse Effect.

Section 5.12. Ratings. The Agency shall maintain at least two long-term unenhanced ratings assigned to the Senior Lien Revenue Bonds and may substitute any existing rating from a rating agency with the rating from another rating agency; *provided*, that the Agency may not at

any time withdraw any rating if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or the Fee Agreement or to reduce amounts payable to the Bank under this Agreement or the Fee Agreement. The Agency shall notify the Bank as soon as practicable of any suspension, reduction or withdrawal in any such rating of which the Agency has actual knowledge.

Section 5.13. Maintenance of Insurance. The Agency maintains self-insurance for general liabilities, property damage and workers' compensation claims. The Agency shall, at all times, continue to maintain such self-insurance or shall use commercially reasonable efforts to maintain or cause to be maintained insurance or self-insurance against loss from such hazards and risks to the person or property of others as are usually insured or reserved against by those with rights and interests in property similar to the Transportation System. The insurance described above may be provided as a part of any other self-insurance or insurance maintained by the City and not separately for the Transportation System.

Section 5.14. Further Assurances. The Agency agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm to the Bank its rights, powers and remedies hereunder and under the Related Documents.

Section 5.15. Future Credit Facilities. In the event that the Agency shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which such Bank Agreement provides such Person with additional or more restrictive covenants, additional or more restrictive events of default, shorter amortization periods with respect to term outs and/or rights or remedies than are provided to the Bank in this Agreement or a maximum rate with respect to the obligations under the related Bank Agreement in excess of 12% per annum (collectively, the "*Additional Rights*"), such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Additional Rights. Upon the request of the Bank, the Agency shall promptly, enter into an amendment to this Agreement to include such Additional Rights, *provided*, that the Bank shall maintain the benefit of such Additional Rights even if the Agency fails to provide such amendment. Notwithstanding the foregoing, no Additional Rights (except for those relating to shorter amortization periods with respect to term outs or a maximum rate as described further below) shall be incorporated by reference into this Agreement, and the Agency shall have no obligation to enter into an amendment to include any such Additional Rights, if the related Bank Agreement is entered into by the Agency after the four (4) month anniversary of the Closing Date; except that any Additional Rights relating to shorter amortization periods with respect to term outs or a maximum rate with respect to the obligations under the related Bank Agreement in excess of 12% per annum shall be incorporated herein by reference pursuant to this Section 5.15, and the Agency shall enter into an amendment hereto to include such Additional Rights, no matter when such Bank Agreement is entered into. If the Agency shall amend the related Bank Agreement such that it no longer provides for such Additional Rights, then, without the consent of the Bank this Agreement shall be deemed to automatically no longer contain the related Additional Rights and the Bank shall no longer have the benefits of any such Additional Rights.

Section 5.16. Preservation of Authority to Refinance Notes. The Agency covenants that it shall not take any action to diminish its authority to issue Senior Lien Bonds to refinance the Commercial Paper Notes and the Bank Note as provided under the Senior Lien Revenue Bond Documents, as the same may be supplemented or amended.

ARTICLE VI

NEGATIVE COVENANTS

Section 6.01. Compliance with Laws. The Agency covenants that it will not violate any laws, rules, regulations or governmental orders to which it is subject, which violation would materially and adversely affect its financial condition, business or results of operations or would materially and adversely affect the Agency's ability to perform its obligations under this Agreement, the other Related Documents to which the Agency is a party.

Section 6.02. Sale or Other Disposition of Property. The Agency covenants that it will not dispose of or lease assets necessary to operate the Transportation System in the manner and at the levels of activity required to enable it to perform its covenants and payment obligations contained herein and in the Fee Agreement; *provided*, that sales or leases of assets in the ordinary course of business, disposition of obsolete or worn out property and sales of assets for commercially reasonable market value shall be permitted.

Section 6.03. Amendments. The Agency covenants that it will not, directly or indirectly, amend or modify, or consent to the amendment or modification of the Related Documents to which the Agency is a party, or of any of the Senior Lien Revenue Bond Documents, in any way that would adversely affect (i) the rights, remedies or security of the Bank thereunder or hereunder or (ii) the obligations of the Agency under this Agreement or the Fee Agreement, without the prior written consent of the Bank, which consent shall not be unreasonably withheld; *provided*, that supplements or amendments to the Senior Lien Revenue Bond Documents entered into solely for the purpose of issuing additional Senior Lien Revenue Bonds or to provide for the details of other actions permitted under such Documents shall be permitted without consent from the Bank.

Section 6.04. Tax Covenant. The Agency will not take any action or omit to take any action that, if taken or omitted, would adversely affect the exclusion of interest on the Tax-Exempt Notes from the gross income of such owners for Federal income tax purposes pursuant to Section 103 of the Code.

Section 6.05. Liens. Except as permitted by the Senior Lien Revenue Bonds Documents or the Issuing and Paying Agent Agreement, or as otherwise acceptable to the Bank, the Agency will not create or cause to be created any material Lien on the Available Transportation System Revenues of the Transportation System.

Section 6.06. Dealers. (a) In the event any Reimbursement Obligation remains outstanding and the Dealers fail to sell any Commercial Paper Note for thirty (30) consecutive days, the Agency shall remove the Dealers and appoint a new Dealer approved by the Bank, which consent shall not be unreasonably withheld or delayed, as soon as practicable.

(b) The Agency shall at all times have at least one Dealer which has been consented to by the Bank, which consent shall not be unreasonably withheld or delayed, appointed to act in conjunction with the sale of the Commercial Paper Notes (the Bank hereby consents to the initial Dealers identified under the definition thereof). In addition to such Dealer consented to by the Bank, the Agency may appoint one or more Dealers listed on Exhibit J hereto without the consent of the Bank.

Section 6.07. Issuance of Commercial Paper Notes. (a) The Agency will not permit the Issuing and Paying Agent to issue, or permit any Dealer to market, any Commercial Paper Note or Commercial Paper Notes with a maturity shorter than three (3) days from the date of issuance without the Bank's prior written consent. Should the Agency request the Bank's prior written consent to permit a Commercial Paper Note or Commercial Paper Notes to be issued with a maturity shorter than three (3) days from its issuance, the Bank agrees to make a reasonable effort to provide such prior written consent the same day as the Agency's request.

(b) Notwithstanding anything herein to the contrary, in the event that the Agency, the Issuing and Paying Agent or any Dealers breach the terms and provisions of this Section 6.07, the Bank's sole remedies shall be to (i) direct the Agency to remove and replace the Dealer as promptly as practicable and (ii) enforce the terms and provisions of this Section 6.07 by taking any action permitted by law or equity, including, without limitation, actions, suits and/or proceedings to petition a court of competent jurisdiction to issue a mandamus order to the Agency and compel specific performance of the covenants and agreements of the Agency contained in this Section 6.07.

Section 6.08. Immunities. To the fullest extent permitted by law, the Agency agrees not to assert the defense of immunity (sovereign, governmental or otherwise) in any proceeding related to or arising out of its obligations under this Agreement and/or the other Related Documents.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.01. Events of Default. If one or more of the following events (each an "Event of Default") shall have occurred and be continuing:

(a) The Agency shall fail to pay when due to the Bank (i) the principal of or interest on the Bank Note, any Advance, Term Loan or other Reimbursement Obligation; *provided, however,* that no failure to pay the interest on the Bank Note, any Advance, any Term Loan or any other Reimbursement Obligation when due to the Bank shall constitute an Event of Default if (1) such failure was caused solely by an error or omission of an administrative or operational nature (which shall be demonstrated in writing by the Agency to the Bank), (2) the Agency had sufficient funds available on such day to make payment when due, and (3) the payment is made within three (3) Business Days after such amount was due; or (ii) any other Obligation when due and such failure continues for a period of thirty (30) days; or

(b) Any representation made by the Agency in this Agreement have been incorrect in any materially adverse respect when made; or

(c) The Agency shall default in the due performance or observance of any term, covenant or agreement contained in Section 5.01, 5.06, 5.07, 5.09, 6.02, 6.03, 6.05 or 6.08 hereof; or

(d) The Agency shall default in the due performance or observance of any term, covenant or agreement contained in this Agreement (other than those covered by clause (a), (b) or (c) of this Section 7.01), and such failure shall remain unremedied for a period of 30 days after the Bank shall have given the Agency and the City written notice of such default; *provided*, that so long as the Agency shall be proceeding with due diligence to remedy any default then such 30 day period shall be extended to the extent as shall be necessary to enable the Agency to begin and complete the remedying of such default through the exercise of due diligence, *provided*, that such period shall not extend more than ninety (90) days after such notice was given unless the Agency provides a written explanation that it has been proceeding with due diligence to cure such default and that additional time is needed to cure such default and the Bank consents to extending such period, such consent not to be unreasonably withheld; or

(e) The Agency or the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare or be subject to a moratorium, or shall take any action to authorize any of the foregoing; or a case or other proceeding shall be commenced against the Agency or the City seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of 90 consecutive days; or an order for relief shall be entered against the Agency or the City under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Agency or the City, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be; or

(f) This Agreement, any Related Document or any material provision hereof or thereof, at any time after the execution and delivery hereof or thereof, shall, cease to be valid and binding on the Agency or this Agreement, any Related Document, or any material

provision hereof or thereof is contested or repudiated by the Agency, the City or any other governmental authority of competent jurisdiction; or

(g) The Agency (i) defaults in any payment of any indebtedness with an outstanding principal amount of \$5,000,000 or more secured by a lien on the Available Transportation System Revenues on a basis that is senior to, or on a parity with, the Commercial Paper Notes and the Reimbursement Obligations hereunder (“*Senior and Parity Secured Debt*”), beyond the period of grace, if any, provided in the instrument or agreement under which such Senior and Parity Secured Debt was created; or (ii) defaults in the observance or performance of any agreement or condition relating to any Senior and Parity Secured Debt with an outstanding principal amount of \$5,000,000 or more or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default, event or condition is to cause, or to permit the holder or holders of such Senior and Parity Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Senior and Parity Secured Debt to become due prior to its stated maturity; or (iii) defaults in the payment of any indebtedness secured by a lien on the Available Transportation System Revenues on a basis that is subordinate to the Commercial Paper Notes and the Reimbursement Obligations hereunder in an outstanding principal amount of \$20,000,000 or more (“*Subordinate Secured Debt*”), beyond the period of grace, if any, provided in the instrument or agreement under which such Subordinate Secured Debt was created; or (iv) defaults in the observance or performance of any agreement or condition relating to any Subordinate Secured Debt in an outstanding principal amount of \$20,000,000 or more or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Subordinate Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Subordinate Secured Debt to become due prior to its stated maturity; or

(h) Any security interest created by this Agreement or any of the Related Documents securing the Obligations shall fail to be valid with the priority required under this Agreement; or

(i) The Agency shall fail to pay when due an uninsured, final and non-appealable judgment or order against the Agency of \$25,000,000 or more which shall be rendered against the Agency and such judgment has not been vacated, discharged, satisfied or stayed by the Agency within 60 days (*provided* that judgments payable in installments or which can be financed or paid with the proceeds of insurance in accordance with this Agreement or which can otherwise be legally satisfied shall be deemed satisfied so long as the Agency makes arrangements to satisfy such judgment within a reasonable period of time); or

(j) Any of Moody’s, S&P or Fitch reduces its long-term unenhanced rating assigned to any Senior Lien Revenue Bonds below “Baa1” (or its equivalent), “BBB+” (or

its equivalent) or “BBB+” (or its equivalent) or any of Moody’s, S&P or Fitch shall withdraw or suspend such rating.

Section 7.02. Remedies. (a) Upon the occurrence of an Event of Default, the Bank may, at the same or different times, so long as such Event of Default shall not have been remedied to the sole satisfaction of the Bank, take one or more of the following actions: (i) declare the principal of and interest on all Outstanding Obligations to be immediately due and payable, (ii) by notice to the Issuing and Paying Agent in the form of Exhibit F hereto, permanently reduce the Stated Amount to the principal amount of Commercial Paper Notes Outstanding plus interest thereon, (iii) by notice to the Issuing and Paying Agent, issue a No Issuance Notice in the form of Exhibit H hereto, (iv) by notice to the Issuing and Paying Agent, issue a Final Drawing Notice in the form of Exhibit G hereto (which Final Drawing Notice requires the Issuing and Paying Agent to draw down under the Letter of Credit at least one Business Day prior to the 15th day after receipt of such Final Drawing Notice in an amount equal to the principal amount of all outstanding Commercial Paper Notes plus interest thereon to the scheduled maturity date of such Commercial Paper Notes, terminating the Letter of Credit on the earlier of (x) the date of the Issuing and Paying Agent’s receipt of proceeds of the drawing required by such Final Drawing Notice and (y) on the 15th day after receipt of such Final Drawing Notice or (v) proceed to enforce all other remedies available under applicable law and in equity. No reduction in the Stated Amount pursuant to clause (ii) above shall be effective until notice thereof is delivered to, and received by, the Issuing and Paying Agent. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in Section 7.01(e), the remedies described in clauses (i) and (ii) above shall occur immediately and automatically without notice or further action on the part of the Bank or any other person and the remedy described on clauses (iii) and (iv) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Article II hereof the contrary notwithstanding, from and after the occurrence an Event of Default, all Obligations shall bear interest at the Default Rate. Upon any action by the Bank as contemplated in the foregoing clauses (ii), (iii) and (iv), the Stated Amount shall be permanently reduced upon, and by the amount of, each Drawing under the Letter of Credit following the occurrence of an Event of Default.

(b) The Bank shall promptly give telephonic notice, followed by written confirmation, of any declaration or reduction pursuant to clause (i) or (ii) above to the Agency, the City, the Dealers and the Issuing and Paying Agent.

Section 7.03. No Issuance Notice. The Bank may, but is not required to, deliver a notice, in accordance with Section 7.02 hereof, to the Issuing and Paying Agent (a “No Issuance Notice”) at any time that the Bank shall have determined that an Event of Default shall have occurred and is continuing. Notwithstanding anything in this Section 7.03 which may be to the contrary, a No Issuance Notice shall not affect the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to Commercial Paper Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No Issuance Notice. The Bank shall concurrently furnish a copy of any No Issuance Notice to the Agency, the City and the Dealers, but the failure to so provide such copy shall not render ineffective any such No Issuance Notice.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Related Document nor consent to any departure by the Agency herefrom or therefrom shall in any event be effective unless the same shall be in writing and signed by the Bank and, with respect to any amendment, the Agency and as approved by the City.

Section 8.02. No Personal Liability of Agency Members and Officials. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any present or future member, official, officer, agent or employee of the Agency, in his or her individual capacity, and neither the members, officers, agents and employees of the Agency, nor any person executing this Agreement shall be liable personally hereunder or be subject to any personal liability or accountability by reason hereof.

Section 8.03. Limitation on Liability. Neither the Bank nor any of its officers or directors shall be liable or responsible to any person for: (a) the use that may be made of the proceeds of any Drawing or of any Commercial Paper Note, or for any acts or omissions of the Issuing and Paying Agent or any Dealer in connection with this Agreement, the Issuing and Paying Agent Agreement or any of the Related Documents; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank against presentment of documents that do not comply with the terms of this Agreement or the Letter of Credit, including failure of any documents to bear any reference or adequate reference to this Agreement or the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment hereunder, except only that the Agency shall have a claim against the Bank, and the Bank shall be liable to the Agency, to the extent, but only to the extent of (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under this Agreement or the Letter of Credit strictly comply with the terms hereof or thereof; (ii) the Bank's willful misconduct or gross negligence in taking action in reliance on any certificate, statement or other document which is invalid, inaccurate, false or not genuine, whether by forgery, fraud or otherwise; or (iii) the Bank's wrongful failure to honor a properly presented Drawing required to be made by the Bank under the Letter of Credit after compliance with all conditions precedent to such Drawing, unless such Drawing was not otherwise permitted by law.

In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, unless the Issuing and Paying Agent has notified the Bank in writing that specifically identified documents to be presented to the Bank do not comply with this Agreement or the Letter of Credit.

Section 8.04. Indemnification. (a) To the extent permitted by law, the Agency agrees to indemnify, save and hold harmless each Bank-Related Person from and against: (i) any and all claims, demands, actions or causes of action that (A) are asserted against any Bank-Related Person by any Person relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against the Agency or the City or any of their respective elected

officials, officers or employees or any plant, property or equipment of the Agency or the City; and/or (B) may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Bank-Related Person arising out of or relating to this Agreement or any Related Document, the use or contemplated use of the proceeds of any Drawing, any Advance or any Term Loan, or the relationship of Agency and the Bank under this Agreement or any Related Document; (ii) any investigative, administrative or judicial proceeding by any governmental authority arising out of or related to a claim, demand, action or cause of action described in subsection (i) above; and (iii) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Bank-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Bank-Related Person is a party to such claim, demand, action, cause of action or proceeding; *provided*, that no Bank-Related Person shall be entitled to indemnification for any claim caused by the failure to honor a properly presented and conforming Drawing under the Letter or Credit or its own gross negligence or willful misconduct or for any loss asserted against it by another Bank-Related Person. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

(b) To the fullest extent permitted by applicable law, the Agency and the Bank each shall not assert, and hereby waives, any claim against any Bank-Related Person in the case of the Agency and against the Agency in the case of the Bank, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the Letter of Credit, any other Related Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby or the use of the proceeds thereof. The Bank shall not be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by the Bank through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby.

(c) The obligations of the Agency under this Section 8.04 shall survive the termination of this Agreement.

Section 8.05. Bank Information. (a) The Bank agrees to provide to the Agency and the Dealers information concerning the Bank on a quarterly basis and as the Dealers and/or the Agency shall request from the Bank in connection with the preparation by the Agency and/or the Dealers of Offering Materials, *provided*, that such requested information is reasonably available to the Bank. The Bank further agrees to provide to the Dealers and the Agency the certificate of an authorized officer of the Bank regarding the accuracy of the Bank Information.

(b) The Bank shall notify promptly the Agency, the City, the Dealers and the Issuing and Paying Agent of any suspension, reduction or withdrawal in the ratings of the Bank by any rating agency.

Section 8.06. Cost and Expenses. The Agency agrees to pay, after closing, in the amounts as set forth in the Fee Agreement, the fees of domestic and foreign counsel to the Bank, in connection with the negotiation, preparation and execution of this Agreement, the Letter of Credit and the Related Documents.

Section 8.07. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire or similar writing) or by telephone or telecopy (promptly confirmed in writing) and shall be given to such party, addressed to it, at its address or telephone number set forth below or such other address or telephone number as such party may hereafter specify for the purpose by notice to each other party. Each such notice, request or communication shall be effective (i) if given by mail, three (3) days after such communication is deposited in the mail with first-class postage prepaid, addressed as aforesaid, (ii) if given by telephone or telecopy, when given by telephone or telecopy to the party at its telephone number (if any) specified below or (iii) if given by any other means, when delivered at the address specified below:

PARTY

ADDRESS

If to the Bank:

Sumitomo Mitsui Banking Corporation
277 Park Avenue, 4th Floor
New York, New York 10172
Attention: Head of Public Infrastructure Finance
North America
Telephone: (212) 224-4000
Facsimile: (212) 224-5227
E-mail: NYPublicFinance@smbcgroup.com

With a copy to:

Sumitomo Mitsui Banking Corporation
277 Park Avenue
New York, New York 10172
Attention: Trade Credit Services Department
Telephone: (212) 224-4000
Facsimile: (212) 224-4566
E-mail: trade_credit_svc@smbcgroup.com

Issuing and Paying Agent:

US Bank Corporate Trust Services
100 Wall Street 16th Floor
New York, NY 10005
Attn: Corporate Trust Services
Telephone: (212) 951-8512
Facsimile: (212) 361-6153

PARTY

ADDRESS

Agency: San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, California 94103
Attention: Chief Financial Officer
Telephone: (415) 701-4617
Facsimile: (415) 701-4725

and

City and County of San Francisco
Office of Public Finance
Attention: Director of Public Finance
City Hall, Room 336
San Francisco, California 94102
Telephone: (415) 554-4862
Facsimile: (415) 554-4864

Section 8.08. No Waiver; Remedies. No failure on the part of the Bank or the Agency to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 8.09. Successors and Assigns; Participation of Agreement. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section 8.09, be deemed to include the successors and assignees of such party, and all covenants, promises and agreements by or on behalf of the Agency which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank. Neither the Bank nor the Agency may transfer their rights or obligations under this Agreement or the Letter of Credit, including any substitution and appointment of a successor bank, without the prior written consent of the Agency and the City.

Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more Persons (each a "*Participant*"), a participation or participations in all or any part of the Bank's rights and benefits under this Agreement on a participating basis but not as a party to this Agreement (a "*Participation*"), without the consent of the Agency and the City, *provided*, that the Bank agrees to give the Agency and the City notice of the grant of any Participation as soon as practicable following the effectiveness thereof, *provided further* that the failure of the Bank to give such notice shall not effect the validity of such Participation. In the event of any such grant by the Bank of a Participation to a Participant, whether or not upon notice to the Agency and the City, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the Agency and the City shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. The Agency agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement,

without limitation, Section 2.04 hereof, and the Fee Agreement as if such Participant were the Bank; *provided further* that no such Participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had the Bank not granted a participation to such Participant.

Section 8.10. City Requirements. The Bank hereby agrees to the City's requirements as provided on Exhibit D, attached hereto and incorporated herein by reference.

Section 8.11. Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 8.12. No Third Party Rights. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person (including, without limitation, the Issuing and Paying Agent, the Dealers or the holder of any Commercial Paper Note), other than the parties hereto and their permitted successors and assigns, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement.

Section 8.13. Governing Law; Waiver of Jury Trial. (i) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA, PROVIDED, HOWEVER, THAT THE RIGHTS, DUTIES AND OBLIGATIONS OF THE BANK UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

(ii) TO THE EXTENT PERMITTED BY LAW, THE BANK AND THE AGENCY WAIVE THEIR RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY SUITS, CLAIMS OR ACTIONS RELATING TO THIS AGREEMENT, THE RELATED DOCUMENTS OR THE TRANSACTIONS ARISING THEREUNDER AND, TO THE EXTENT THAT THE WAIVER OF JURY TRIAL IS NOT PERMITTED BY LAW, TO SUBMIT TO A JUDICIAL REFEREE WITH RESPECT TO SUCH SUITS, CLAIMS OR ACTIONS.

Section 8.14. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a PDF copy attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 8.15. Prior Agreements Superseded. This Agreement supersedes all prior undertaking and agreements, both written and oral, between the Agency and the Bank relating to the Letter of Credit, including those contained in any commitment letter or term sheet by or between the Agency and the Bank.

Section 8.16. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 8.17. Patriot Act. The Bank hereby notifies the City that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the “*Patriot Act*”), the Bank is required to obtain, verify and record information that includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The Agency agrees to provide documentary and other evidence of the identity of the Agency as may be requested by the Bank at any time to enable the Bank to verify the identities of the Agency and such persons or to comply with any applicable law or regulation, including, without limitation, Section 326 of the Patriot Act.

Section 8.18. OFAC. The Agency shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Agency is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“*OFAC*”), the Department of the Treasury or included in any executive orders, that prohibits or limits the Bank from making any advance or extension of credit to the Agency or from otherwise conducting business with the Agency and (b) ensure that the Commercial Paper Note proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 8.19. Assignment to Federal Reserve Bank. The Bank may assign and pledge the Bank Note and all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security, including, without limitation, pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, or to any state or local governmental entity or with respect to public deposits, *provided*, that any payment in respect of the Bank Note and/or such assigned Obligations made by the Agency to the Bank in accordance with the terms of this Agreement shall satisfy the Agency’s Obligations hereunder in respect of such assigned Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.20. No Advisory or Fiduciary Responsibility. The Agency acknowledges and agrees that: (i) the transaction described in this Agreement is an arm’s-length, commercial transaction between the Agency and the Bank; (ii) in connection with the transaction, the Bank is acting solely as a principal and not as a municipal advisor as defined in Section 15B of the Securities Exchange Act of 1934 (including the rules adopted by the Securities Exchange Commission in connection therewith) in any manner whatsoever in connection with this Agreement and the Letter of Credit, or a financial advisor, agent or fiduciary of the Agency in any manner whatsoever in connection with this Agreement and the Letter of Credit and may have financial and other interests that differ from those of the Agency; (iii) the Bank has not provided any advice or assumed any advisory or fiduciary responsibility to the Agency with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank or any affiliate of the Bank has provided other services or advised or is currently providing other services or advising the Finance Authority on other matters); (iv) the Agency has consulted with its own legal, accounting regulatory, tax and financial advisors in

connection with the transaction described in this Agreement; and (v) it is capable of evaluating and understands and accepts, the terms, risks and conditions of the transaction contemplated hereby and by the other Related Documents; (b) neither the Bank nor any of its affiliates has any obligation to the Agency with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Bank and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Agency, and neither the Bank nor any of its affiliates has any obligation to disclose any of such interests to the Agency.

Section 8.21. Redaction. In the event the Agency delivers or permits, authorizes or consents to the delivery of this Agreement and the Letter of Credit (including without limitation any amendments hereto and thereto) to the Dealer or any other Person for delivery to the Municipal Securities Rulemaking Board pursuant to Rule G-34 of the Municipal Securities Rulemaking Commission ("*Rule G-34*"), the Agency shall cooperate with the Bank to provide for the redaction of information permitted to be redacted under Rule G-34. Upon reasonable written request from the Dealer or the Agency, the Bank agrees to use commercially reasonable efforts to provide copies of amendments, extensions and modifications of this Agreement and the Letter of Credit that the Dealer is required to file in accordance with Rule G-34(c), other than information which is permitted to be redacted in accordance with such Rule. Without the consent of the Bank, the Agency will not make available the Fee Agreement for filing pursuant to Rule G-34(c).

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

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

SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By: _____

Name: Edward D. Reiskin
Title: Director of Transportation

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney of the City and
County of San Francisco

By: _____
Deputy City Attorney

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____
Title: _____

EXHIBIT A

IRREVOCABLE LETTER OF CREDIT

April __, 2018

LETTER OF CREDIT NO. LG/MIS/NY-128226

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street 16th Floor
New York, NY 10005
Attn: Corporate Trust Services

Ladies and Gentlemen:

1. At the request and for the account of our customer, the San Francisco Municipal Transportation Agency (the "*Agency*"), which has or will cause the issuance of its Commercial Paper Notes, Series A-1 (Tax-Exempt) (the "*Tax-Exempt Notes*") and its Commercial Paper Notes, Series A-2 (Taxable) (the "*Taxable Notes*" and, together with the Tax-Exempt Notes, the "*Notes*"), SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (the "*Bank*"), hereby establishes in favor of U.S. Bank National Association, as issuing and paying agent acting for the benefit of noteholders (the "*Issuing and Paying Agent*") pursuant to the issuing and paying agent agreement, dated as of April 1, 2018 (the "*Issuing and Paying Agency Agreement*"), between the Agency and the Issuing and Paying Agent, pursuant to which the Commercial Paper Notes have been or will be issued, and the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2018 (the "*Reimbursement Agreement*"), between the Agency and the Bank, this Irrevocable Letter of Credit in the aggregate amount of \$108,876,713 (hereinafter, as increased, reduced or reinstated from time to time in accordance with the provisions hereof, the "*Original Stated Amount*"), of which an amount initially equal to \$100,000,000 (as such amount may be increased, reduced or reinstated from time to time in accordance with the terms hereof, the "*Principal Component*") may be drawn upon with respect to payment of the unpaid principal amount of Notes on their stated maturity date, and an amount initially equal to \$8,876,713 (as such amount may be increased, reduced or reinstated from time to time in accordance with terms hereof, the "*Interest Component*") may be drawn upon with respect to payment of the actual interest accrued and unpaid on the Commercial Paper Notes on their stated maturity date, but in no event more than the 270 days' interest accrued and unpaid on the outstanding Commercial Paper Notes immediately preceding any drawing made with respect to the Commercial Paper Notes at an assumed interest rate of 12% based on a year of 365 days. Drawings (as herein defined) may be made prior to the date any sum is due on the Commercial Paper Notes if, in accordance with the terms of this Letter of Credit, we are not obligated to honor such Drawings until the date due.

2. This Letter of Credit shall expire at 5:00 p.m. New York City time on the date (the "*Termination Date*") which is the earliest of: (i) February __, 2023 as such date may be extended

in a Notice of Extension from the Bank to the Issuing and Paying Agent and the Agency in the form attached hereto as Annex G (the “*Scheduled Termination Date*”), (ii) the date of payment of a Drawing, not subject to reinstatement, which when added to all other Drawings honored hereunder which were not subject to reinstatement as provided herein, in the aggregate equals the Stated Amount on the date of issuance hereof or the Stated Amount as adjusted pursuant to paragraph 5 of this Letter of Credit (a “*Final Payment Drawing*”), (iii) our receipt of a certificate signed by your duly authorized officer in the form of Annex D (Alternate Letter of Credit Certificate) or E (No Notes Outstanding Certificate) attached hereto appropriately completed, or (iv) the earlier to occur of (a) the date which is fifteen (15) calendar days after you have received a Final Drawing Notice in the form of Exhibit G to the Reimbursement Agreement or (b) the date, following receipt of a Final Drawing Notice, upon which you have drawn upon this Letter of Credit the amount required thereby and as permitted under this Letter of Credit and the proceeds of such Drawing have been delivered to you. You agree to surrender this Letter of Credit to the Bank, and not to make any Drawings, after the Scheduled Termination Date. All Drawings hereunder shall be paid from immediately available funds of the Bank.

3. Funds under this Letter of Credit are available to you against your presentation of one of the certificates described below which shall be made by facsimile at the Bank’s office located at Sumitomo Mitsui Banking Corporation, 277 Park Avenue, New York, New York 10172, Attention: Trade Credit Services Department (or such other address(es) as we may specify in writing) Facsimile Number: (212) 224-4566, or at any other office or offices or number or numbers which may be designated by the Bank by written notice delivered to you. Each such certificate shall be immediately confirmed by telephone (telephone number: (212) 224-4310 (or any other telephone number as may be designated by the Bank by written notice delivered to you)), notifying us of such certificate; *provided*, that the failure to confirm such certificate by telephone shall not affect the validity or effectiveness of the drawing. Each demand for payment under this Letter of Credit of principal of the Commercial Paper Notes shall be made under a drawing certificate in the form of Annex A hereto (each, a “*Principal Drawing*”) and each demand for payment under this Letter of Credit of interest on the Commercial Paper Notes shall be made under a drawing certificate in the form of Annex B hereto (each, an “*Interest Drawing*”) and any demand for payment under this Letter of Credit after receipt of a Final Drawing Notice shall be made under a drawing certificate in the form of Annex H hereto (the “*Final Drawing Certificate*”); as used herein, the term “Drawing” shall refer to either a Principal Drawing or an Interest Drawing or both collectively, or a Final Drawing, as appropriate). The aforesaid certificates shall have all blanks appropriately filled in and shall be signed by an authorized officer of the Issuing and Paying Agent and the aforesaid certificates shall be either in the form of a letter on the letterhead of the Issuing and Paying Agent or a communication by facsimile delivered or transmitted to us.

4. The Bank hereby agrees with you that, to the extent of its liability as provided herein, all demands for payment made under and in compliance with the terms of this Letter of Credit will be duly honored upon delivery or transmission of the certificate(s) as specified in paragraph 3 hereof and if presented at the aforesaid office on or before the Termination Date. If a Drawing is made hereunder at or prior to 11:30 a.m., New York City time, on a Business Day and that such Drawing and the documents and other items presented in connection therewith conform to the terms and conditions hereof, payment shall be made of the amount specified in immediately available funds, no later than 2:00 p.m., New York City time, on the same Business Day. If a

Drawing is made by you hereunder after 11:30 a.m. and at or prior to 4:00 p.m., New York City time, on a Business Day and *provided* that such drawing and the documents and other items presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount specified, in immediately available funds, not later than 11:00 a.m., New York City time, on the next succeeding Business Day. Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent at: **[U.S. Bank N.A. – Minneapolis, ABA Number 091000022, Credit: U.S. Bank Trust New York MMI Central Cash A/C, Account Number 1731-0185-1827, Attention: Rosalyn Callender, Reference: _____.]** Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent and authenticated to our satisfaction. As used in this Letter of Credit, “*Business Day*” shall mean any day other than (i) a Saturday, Sunday or other day on which commercial banks located in New York, New York or San Francisco, California are required or authorized by law to close for business, (ii) a day on which the office of the Bank for accepting drawing certificates hereunder are required or authorized by law to close for business or (iii) the New York Stock Exchange is closed.

5. Demands for payment hereunder honored by us shall not at the time of such Drawing or Drawings exceed the Stated Amount, as the Stated Amount may have been reduced, increased or reinstated by us as hereinafter provided. Subject to the preceding sentence, each Principal Drawing honored by the Bank hereunder shall pro tanto reduce the Principal Component, and each Interest Drawing honored by the Bank hereunder shall pro tanto reduce the Interest Component, and any such reduction shall result in a corresponding reduction in the Stated Amount, it being understood that after the effectiveness of any such reduction you shall no longer have any right to make a Drawing hereunder in respect of the amount of such principal of and/or interest with respect to the Commercial Paper Notes unless the amount of such Drawing is subject to reinstatement and has been reinstated as provided in paragraph 7 of this Letter of Credit.

6. On the date of our receipt of your certificate in the form of Annex C (a “*Reduction Certificate*”) attached hereto appropriately completed and signed by your duly authorized officer, the Principal Component and the Interest Component shall be permanently reduced to the amounts set forth therein. The “*Stated Amount*” shall mean the Original Stated Amount (i) plus the sum of the amounts set forth on the Annexes less the amount of all prior reductions pursuant to Drawings, (ii) less the amount of any reduction thereof pursuant to a Reduction Certificate, (iii) plus the amount of all reinstatements as hereinafter provided.

7. After any Drawing, the Stated Amount will be automatically reinstated by and to the extent of amounts transferred by you to us on the date such Drawing is honored of amounts furnished by or on behalf of the Agency to us for such purpose; unless you shall have received notice from the Bank in the form of Exhibit F to the Letter of Credit and Reimbursement Agreement that an Event of Default under the Reimbursement Agreement has occurred and is continuing; *provided, however*, that in no event shall the Interest Component be reinstated to an amount in excess of 270 days’ interest (computed at the rate of 12% per annum and on the basis of a 365 day year) on the then applicable Principal Component.

8. Only you or your successor as Issuing and Paying Agent may make Drawings under this Letter of Credit. Upon the payment to you or to your account of the amount demanded hereunder, we shall be fully discharged of our obligation under this Letter of Credit with respect to such demand for payment and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other person who may have made to you or makes to you a demand for payment of principal of or interest on any Note. By paying to you an amount demanded in accordance herewith, we make no representations as to the correctness of the amount demanded.

9. If you receive written notice from the Agency that all the Commercial Paper Notes are defeased or otherwise no longer outstanding and that the Agency does not intend to issue any additional Notes, you shall submit a termination certificate in the form of Annex E hereto, and this Letter of Credit shall no longer be applicable to the Commercial Paper Notes as of the first business day after all Notes are wholly defeased or otherwise no longer outstanding, and correspondingly, this Letter of Credit shall terminate as provided in clause (iii) of paragraph 2 hereof.

10. The Stated Amount of the Letter of Credit shall also be increased from time to time on each Increase Date and in the amounts set forth in a notice from the Bank to you in the form attached hereto as Annex I (*"Increase in Stated Amount Certificate"*).

11. To the extent not inconsistent with the express terms hereof, this Letter of Credit shall be governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce-Publication No. 590 (*"ISP98"*). Except as to matters governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with Article 5 of the Uniform Commercial Code of the State of New York.

Unless otherwise specified herein, communications with respect to this Letter of Credit (other than Drawings) shall be in writing and shall be addressed to the Bank at Sumitomo Mitsui Banking Corporation, 277 Park Avenue, New York, New York 10172, by facsimile (at facsimile number (212) 224-4566), Attention: Trade Credit Services Department (or such other address(es) as we may specify in writing), Reference: Letter of Credit No. LG/MIS/NY-128226. Any communication to the Bank which is made by facsimile as permitted hereby (other than Drawings) shall be immediately confirmed in writing delivered to the Bank at the address set forth above; *provided*, that failure to provide such written confirmation shall not affect the validity of such notice by facsimile.

12. This Letter of Credit is transferable in whole only to your successor as Issuing and Paying Agent. Any such transfer (including any successive transfer) shall be effective upon receipt by us (which receipt shall be subsequently confirmed in writing to the transferor and the transferee by the Bank) of a signed copy of the instrument effecting each such transfer signed by the transferor and by the transferee in the form of Annex F (*"Transfer Certificate"*) hereto (which shall be conclusive evidence of such transfer) and, in such case, the transferee instead of the transferor shall, without the necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided*, that in such case, any certificates of the Trustee to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Commercial Paper Notes), except only the certificates and letters referred to herein; and no such reference shall be deemed to incorporate herein by reference any document, instrument or agreement.

Very truly yours,

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____

Title: _____

ANNEX A
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: Principal Drawing

Ladies and Gentlemen:

U.S. Bank National Association (the "*Issuing and Paying Agent*") hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*") with reference to Irrevocable Letter of Credit No. LG/MIS/NY-128226 (the "*Letter of Credit*"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent that:

(1) The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement.

(2) The Issuing and Paying Agent is making a drawing under the Letter of Credit with respect to payment of the principal amount of Commercial Paper Notes upon the stated maturity thereof.

(3) The amount demanded hereby is \$ _____ which is for payment of principal of the Commercial Paper Notes. Said amount does not exceed the amount permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit.

(4) The amount demanded hereunder was computed in accordance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agent Agreement.

(5) The amount demanded hereby does not include any amount in respect of the Commercial Paper Notes registered in the name of the Agency.

(6) Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal amount of Commercial Paper Notes upon the stated maturity thereof, (b) no portion of said amount

shall be applied by the undersigned for any other purpose and (c) no portion of said amount shall be commingled with other funds held by the undersigned.

(7) Payment by the Bank pursuant to this drawing shall be made to the Issuing and Paying Agent in accordance with the instructions set forth in the Letter of Credit.

(8) The undersigned represents that he/she is a duly authorized representative of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this certificate as of the ____ day of _____, 20__.

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

By: _____

Name: _____

Title: _____

ANNEX B
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: Interest Drawing

Ladies and Gentlemen:

U.S. Bank National Association (the "*Issuing and Paying Agent*") hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*") with reference to Irrevocable Letter of Credit No. LG/MIS/NY-128226 (the "*Letter of Credit*"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent that:

(1) The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement.

(2) The Issuing and Paying Agent is making a drawing under the Letter of Credit with respect to payment of accrued interest on Commercial Paper Notes upon the stated maturity thereof.

(3) The amount demanded hereby is \$_____, which is for payment of interest on the Commercial Paper Notes at maturity. Said amount does not exceed the amount permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit.

(4) The amount demanded hereunder was computed in accordance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agent Agreement.

(5) The amount demanded hereby does not include any amount in respect of the Commercial Paper Notes registered in the name of the Agency.

(6) Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the accrued and unpaid interest on Commercial Paper Notes upon the stated maturity thereof, (b) no portion

of said amount shall be applied by the undersigned for any other purpose and (c) no portion of said amount shall be commingled with other funds held by the undersigned.

(7) Payment by the Bank pursuant to this drawing shall be made to the Issuing and Paying Agent in accordance with the instructions set forth in the Letter of Credit.

(8) The undersigned represents that he/she is a duly authorized representative of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this certificate as of the ____ day of _____, 20__.

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

By: _____

Name: _____

Title: _____

ANNEX C
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: Reduction of Amount of Letter of Credit

Ladies and Gentlemen:

U.S. Bank National Association (the "*Issuing and Paying Agent*") hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*") with reference to Irrevocable Letter of Credit No. LG/MIS/NY-128226 (the "*Letter of Credit*"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent that:

(1) The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement.

(2) The Issuing and Paying Agent hereby notifies you that on or prior to the date hereof the Agency has determined that the Stated Amount of the Letter of Credit shall be reduced to \$ _____.

(3) At your opening of business on the fifth Business Day following your receipt of this reduction Certificate, the Principal Component of the Letter of Credit shall be reduced to \$ _____, which amount, as so reduced, is equal to or not less than the principal amount of all Commercial Paper Notes outstanding as of the date hereof.

(4) At your opening of business on the fifth Business Day following your receipt of this reduction Certificate, the amount available to be drawn by the Issuing and Paying Agent under the Letter of Credit in respect of accrued and unpaid interest with respect to the Commercial Paper Notes shall be reduced to \$ _____ (such amount being equal to interest on the Principal Component at an assumed interest rate of 12% for 270 days on the basis of a 365 day year). The amount of the Interest Component, as so reduced, is equal to or not less than the amount of any interest to be due on any Commercial Paper Note outstanding as of the date hereof.

(5) If any Commercial Paper Notes are outstanding as of the date of this Certificate, the Agency has informed us that it will not issue additional Commercial Paper Notes unless after the issuance of such additional Commercial Paper Notes the aggregate principal amount of Commercial Paper Notes outstanding shall be no greater than the amount of the Principal Component, as so reduced, pursuant to this Certificate and the aggregate interest payable on such principal amount of Commercial Paper Notes outstanding shall be no greater than the amount of the Interest Component as reduced pursuant to this certificate.

(6) At your opening of business on the fifth Business Day following your receipt of this reduction Certificate, the Stated Amount of the Letter of Credit shall be reduced to \$_____ (such amount being equal to the sum of the amounts specified in paragraphs (3) and (4) above) upon receipt by the Bank of this Certificate.

(7) The undersigned represents that he/she is a duly authorized representative of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this certificate as of the ____ day of _____ 20__.

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

By: _____

Name: _____

Title: _____

ANNEX D
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: Alternate Credit Facility Certificate

Ladies and Gentlemen:

U.S. Bank National Association (the "*Issuing and Paying Agent*") hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*") with reference to Irrevocable Letter of Credit No. LG/MIS/NY-128226 (the "*Letter of Credit*"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent that:

(1) The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement.

(2) As Issuing and Paying Agent under the Issuing and Paying Agent Agreement, the Issuing and Paying Agent has accepted an alternate letter of credit, in compliance with the Issuing and Paying Agent Agreement and the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018, between the Agency and the Bank.

(3) Upon receipt of this Certificate, the Letter of Credit shall terminate as provided above in clause (iii) of paragraph 2 of the Letter of Credit.

(4) The undersigned represents that he/she is a duly authorized representative of the Issuing and Paying Agent.

(5) Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate with respect to all outstanding Notes, and the Letter of Credit (and any amendments thereto) is returned to you herewith for cancellation.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this certificate as of the ____ day of _____, 20__.

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

By: _____

Name: _____

Title: _____

ANNEX E
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: No Notes Outstanding Certificate

Ladies and Gentlemen:

U.S. Bank National Association (the "*Issuing and Paying Agent*") hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*") with reference to Irrevocable Letter of Credit No. LG/MIS/NY-128226 (the "*Letter of Credit*"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent that:

The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement.

No Commercial Paper Notes remain outstanding under the Issuing and Paying Agent Agreement.

The Agency has notified us that it does not intend to issue any additional Commercial Paper Notes and desires to terminate this Letter of Credit in accordance with terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018, between the Agency and the Bank.

Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate as provided in clause (iii) of paragraph 2 of the Letter of Credit and we hereby elect to terminate the Letter of Credit and return such Letter of Credit (and any amendments thereto) to you herewith for cancellation.

The undersigned represents that he/she is a duly authorized representative of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this certificate as of the ____ day of _____, 20__.

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

By: _____

Name: _____

Title: _____

ANNEX F
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

TRANSFER CERTIFICATE

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: Transfer of Letter of Credit No. LG/MIS/NY-128226

Ladies and Gentlemen:

We, the undersigned "Transferor," hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("*Letter of Credit*") in its entirety to:

NAME OF TRANSFEREE _____
(Print Name and complete address of the Transferee)
"Transferee"

ADDRESS OF TRANSFEREE _____
CITY, STATE/COUNTRY, ZIP _____

In accordance with ISP 98 (as defined in the Letter of Credit), Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Letter of Credit are transferred to the Transferee, which shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Letter of Credit, including amendments to this date, is attached, and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse hereof. The undersigned Transferor requests that you notify the Transferee of the Letter of Credit in such form and manner as you deem appropriate and of the terms and conditions of the Letter of Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee and the transfer fee has been paid to you.

If you agree to these instructions, please advise the Transferee of the terms and conditions of the transferred Letter of Credit and these instructions.

Payment of a transfer fee of U.S. \$5,000 is for the account of the Agency, which shall also pay you on demand any out-of-pocket expense or cost you may incur in connection with the transfer. Receipt of such fee shall not constitute consent by you to effect the transfer.

Transferor represents and warrants that (i) our execution, delivery, and performance of this Transfer Certificate (a) are within our powers, (b) have been duly authorized, (c) constitute our legal, valid, binding and enforceable obligation, (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties, (e) do not require any notice, filing or other action to, with, or by any governmental authority, (f) the enclosed Letter of Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Letter of Credit as transferred and the transactions underlying the Letter of Credit and the requested transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which you effect the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

[Signature pages follow]

This transfer is made subject to ISP98 and is subject to and shall be governed by the law of State of New York.

Sincerely yours,

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signer's Name and Title)

(Telephone Number/Fax Number)

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signer's Name and Title)

(Print Name of Bank)

(Address of Bank)

(Telephone Number/Fax Number)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Acknowledged as of _____, 20__
SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____

Title: _____

ANNEX G
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street 16th Floor
New York, NY 10005
Attn: Corporate Trust Services

Re: Notice of Extension

Ladies and Gentlemen:

Pursuant to Section 2.05 of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018 (the "*Reimbursement Agreement*"), by and between the San Francisco Municipal Transportation Agency (the "*Agency*") and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*"), the Bank has approved an extension of Letter of Credit No. LG/MIS/NY-128226 (the "*Letter of Credit*"), dated April __, 2018, effective as of _____ (the "*Effective Date*"). The new Scheduled Termination Date is _____. You are hereby authorized to attach this Notice of Extension to the Letter of Credit and to treat this Notice of Extension as extending the Scheduled Termination Date of the Letter of Credit.

The Agency's acknowledgment hereof shall be deemed to be a representation that no Event of Default under the Reimbursement Agreement has occurred and is continuing.

Very truly yours,

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____

Title: _____

Acknowledged as of _____, by
SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____

Title: _____

Acknowledged as of _____, _____ by

ANNEX H
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: Final Drawing Certificate

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank National Association, as Issuing and Paying Agent (the "*Issuing and Paying Agent*") under the Issuing and Paying Agent Agreement, dated as of April 1, 2018, between the Issuing and Paying Agent and the San Francisco Municipal Transportation Agency (the "*Issuing and Paying Agent Agreement*"), hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*") with respect to the above- referenced Irrevocable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent, that:

1. The Issuing and Paying Agent is making this Drawing for amounts sufficient to pay the principal of and interest on the Commercial Paper Notes outstanding at their respective maturity in accordance with the Issuing and Paying Agent Agreement. Payment for this demand for payment shall be made on (the "*Payment Date*").

2. (a) We are in receipt of the written notice from you described in paragraph 2(v) of the Letter of Credit.

(b) The following amounts will be due and owing on the Notes currently outstanding at the respective maturity: [complete as appropriate]

(i) \$ _____ constitutes the principal of Notes; and

(ii) \$ _____ constitutes interest on Notes.

3. Demand is hereby made under the Letter of Credit for \$ _____, which amount does not exceed the lesser of the sum of the amounts specified in 2(b)(i) and (ii) above and the Stated Amount.

4. The proceeds hereof shall be deposited in the Letter of Credit Proceeds Account (as defined in the Issuing and Paying Agent Agreement) and shall be applied solely to the payment of the Commercial Paper Notes in accordance with the Issuing and Paying Agent Agreement.

5. The Letter of Credit shall be returned to the Bank upon our receipt of payment of this demand for payment and no additional amounts shall be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Certificate as of the ____ day of _____, ____.

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

By: _____

Name: _____

Title: _____

ANNEX I
TO
LETTER OF CREDIT NO. LG/MIS/NY-128226

[Date]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street 16th Floor
New York, NY 10005
Attn: Corporate Trust Services

Re: Increase in Stated Amount

Ladies and Gentlemen:

The undersigned, duly authorized signatories of Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “*Bank*”), hereby certify to U.S. Bank National Association (the “*Issuing and Paying Agent*”), with reference to Irrevocable Letter of Credit No. LG/MIS/NY-128226 (the “*Letter of Credit*,”) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 3.05(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018 (as amended and supplemented from time to time, the “*Reimbursement Agreement*”), the Bank has approved an increase in the Stated Amount of Letter of Credit No. LG/MIS/NY-128226 (the “*Letter of Credit*”), dated April __, 2018, in the amount of \$_____, the principal component of such increase is equal to \$_____ and the interest component of such increase is equal to \$_____ effective as of (the “*Increase Date*”). The new Stated Amount of the Letter of Credit is \$_____ (the principal component is equal to \$_____ and the interest component is equal to \$_____).

2. You are hereby required to attach this Notice of Increase in Stated Amount to the Letter of Credit and to treat this Notice of Increase in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of
the ____ day of _____.

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____

Title: _____

EXHIBIT B

[Date]

Sumitomo Mitsui Banking Corporation, New York Branch
277 Park Avenue, 6th Floor
New York, New York 10172
Attention: Trade Credit Services Department
Facsimile: (212) 224-4566

Re: Request for Increase in Stated Amount of Letter of Credit

Ladies and Gentlemen:

The San Francisco Municipal Transportation Agency (the “Agency”) hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”) with reference to Irrevocable Letter of Credit No. LG/MIS/NY-128226 (the “Letter of Credit,” any other defined terms used herein having their respective meanings set forth in the Letter of Credit) issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Agency desires to increase the Stated Amount of the Letter of Credit by \$_____ and instructs the Bank to deliver an Annex I (Increase in Stated Amount) in the form of Annex I to the Letter of Credit to the Issuing and Paying Agent. Upon the delivery by the Bank of an Annex I (Increase in Stated Amount) as requested hereby, the Stated Amount of the Letter of Credit will not exceed the Maximum Commitment Amount.
2. The representations and warranties contained in Article IV of the Agreement are true and correct on and as of the date hereof as though made on such date.
3. As of the date hereof, no Default or Event of Default has occurred and is continuing.
4. The date on which this Increase in Stated Amount of Letter of Credit shall become effective is [_____].

IN WITNESS WHEREOF, the San Francisco Municipal Transportation Agency has executed and delivered this Certificate as of the ____ day of _____, 20__.

SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By: _____

Name: _____

Title: _____

EXHIBIT C

2018 CITY HOLIDAYS

New Year's Day - Monday, January 1, 2018

Dr. Martin Luther King, Jr. Day - Monday, January 15, 2018

President's Day - Monday, February 19, 2018

Memorial Day - Monday, May 28, 2018

Independence Day - Wednesday, July 4, 2018

Labor Day - Monday, September 3, 2018

Columbus Day - Monday, October 8, 2018

Veterans Day - Monday, November 12, 2018

Thanksgiving Day and the Day After - Thursday, November 22, 2018 & Friday, November 23, 2018

Christmas Day - Tuesday, December 25, 2018

EXHIBIT D

CITY REQUIREMENTS

SECTION 1. NONDISCRIMINATION; PENALTIES.

(a) *Nondiscrimination.* In the performance of this Agreement, the Bank agrees not to discriminate against any employee, City employee working with the Bank, applicant for employment with the Bank, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) *Subcontracts.* The Bank shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from the City) and shall require all subcontractors to comply with such provisions. The Bank's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) *Nondiscrimination in Benefits.* The Bank, as of the date of this Agreement, does not and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by the City, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

(d) *Condition to Contract.* As a condition to this Agreement, the Bank shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) *Incorporation of Administrative Code Provisions by Reference.* The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. The Bank shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Bank understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during

which such person was discriminated against in violation of the provisions of this Agreement may be assessed against the Bank and/or deducted from any payments due the Bank.

SECTION 2. MACBRIDE PRINCIPLES—NORTHERN IRELAND.

Pursuant to San Francisco Administrative Code §12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of the Bank acknowledges and agrees that he or she has read and understood this section.

SECTION 3. TROPICAL HARDWOOD AND VIRGIN REDWOOD.

Pursuant to §804(b) of the San Francisco Environment Code, the City urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

SECTION 4. DRUG-FREE WORKPLACE POLICY.

The Bank acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. The Bank agrees that any violation of this prohibition by the Bank, its employees, agents or assigns will be deemed a material breach of this Agreement.

SECTION 5. SUNSHINE ORDINANCE.

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

SECTION 6. LIMITATIONS ON CONTRIBUTIONS.

Through execution of this Agreement, the Bank acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by

such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Bank acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Bank further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Bank's board of directors; the Bank's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Bank; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Bank. Additionally, the Bank acknowledges that the Bank must inform each of the persons described in the preceding sentence of the prohibitions contained in said Section 1.126.

SECTION 7. REQUIRING MINIMUM COMPENSATION FOR COVERED EMPLOYEES.

The Bank agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Bank's obligations under the MCO is set forth in this Section. The Bank is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, the Bank agrees to all of the following:

(a) The MCO requires the Bank to pay the Bank's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Bank is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Bank shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Bank's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, the City may pursue any of the remedies set forth in this Section against the Bank. Nothing in this Section shall be deemed to grant the Bank the right to subcontract.

(b) The Bank shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(c) The Bank shall maintain employee and payroll records as required by the MCO. If the Bank fails to do so, it shall be presumed that the Bank paid no more than the minimum wage required under State law.

(d) The City, upon reasonable notice to the Bank, is authorized to inspect the Bank's job sites during normal business hours.

(e) The Bank's commitment to provide the minimum compensation required by the MCO is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Bank fails to comply with these requirements. The Bank agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Bank's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(f) The Bank understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including at its option the liquidated damages provided for therein), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, the Bank fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Bank fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(g) The Bank represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(h) If the Bank is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with the City for the fiscal year is less than \$25,000, but the Bank later enters into an agreement or agreements that cause the Bank to exceed that amount in a fiscal year, the Bank shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Bank and the City to exceed \$25,000 in the fiscal year.

SECTION 8. REQUIRING HEALTH BENEFITS FOR COVERED EMPLOYEES.

The Bank agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, the Bank shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Bank chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if the Bank is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) The Bank's failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Bank if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, the Bank fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Bank fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(d) Any Subcontract entered into by the Bank shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Bank shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. The Bank shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Bank based on the Subcontractor's failure to comply, *provided* that the City has first provided the Bank with notice and an opportunity to obtain a cure of the violation.

(e) The Bank shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to the Bank's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) The Bank represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) The Bank shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

(h) The Bank shall keep itself informed of the current requirements of the HCAO.

(i) The Bank shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) The Bank shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least ten business days to respond.

(k) The Bank shall allow the City to inspect the Bank's job sites and have access to the Bank's employees in order to monitor and determine compliance with HCAO.

(l) The City may conduct random audits of the Bank to ascertain its compliance with HCAO. The Bank agrees to cooperate with the City when it conducts such audits.

(m) If the Bank is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Bank later enters into an agreement or agreements that cause either Bank's aggregate amount of all agreements with the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Bank and the City to be equal to or greater than \$75,000 in the fiscal year.

SECTION 9. PROHIBITION ON POLITICAL ACTIVITY WITH CITY FUNDS.

In accordance with San Francisco Administrative Code Chapter 12.G, the Bank may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "*Political Activity*") in the performance of the services provided under this Agreement. The Bank agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event the Bank violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Bank from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Bank's use of profit as a violation of this section.

SECTION 10. PROTECTION OF PRIVATE INFORMATION.

The Bank has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. The Bank agrees that any failure of the Bank to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, bring a false claim action against the Bank pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Bank.

SECTION 11. GRAFFITI REMOVAL.

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

The Bank shall remove all graffiti from any real property owned or leased by the Bank in the City and County of San Francisco within forty eight (48) hours of the earlier of the Bank's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require the Bank to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 *et seq.*) or as a work of visual art under the (Red wine to first to find!) Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 *et seq.*). Any failure of the Bank to comply with this section of this Agreement shall constitute a breach of this Agreement.

SECTION 12. AGENCY INTELLECTUAL PROPERTY.

Pursuant to Resolution No. 01-0118, adopted by the City on April 18, 2001, the City affirmed that it will not tolerate the unauthorized use of its intellectual property. All proposers, bidders, contractors, tenants, permittees, and others doing business with the Agency may not use the Agency intellectual property, or any intellectual property confusingly similar to the Agency intellectual property, without the prior written consent of a Designated Representative of the Agency.

SECTION 13. SUBMITTING FALSE CLAIMS; MONETARY PENALTIES.

Pursuant to San Francisco Administrative Code §21.35, any Bank, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. An underwriter, subcontractor or

consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. An underwriter, subcontractor or consultant will be deemed to have submitted a false claim to the City if the underwriter, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

SECTION 14. CONFLICT OF INTEREST.

Through its execution of this Agreement, the Bank acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

SECTION 15. ASSIGNMENT.

The Bank is prohibited from assigning, delegating or transferring this Agreement or any part of it unless such assignment, delegation or transfer is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any contract made in violation of this provision shall confer no rights on any party and shall be null and void.

SECTION 16. FOOD SERVICE WASTE REDUCTION REQUIREMENTS.

The Bank agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Bank agrees that if either breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Bank agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that the City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather

agreed monetary damages sustained by the City because of the Bank's failure to comply with this provision.

EXHIBIT E

FORM OF BANK NOTE

April __, 2018

FOR VALUE RECEIVED, the undersigned, SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY (the "*Agency*"), hereby promises to pay to the order of SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (the "*Bank*"), in the manner and on the dates provided in the hereinafter defined Reimbursement Agreement in lawful money of the United States of America and in immediately available funds, the principal sum of One Hundred Eight Million, Eight Hundred Seventy-Six Thousand, Seven Hundred Thirteen Dollars (\$108,876,713) or, if less, the aggregate outstanding principal amount of the Obligations from time to time owing to the Bank under the Reimbursement Agreement (as hereinafter defined) and the Fee Agreement (as defined in the Reimbursement Agreement). Terms used herein and not otherwise defined herein shall have the meanings assigned to them in that certain Letter of Credit and Reimbursement Agreement, dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the "*Reimbursement Agreement*"), by and between the Agency and the Bank, as from time to time in effect.

The Agency further promises to pay interest from the date hereof on the outstanding principal amount hereof and unpaid interest hereon from time to time at the rates and times and in all cases in accordance with the terms of the Reimbursement Agreement. The Bank may endorse its records relating to this Bank Note with appropriate notations evidencing the amounts drawn under the Letter of Credit and payments of principal hereunder as contemplated by the Reimbursement Agreement.

This Bank Note is issued pursuant to, is entitled to the benefits of, and is subject to, the provisions of the Reimbursement Agreement and Section 8A.102 of the Charter (the "*Charter*") of the City and County of San Francisco (the "*City*") and Ordinance No. 57-12 adopted by the Board of Supervisors of the City (the "*Board*") on April 17, 2012 and signed by Mayor Edwin M. Lee on April 19, 2012, and codified as Chapter 43, Article XIII, Sections 43.13.1 through 43.13.8 of the San Francisco Administrative Code, and Resolution No. 18-__, adopted by the Board of Directors of the Agency on _____, 2018, in each case as supplemented and amended in accordance with the terms thereof and the Agreement. Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Bank Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Reimbursement Agreement.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Bank Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

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

IN WITNESS WHEREOF, the Agency has caused this Bank Note to be signed in its corporate name as an instrument under seal by its duly authorized officer on the date and in the year first above written.

SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By: _____

Name: Edward D. Reiskin
Title: Director of Transportation

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney of the City and

County of San Francisco

By: _____

Deputy City Attorney

IN WITNESS WHEREOF, the undersigned has executed this Reduction of Stated Amount Notice as of this ___ day of _____, ____.

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____

Title: _____

EXHIBIT G

[Date]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street 16th Floor
New York, NY 10005
Attn: Corporate Trust Services
San Francisco Municipal Transportation Agency
One South Van Ness Avenue
San Francisco, California 94103
Attention: Director of Transportation

Re: Event of Default under Reimbursement Agreement –
Final Drawing Notice

Ladies and Gentlemen:

The undersigned Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “*Bank*”), under the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “*Reimbursement Agreement*”) between the San Francisco Municipal Transportation Agency (the “*Agency*”) and the Bank, pursuant to which the Irrevocable Letter of Credit dated April __, 2018 (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) was issued, hereby notifies you as Issuing and Paying Agent for the Agency’s Commercial Paper Notes, Series A-1 (Tax-Exempt) (the “*Tax-Exempt Notes*”) and its Commercial Paper Notes, Series A-2 (Taxable) (the “*Taxable Notes*” and, together with the Tax-Exempt Notes, the “*Commercial Paper Notes*”) as follows: (i) an Event of Default, as defined in the Reimbursement Agreement, has occurred and is continuing, (ii) you are hereby requested to make a Final Drawing as prescribed in the Letter of Credit and (iii) in accordance with the terms of the Letter of Credit, the Letter of Credit shall automatically terminate on the Scheduled Termination Date, which in the case of this Final Drawing Notice shall be the first to occur of (A) the date which is fifteen (15) calendar days after you have received this Final Drawing Notice, or (B) the date, following receipt of this Final Drawing Notice and your draw upon the Letter of Credit in accordance therewith, upon which you have received the proceeds of such draw in the amount required thereby and as permitted under the Letter of Credit.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this Final Drawing Notice as of this
____ day of _____, ____.

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____

Title: _____

EXHIBIT H

[Date]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street 16th Floor
New York, NY 10005
Attn: Corporate Trust Services
San Francisco Municipal Transportation Agency
One South Van Ness Avenue
San Francisco, California 94103
Attention: Director of Transportation

Re: Event of Default under Reimbursement Agreement – No Issuance Notice

The undersigned Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “*Bank*”), under the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “*Reimbursement Agreement*”) between the San Francisco Municipal Transportation Agency and the Bank, pursuant to which the above-referenced Irrevocable Letter of Credit dated April __, 2018 (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) was issued, hereby notifies you that (i) an Event of Default, as defined in the Reimbursement Agreement, has occurred and is continuing, and (ii) upon receipt of this notice, no new Commercial Paper Notes (as defined in the Reimbursement Agreement) shall be issued or authenticated. This No Issuance Notice shall remain in effect unless you have received written notification from us that this No Issuance Notice has been rescinded.

IN WITNESS WHEREOF, the undersigned has executed this No Issuance Notice as of this ____ day of _____, ____.

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____

Name: _____

Title: _____

EXHIBIT I

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate (this “*Certificate*”) is furnished to SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (the “*Bank*”) pursuant to that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “*Agreement*”), between the San Francisco Municipal Transportation Agency (the “*Agency*”) and Bank. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am an authorized officer of the Agency, and am delivering this certificate pursuant to Section 5.02 of the Agreement.
2. Attached are true and accurate calculations demonstrating that the Pledged Revenues (as defined in the Transportation System Revenue Bonds Indenture) in the Fiscal Year ended June 30, ____ (and available fund balances held by the Agency or the Trustee (as defined in the Transportation System Revenue Bonds Indenture) were at least equal to Annual Debt Service (as defined in the Transportation System Revenue Bonds Indenture), payments due on Subordinate Bonds (as defined in the Transportation System Revenue Bonds Indenture) (but (i) excluding the principal of commercial paper notes issued by or on behalf of the Agency so long as the payment of such principal is supported by a third-party liquidity facility or a third-party credit facility and (ii) including any amounts payable under a third-party liquidity facility or third-party credit facility to reimburse the provider of such facility for payment thereunder) and payment of all costs reasonably necessary to operate the Transportation System in such Fiscal Year (but not including costs that have been funded from other sources not constituting Pledged Revenues or that may reasonably be deferred).

The foregoing certifications delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20__.

SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By _____

Name: _____

Title _____

EXHIBIT J

LIST OF DEALERS

FEE AGREEMENT

DATED AS OF APRIL ___, 2018

Reference is hereby made to (i) that certain Letter of Credit Reimbursement Agreement dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “*Agreement*”), by and between the San Francisco Municipal Transportation Agency (the “*Agency*”) and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “*Bank*”), relating to the San Francisco Municipal Transportation Agency Commercial Paper Notes, Series A-1 (Tax-Exempt) and Series A-2 (Taxable) (the “*Notes*”) and (ii) the certain Irrevocable Letter of Credit dated April ___, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “*Letter of Credit*”), issued by the Bank pursuant to the Agreement, supporting the Notes. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement is to confirm the agreement between the Bank and the Agency with respect to the Letter of Credit Fees (as defined below) and certain other fees payable by the Agency to the Bank. This Fee Agreement is the Fee Agreement referenced in the Agreement and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the Agency and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

ARTICLE I. FEES.

Section 1.1. Letter of Credit Fee. The Agency hereby agrees to pay to the Bank a non-refundable Letter of Credit Fee quarterly in arrears on the first Business Day of each August, November, February and May (each such date referred to herein as a “*Quarterly Payment Date*”) (commencing on May 1, 2018, for the period from and including the Closing Date to and including April 30, 2018) occurring prior to the Termination Date and on the Termination Date in an amount, for each day during the related fee period, equal to the product of the applicable rate per annum for such day as specified in the applicable Level corresponding to the Rating (as defined below), as specified in the below pricing matrix (the “*Applicable Letter of Credit Fee Rate*”) and the Stated Amount of the Letter of Credit (without giving effect to any temporary reductions thereto that may be subject to reinstatement) for such day (the “*Letter of Credit Fee*”).

Level	Moody's Rating	S&P Rating	Fitch Rating	Applicable Letter of Credit Fee Rate
Level 1	Aa3 or above	AA- or above	AA- or above	0.40%
Level 2	A1	A+	A+	0.60%
Level 3	A2	A	A	0.80%
Level 4	A3	A-	A-	1.10%
Level 5	Baa1	BBB+	BBB+	1.50%

The term "Rating" as used above shall mean the long-term unenhanced debt ratings assigned by each of Fitch, S&P and Moody's (in each case to the extent such Rating Agency is then providing such a rating) to any Senior Lien Revenue Bonds. In the event of a split Rating (i.e. one of the foregoing Rating Agency's Rating is at a different level than the Rating of either of the other Rating Agencies), the Letter of Credit Fees shall be based upon the level in which the lowest rating appears (for the avoidance of doubt, Level 5 is the lowest Level, and Level 1 is the highest Level for purposes of the above pricing grid). Any change in the Applicable Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration or realignment of the long-term unenhanced debt rating of any unenhanced Senior Lien Revenue Bonds in connection with the adoption of a "global" rating scale, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Agency represents that as of the Closing Date the Applicable Letter of Credit Fee Rate is that specified above for Level 1. In the event that (i) a Rating is withdrawn, suspended or otherwise unavailable from Moody's, Fitch or S&P or reduced below "BBB+" (or its equivalent) by S&P, "BBB+" (or its equivalent) by Fitch or "Baa1" (or its equivalent) by Moody's (in each case to the extent such Rating Agency is then providing such a rating) or (ii) upon the occurrence and during the continuance of an Event of Default, the Applicable Letter of Credit Fee Rate shall immediately, automatically and without notice equal 3.00%. The Letter of Credit Fees shall be payable quarterly in arrears, together with interest on the Letter of Credit Fees from the date payment is due until payment in full at the Default Rate. Such Letter of Credit Fees shall be payable in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed. The Bank's determination of the Applicable Letter of Credit Fee pursuant hereto will be conclusive absent manifest error.

Section 1.2. Drawing Fee. The Agency agrees to pay to the Bank, on the date of any drawing under the Letter of Credit, a drawing fee (each, a "Drawing Fee") of \$300 for each Drawing under the Letter of Credit.

Section 1.3. Transfer Fee. Upon each transfer of the Letter of Credit in accordance with its terms, the Agency agrees to pay to the Bank a transfer fee in an amount equal to \$5,000, plus, in each case, the reasonable fees and expenses of counsel to the Bank, payable on the date of such transfer.

Section 1.4. Amendment Fee. The Agency shall pay to the Bank an amendment fee in an amount equal to \$5,000 (or such other amount reasonably determined by the Bank and agreed to by the Agency) for any change in the terms of pledged security, collateral, covenants or provisions in the Letter of Credit, the Agreement or the Related Documents requested by the Agency, plus the Bank's reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Bank may incur by reason of or in connection with such change, payable not later than the effective date of each such amendment.

Section 1.5. Termination Fee and Reduction Fee. (a) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Agency agrees not to terminate or replace the Letter of Credit prior to the two (2) year anniversary of the Closing Date, without the payment by the Agency to the Bank of a termination fee in an amount equal to the product of (1) the Applicable Letter of Credit Fee Rate in effect on the date of termination or replacement, (2) the Stated Amount (without giving effect to any reductions thereto that may be subject to reinstatement, including without limitation, any unreimbursed Drawing thereunder that may be reinstated pursuant to the terms of the Letter of Credit) as of the date of termination, and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the two (2) year anniversary of the Closing Date, and the denominator of which is 360; *provided further, however,* that no termination fee shall become payable under this Section 1.5(a) if the Agency terminates or replaces the Letter of Credit pursuant to the terms hereof and of the Agreement as the result of (i) the Bank's senior unsecured short-term ratings having been reduced below "A-1" (or its equivalent) by S&P or "P-1" (or its equivalent) by Moody's (*provided,* that for the avoidance of doubt, the ratings referenced in this clause (i) shall mean those ratings assigned to Sumitomo Mitsui Banking Corporation and not ratings assigned to Sumitomo Mitsui Banking Corporation's parent or holding company or any other affiliate of the Bank) or (ii) the Bank's imposition of increased costs pursuant to Section 2.04(b) or 2.04(c) of the Agreement and, if such costs have already been incurred, the Agency paying such amounts.

(b) Notwithstanding the foregoing and anything set forth herein or in the Agreement to the contrary, the Agency agrees not to permanently reduce the Stated Amount of the Letter of Credit prior to the two (2) year anniversary of the Closing Date, without the payment by the Agency to the Bank of a reduction fee in connection with each and every permanent reduction of the Stated Amount in an amount equal to the product of (A) the Applicable Letter of Credit Fee Rate in effect on the date of such reduction, (B) the difference between the Stated Amount (without giving effect to any reductions thereto that may be subject to reinstatement, including without limitation, any unreimbursed Drawing thereunder that may be reinstated pursuant to the terms of the Letter of Credit) prior to such reduction and the Stated Amount (without giving effect to any reductions thereto that may be subject to reinstatement, including without limitation, any unreimbursed Drawing thereunder that may be reinstated pursuant to the terms of the Letter of Credit) after such reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the two (2) year anniversary

of the Closing Date, and the denominator of which is 360; *provided, however*, that no reduction fee shall become payable under this Section 1.5(b) if the Agency reduces the Stated Amount of the Letter of Credit pursuant to the terms hereof and of the Agreement as the result of (i) the Bank's senior unsecured short-term ratings having been reduced below "A-1" (or its equivalent) by S&P or "P-1" (or its equivalent) by Moody's (*provided*, that for the avoidance of doubt, the ratings referenced in this clause (i) shall mean those ratings assigned to Sumitomo Mitsui Banking Corporation and not ratings assigned to Sumitomo Mitsui Banking Corporation's parent or holding company or any other affiliate of the Bank) or (ii) the Bank's imposition of increased costs pursuant to Section 2.04(b) or 2.04(c) of the Agreement and, if such costs have already been incurred, the Agency paying such amounts.

Section 1.6. Payment Office. For purposes of the Agreement and this Fee Agreement, the term "Payment Office" means the Bank's account at Citibank, N.A., New York, ABA Number: 021-000-089, F/O Sumitomo Mitsui Banking Corporation, New York Branch, Account Number: 36023837, Attn: Trade Credit Services Department, Reference: Letter of Credit No. LG/MIS/NY-128226, or such other office as the Bank may designate from time to time, or such other office as the Bank may designate from time to time.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Out-of-Pocket Expenses; Administration. (a) The Agency shall pay to the Bank promptly upon receipt of invoice any and all reasonable fees and expenses of the Bank (including the out-of-pocket expenses of the Bank, and the reasonable fees of domestic and foreign counsel to the Bank, plus disbursements of domestic and foreign counsel to the Bank), in accordance with this Fee Agreement in an amount not to exceed \$35,000 for domestic counsel in the aggregate and \$5,000 for foreign counsel (in each case plus disbursements). Legal fees shall be paid directly to the Bank's domestic counsel, Chapman and Cutler LLP, in accordance with the instructions provided by Chapman and Cutler LLP, and to the Bank with respect to the Bank's foreign counsel, Yumoto, Ota & Miyazaki, in accordance with the instructions provided by the Bank.

(b) The Agency further agrees to pay all of the Bank's out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel for the Bank) arising in connection with the administration and enforcement of, preservation of rights in connection with a workout, restructuring or default under, or amendment or waiver with respect to the Agreement, the Letter of Credit and the other Related Documents.

Section 2.2. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the Agency and the Bank.

Section 2.3. Governing Law. THIS FEE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA, PROVIDED, HOWEVER, THAT THE RIGHTS, DUTIES AND OBLIGATIONS OF THE BANK UNDER THIS FEE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

Section 2.4. Counterparts. This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Agreement by signing such counterpart. This Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by email with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 2.5. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.6. No Disclosure. Unless required by law, the Agency shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement to any Dealer or any other Person or for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers as of date first set forth above.

SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By: _____
Name: _____
Title: Director of Transportation

APPROVED AS TO FORM:

DENNIS J. HERRERA, CITY ATTORNEY

By: _____
Deputy City Attorney

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____
Name: _____
Title: Managing Director

Enclosure 3

Form of Amended and Restated Dealer Agreements

AMENDED AND RESTATED DEALER AGREEMENT
(Dated As of September 1, 2013,
As Amended and Restated As of April 1, 2018)

THIS AMENDED AND RESTATED DEALER AGREEMENT (as amended, supplemented, restated or otherwise modified from time to time, this “Agreement”) is entered into as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the San Francisco Municipal Transportation Agency (the “SFMTA”), an agency of the City and County of San Francisco (the “City”) and Loop Capital Markets LLC (“Loop” or the “Dealer”).

RECITALS

The SFMTA proposes to issue on a revolving basis its Commercial Paper Notes, Series A-1 (Tax-Exempt) (the “Series A-1 Notes”) and its Commercial Paper Notes, Series A-2 (Taxable) (the “Series A-2 Notes” and, together with the Tax-Exempt Notes, the “Notes”) in the aggregate principal amount not to exceed \$100,000,000. The Notes are issued pursuant to Resolution No. 13-071, adopted by the Board of Directors of the SFMTA on June 4, 2013 (the “Note Resolution”), Sections 8A.100, 8A.101 and 8A.102 of the Charter of the City, and Ordinance No. 57-12 adopted by the Board of Supervisors of the City (the “Board”) on April 17, 2012 and signed by Mayor Edwin M. Lee on April 19, 2012, and codified as Chapter 43, Article XIII, Sections 43.13.1 through 43.13.8 of the San Francisco Administrative Code (the “Act”).

The Notes will be issued in accordance with the Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “Issuing and Paying Agent Agreement”), between the SFMTA and U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”).

All Notes are special limited obligations of the SFMTA payable when due from drawings on an irrevocable letter of credit (as amended, supplemented, restated or otherwise modified from time to time, the “Letter of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”), pursuant to the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “Reimbursement Agreement”), between SFMTA and the Bank, proceeds of the sale of Notes, and Available Transportation System Revenues (as defined herein). The Dealer has agreed to act as a Dealer for the Notes and to perform the duties imposed upon the Dealer by this Agreement. The Dealer has agreed to act as a Dealer for the Notes and to perform the duties imposed upon the Dealer by this Agreement.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

Section 1. Definitions. Unless the context clearly indicates a contrary meaning, each capitalized term used and not defined in this Agreement shall have the meaning given to that term in the Issuing and Paying Agent Agreement.

Section 2. Appointment of Dealer; Acceptance; Allocations; Evaluations.

(a) Subject to the terms and conditions set forth in this Agreement, the SFMTA hereby appoints Loop as a Dealer for the Notes, and Loop hereby accepts such appointment and accepts and agrees to perform the duties and obligations imposed upon it as a Dealer under this Agreement, subject to the terms, conditions and limitations set forth in this Agreement.

(b) The Dealer shall act as a non-exclusive Dealer with respect to the Notes and shall be responsible to solicit and arrange sales of the Notes allocated to it, including, without limitation, the initial placement of such Notes and subsequent sales, establishing the rates and maturities of such Notes from time to time. Each dealer acknowledges that the SFMTA may enter into agreements with other dealers in connection with the offering and sale of the Notes. The SFMTA reserves the right to allocate and reallocate Notes among the Dealer and the other dealers with respect to the Notes at any time in its sole discretion for any reason.

(c) The Dealer acknowledges that the SFMTA intends to conduct a regular evaluation of the Dealer. Such evaluation will consider, among other things, an analysis of interest rates on the Notes allocated hereunder and managed by the Dealer in comparison to the interest rates provided by other dealers.

(d) The Dealer acknowledges that the SFMTA has delivered to it executed copies of the Note Resolution, the Issuing and Paying Agent Agreement, the Letter of Credit, the Reimbursement Agreement and a Certificate of Designated Representatives in accordance with Section 6 hereof.

(e) The Dealer hereby agrees that it will comply with all statutes and regulations applicable to it, including without limitation, all applicable securities laws and requirements of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or any regulatory body having jurisdiction over the Dealer, non-compliance with which would adversely affect the Notes or the SFMTA's Note program.

Section 3. Sale and Purchase of Notes.

(a) The Dealer acknowledges that the terms and conditions of the Notes are set forth in the Issuing and Paying Agent Agreement and that in particular, the Notes of each Series (i) shall be issued in denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof, (ii) shall bear interest payable at maturity at an annual rate (calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable), not to exceed the Maximum Interest Rate of 12% per annum, (iii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the Business Day immediately preceding the Scheduled Termination Date (as defined in the Reimbursement Agreement) (*provided, however*, that, subject to the terms of Section 6.07 of the Reimbursement Agreement, the Dealer shall not market any Note or Notes with a maturity shorter than three (3) days from the date of issuance without the Bank's prior written consent), and (iv) shall be sold at a price equal to 100% of the principal amount thereof.

(b) The Dealer shall use its best efforts, consistent with commercial practice, to solicit and arrange sales of the Notes at such rates and maturities as may prevail from time to time

in the market in accordance with Section 4 below up to the Maximum Interest Rate, provided such rates shall not exceed the Maximum Interest Rate. The Dealer agrees to notify SFMTA if for any reason it believes that it will not be able to sell the Notes on the date such Notes are to be issued. The Dealer and the SFMTA agree that any Notes that the Dealer may purchase or for which the Dealer may arrange the sale will be purchased or sold on the terms and conditions and in the manner provided in the Issuing and Paying Agent Agreement and this Agreement. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions hereof and the Issuing and Paying Agent Agreement, the provisions of the Issuing and Paying Agent Agreement shall be controlling.

Section 4. Transactions in Notes. All transactions in Notes between the Dealer and the SFMTA shall be in accordance with the Note Resolution, the Act, the Issuing and Paying Agent Agreement, this Agreement, the Letter of Credit, the Reimbursement Agreement and with the customs and practices in the commercial paper market regarding settlement and delivery formally adopted in writing from time to time by the New York Clearinghouse, to the extent not inconsistent with the Issuing and Paying Agent Agreement. As early as possible, but not later than 9:30 a.m. (New York City time) on the date on which any Notes are to be issued, the Dealer shall notify the SFMTA of the proposed final maturities, prices and interest rates (which interest rates shall not exceed the Maximum Interest Rate) at which the Dealer will purchase the Notes, and provide the SFMTA with any other information as required for delivery of such Notes. The Dealer shall not be obligated to purchase any Notes unless and until agreement, as described in the following sentence, has been reached in each case on the proposed final maturities, prices and interest rates. Not later than 11:00 a.m. (New York City time) on the date of issuance of the Notes, the SFMTA may approve or disapprove of such final maturities, prices and interest rates (provided that if the SFMTA does not provide notice to the Dealer of disapproval then the SFMTA shall be deemed to have approved such terms) and the Dealer shall either (a) confirm each transaction made with or arranged by it or (b) notify the SFMTA and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes which the Dealer has arranged to sell or has agreed to purchase. If the SFMTA elects to issue and receive electronic communications relating to the Notes via the System, as defined in the Issuing and Paying Agent Agreement, such confirmation or notification may be given via the System. At the election of the SFMTA, or if at any time the System is inoperable, such confirmation or notification shall be given by telephone (or by other telecommunication or electronic medium acceptable to the SFMTA) and confirmed in writing to the SFMTA and the Issuing and Paying Agent.

Section 5. Payment for Notes. The Dealer shall cause funds from settlement of the purchase or sale by the Dealer of Notes to be transferred to the Issuing and Paying Agent by 2:30 p.m. (New York City time) on the Business Day such Notes are issued. All Notes will be sold at a price of not less than 100% of the principal amount thereof, and will be executed in the manner provided for in the Issuing and Paying Agent Agreement.

Section 6. Designated Representative. Note transactions with the SFMTA pursuant to Section 4 hereof shall be with the Director of Transportation or the Chief Financial Officer of the SFMTA or such other person as may be designated to act on behalf of the SFMTA in a certificate signed by the Director of Transportation of the SFMTA. The SFMTA will deliver to the Dealer a Certificate of Authorized Agency Representatives in the form appended to the Issuing and Paying Agent Agreement as Exhibit C. The SFMTA agrees to provide the Dealer with a

revised Certificate of Authorized Agency Representatives in substantially said form when and as required by changes in the Authorized Agency Representatives. The Dealer may rely upon such Certificate of Authorized Agency Representatives unless and until otherwise notified in writing by the Director of Transportation of the SFMTA.

Section 7. Certain Representations of the SFMTA. The SFMTA represents to the Dealer as follows:

(a) As of the date of each issuance of Notes: (i) the SFMTA has full power and authority to issue the Notes, to enter into, perform and observe the covenants and agreements on its part contained in this Agreement, the Issuing and Paying Agent Agreement and the Letter of Credit (collectively, the “Documents”); (ii) such Documents have been duly authorized, executed and delivered by the SFMTA; and such Documents constitute legally valid and binding obligations of the SFMTA, in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies agreement public entities in the State of California.

(b) As of the date of each issuance of Notes, the Note Resolution is in full force and effect and has not been repealed, modified or amended since its adoption.

(c) As of the date of each issuance of Notes, the Act is in full force and effect and has not been repealed, modified or amended since its adoption.

(d) As of the date of each issuance of Notes, such Notes have been duly authorized and executed by the SFMTA, and when authenticated and delivered by the Issuing and Paying Agent, will be in conformity with, and entitled to the benefits of the Note Resolution and the Issuing and Paying Agent Agreement.

(e) The Offering Memorandum related to the Notes, as supplemented or amended (the “Offering Memorandum”) will not as of its date, and as of the date of issuance of one or more Notes pursuant to an Issuance Request, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that the SFMTA makes no representation with respect to information therein regarding the Bank, the Letter of Credit, the Dealer or any other dealers, the Issuing and Paying Agent and DTC and its book-entry only system.)

Section 8. Offering Memorandum and Disclosure.

(a) The SFMTA shall prepare or cause to be prepared the Offering Memorandum with respect to the Notes.

(b) The SFMTA shall make available to the Dealer [**Confirm**], by posting on its website, the following:

(i) copies of any notices filed by the SFMTA in accordance with Rule 15c2-12(b)(5)(i)(C) promulgated under the Securities Exchange Act of 1934 with respect to any outstanding revenue bonds, notes or other obligations for borrowed money of the SFMTA (the “SFMTA Bonds”) promptly following the filing thereof;

(ii) copies of annual reports filed by the SFMTA in accordance with Rule 15c2-12(b)(5)(i)(A) with respect to SFMTA Bonds promptly following the filing thereof;

(iii) copies of the official statements or other disclosure documents with respect to SFMTA Bonds promptly following the issuance thereof;

(iv) prompt notice and a copy of any amendment to the Issuing and Paying Agent Agreement, or of the substitution, termination or extension of the Letter of Credit;

(v) prompt notice of the occurrence and continuance of an event of default under the Issuing and Paying Agent Agreement or the Reimbursement Agreement and the issuance by the Bank of a No Issuance or a Final Delivery Notice;

(vi) prompt notice of the suspension, reduction or withdrawal of the rating on any SFMTA Bonds or the public announcement of the possibility thereof by the Rating Agencies then rating the SFMTA Bonds; and

(vii) prompt notice of the receipt by the SFMTA of notification from Bond Counsel that the SFMTA may not continue to rely on their opinion regarding the validity or tax-exempt status of the Notes.

(c) The SFMTA will furnish the Dealer such documents and information concerning the business, operations and financial condition of the SFMTA, as the Dealer may from time to time reasonably request.

(d) The Dealer shall provide a copy of the Offering Memorandum, as supplemented, amended and updated from time to time, to each person to whom it sells Notes prior to or with the delivery of any payment confirmation. The Dealer shall not provide prospective or actual purchasers of the Notes with any written offering materials, disclosure documents or other documents or information in connection with the solicitation of purchases and sales of the Notes other than the Offering Memorandum and any supplements, amendments or updates thereto and the Issuing and Paying Agent Agreement and the Letter of Credit, as the same may be amended, supplemented or replaced from time to time.

(e) The SFMTA authorizes the use and distribution of copies of the Offering Memorandum by the Dealer in connection with the sale of the Notes.

Section 9. Compensation to Dealer. For the services to be performed by the Dealer under this Agreement, the SFMTA agrees to pay the Dealer a fee equal to four and one-half (4.5) basis points (0.045%) of the average outstanding principal amount of the Notes managed by the Dealer, payable in arrears on the first Business Day of each February, May, August and November.

Section 10. Termination. This Agreement may be terminated by the SFMTA at any time with respect to the Dealer and by the Dealer upon not less than 90 days' prior written notice to the SFMTA and the Bank, provided that the Dealer may terminate with 60 days' prior written notice to the SFMTA and the Bank if other dealers reasonably acceptable to the SFMTA are in place with respect to the Notes.

Section 11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original but all of which shall constitute one and the same document. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a PDF copy attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 12. Governing Law; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

Section 13. Notices. Except as otherwise specifically provided herein, all notices required or provided for under this Agreement shall be in writing and shall be delivered by hand, first class mail (postage prepaid) or overnight express delivery, and shall be effective when received at the following addresses or at such other address as a party may designate in a notice delivered to the other part hereto in accordance herewith:

If to the SFMTA:

San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, California 94103
Attention: Chief Financial Officer
Telephone: (415) 701-4617
Facsimile: (415) 701-4725

With copies to:

City and County of San Francisco
Office of Public Finance
City Hall, Room 336
San Francisco, California 94102
Facsimile: (415) 554-4864
Attention: Nadia Sesay Director of Public Finance

City and County of San Francisco
Office of the Controller
City Hall, Room 316
San Francisco, California 94102
Facsimile: (415) 554-7466
Attention: Benjamin Rosenfield Controller

If to Dealer: Loop Capital Markets
Fixed Income Division
Attention: Rita Ho
111 West Jackson-Blvd., Suite 1901
Chicago, IL 60604
Telephone: (312) 913-2274
Facsimile: (312) 913-4928

With a copy to: Loop Capital Markets
Investment Banking Division - Public Finance
Attn: Clarence Bourne, Managing Director
111 West Jackson Blvd., Suite 1901
Chicago, IL 60604
Direct Tel: (312) 356-5009
Fax: (312) 913-4927

If to the Issuing and Paying Agent: US Bank Corporate Trust Services
100 Wall Street 16th Floor
New York, NY 10005
Attention: Corporate Trust Services
Telephone: (212)951-8512
Facsimile: (212)361-6153

Section 14. Assignment. This Agreement shall not be assignable by any party hereto without the prior written consent of the other parties. This Agreement shall inure to the benefit of and shall be binding upon the SFMTA and the Dealer and their respective successor and assigns. This Agreement shall not be deemed to give any legal or equitable right, remedy or claim to any other person or entity other than the parties hereto.

Section 15. Headings. The section headings hereof have been inserted for convenience of reference only, shall not be part of this Agreement, and shall not be used to construe, define, limit or interpret the meaning of any provision hereof.

Section 16. Severability. If any provision of this Agreement shall be held or deemed by a court of competent jurisdiction to be invalid, inoperative or unenforceable for any reason, such determination shall not affect the validity or enforceability of the remaining provisions hereof.

Section 17. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Agreement shall only be amended, supplemented or modified in a writing signed by all of the parties hereto.

Section 18. No Personal Liability. The SFMTA, the City and their respective supervisors, members, officers, employees, representatives, agents and attorneys shall not be held personally liable for the execution or performance of this Agreement, or any breach or default of the provisions hereof.

Section 19. City Requirements. The Dealer hereby agrees to the City's requirements, as provided in Exhibit A attached hereto and incorporated hereby by this reference.

Section 20. Term. The initial term of this Agreement shall be from the date first written above through February __, 2023. The initial term of this Agreement may be extended by written instrument signed by the parties hereto, provided that such extension is authorized by resolutions of SFMTA and the City relating to the Commercial Paper Notes. SFMTA shall use its best efforts to notify the Dealer of its intent to terminate or extend this Agreement at least sixty (60) days prior to such termination or extension.

Section 21. No Advisory or Fiduciary Role. The SFMTA acknowledges and agrees that: (i) this Agreement and the transactions contemplated by this Agreement are arm's length, commercial transactions between the SFMTA and the Dealer in which the Dealer is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the SFMTA; (ii) Dealer has not assumed any advisory or fiduciary responsibility to the SFMTA with respect to this Agreement or the transactions contemplated hereby and the discussions, undertakings and procedures to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Dealer has provided other services or is currently providing other services to the SFMTA on other matters); (iii) the only obligations Dealer has to the SFMTA with respect to this Agreement and the transactions contemplated hereby expressly are set forth in this Dealer Agreement; and (iv) the SFMTA has consulted its own legal, accounting, tax, financial and other advisors, as applicable to the extent it has deemed appropriate.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____
Edward D. Reiskin
Director of Transportation

Approved as to Form:

DENNIS J. HERRERA
City Attorney of the
City and County of San Francisco

By: _____
Deputy City Attorney

LOOP CAPITAL MARKETS, LLC

By: _____
Clarence Bourne
Managing Director

EXHIBIT A

City Requirements

For purposes of this Exhibit A the term Dealer shall mean Loop Capital Markets LLC.

(a) *Tropical Hardwood and Virgin Redwood Ban.* The City urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

(b) *Nondiscrimination: Penalties.*

(i) *Dealer Shall Not Discriminate.* In the performance of this Agreement, the Dealer agrees not to discriminate against any employee, City and County employee working with the Dealer or subcontractor, applicant for employment with the Dealer or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status, or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(ii) *Subcontracts.* The Dealer shall incorporate by reference in all subcontracts made in fulfillment of its obligations hereunder the provisions of Sections 12B.2(a), 12B.2(c)-(k) and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. The Dealer's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(iii) *Non-Discrimination in Benefits.* The Dealer does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(iv) *HRC Form.* The Dealer shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(v) *Incorporation of Administrative Code Provisions by Reference.* The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. The Dealer shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the San Francisco Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Dealer understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against the Dealer and/or deducted from any payments due the Dealer; *provided, however*, that such damages shall not be set off against the payment of rental or other contract related to Commercial Paper Notes or other debt obligations of the City.

(c) *Limitations on Contributions.* Through execution of this Agreement, the Dealer acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, including the SFMTA, for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (A) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (B) a candidate for the office held by such individual, or (C) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Dealer acknowledges that the foregoing restriction applies only if the contract or combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Dealer further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Dealer's board of directors; the Dealer's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Dealer; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Dealer. Additionally, the Dealer acknowledges that the Dealer must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 of the City's Campaign and Governmental Conduct Code.

(d) *MacBride Principles - Northern Ireland.* Pursuant to San Francisco Administrative Code Section 12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of the Dealer acknowledges and agrees that he or she has read and understood this section.

(e) *Conflict of Interest.* Through its execution of this Agreement, the Dealer hereby acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it

does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

(f) *Earned Income Credit ("EIC") Forms.* San Francisco Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(i) The Dealer shall provide EIC Forms to each Eligible Employee at each of the following times: (A) within thirty days following the date on which this Agreement becomes effective (unless the Dealer has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (B) promptly after any Eligible Employee is hired by the Dealer; and (C) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(ii) Failure to comply with any requirement contained in the immediately preceding paragraph shall constitute a material breach by the Dealer of the terms of this Agreement. If, within thirty days after the Dealer receives written notice of such a breach, the Dealer fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Dealer fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(iii) Any subcontract entered into by the Dealer shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(iv) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

(g) *Local Business Enterprise Utilization; Liquidated Damages.*

(i) *The LBE Ordinance.* The Dealer shall comply with all the requirements of the Disadvantaged Business Enterprise Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase the Dealer's obligations or liabilities, or materially diminish the Dealer's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. The Dealer's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of the Dealer's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, the Dealer shall comply fully with all other

applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

(ii) *Compliance and Enforcement.* If the Dealer willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, the Dealer shall be liable for liquidated damages in an amount equal to the Dealer's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against the Dealer authorized in the LBE Ordinance, including declaring the Dealer to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Dealer's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to the San Francisco Administrative Code Section 14B.17.

By entering into this Agreement, the Dealer acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. The Dealer further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Dealer on any contract with City.

The Dealer agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(h) *Drug-Free Workplace Policy.* The Dealer acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on SFMTA or City premises. The Dealer agrees that any violation of this prohibition by the Dealer, its employees, agents or assigns will be deemed a material breach of this Agreement.

(i) *Compliance with Americans with Disabilities Act.* The Dealer acknowledges that, pursuant to the Americans with Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Dealer shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Dealer agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Dealer, its employees, agents or assigns will constitute a material breach of this Agreement.

(j) *Sunshine Ordinance.* In accordance with San Francisco Administrative Code Section 67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the SFMTA or the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision

requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

(k) *Requiring Minimum Compensation for Covered Employees.*

(i) The Dealer agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance ("MCO"), as set forth in San Francisco Administrative Code Chapter 12P ("Chapter 12P"), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Dealer's obligations under the MCO is set forth in this Section. The Dealer is required to comply with all the provisions of the MCO, irrespective of this listing of obligations in this Section.

(ii) The MCO requires the Dealer to pay the Dealer's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Dealer is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Dealer shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Dealer's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against the Dealer.

(iii) The Dealer shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(iv) The Dealer shall maintain employee and payroll records as required by the MCO. If the Dealer fails to do so, it shall be presumed that the Dealer paid no more than the minimum wage required under State law.

(v) The City is authorized to inspect the Dealer's job sites and conduct interviews with employees and conduct audits of the Dealer.

(vi) The Dealer's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Dealer fails to comply with these requirements. The Dealer agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Dealer's noncompliance.

The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(vii) The Dealer understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, the Dealer fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Dealer fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(viii) The Dealer represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(ix) The City may conduct random audits of the Dealer. Random audits shall be (A) noticed in advance in writing; (B) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (C) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (D) limited to one audit of the Dealer every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the City from investigating any report of an alleged violation of the MCO.

(l) *Requiring Health Benefits for Covered Employees.* Unless exempt, the Dealer agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (“HCAO”), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at <http://www.sfgov.org/lwlh.htm>. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(i) For each Covered Employee, the Dealer shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Dealer chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(ii) Notwithstanding the above, if the Dealer is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (i) above.

(iii) The Dealer’s failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Dealer if such a breach has occurred. If, within 30 days after receiving City’s written notice of a breach of this Agreement for violating the HCAO, the Dealer fails to cure such breach or, if such breach cannot

reasonably be cured within such period of 30 days, the Dealer fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(iv) Any subcontract entered into by the Dealer shall require the subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Dealer shall notify City's Office of Contract Administration when it enters into such a subcontract and shall certify to the Office of Contract Administration that it has notified the subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on subcontractor through the subcontract. The Dealer shall be responsible for its subcontractors' compliance with this Chapter. If a subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Dealer based on the subcontractor's failure to comply, provided that City has first provided the Dealer with notice and an opportunity to obtain a cure of the violation.

(v) The Dealer shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to the Dealer's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(vi) The Dealer represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(vii) The Dealer shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

(viii) The Dealer shall keep itself informed of the current requirements of the HCAO.

(ix) The Dealer shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subcontractors and subtenants, as applicable.

(x) The Dealer shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten Business Days to respond.

(xi) The Dealer shall allow City to inspect the Dealer's job sites and have access to the Dealer's employees in order to monitor and determine compliance with HCAO.

(xii) The City may conduct random audits of the Dealer to ascertain its compliance with HCAO. The Dealer agrees to cooperate with City when it conducts such audits.

(xiii) If the Dealer is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Dealer later enters into an agreement or agreements that cause the Dealer's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Dealer and the City to be equal to or greater than \$75,000 in the fiscal year.

(m) *Prohibition on Political Activity with City Funds.* In accordance with San Francisco Administrative Code Chapter 12.G, the Dealer may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. The Dealer agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event the Dealer violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Dealer from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Dealer's use of profit as a violation of this section.

(n) *Graffiti Removal.* Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

The Dealer shall remove all graffiti from any real property owned or leased by such Dealer in the City and County of San Francisco within forty eight (48) hours of the earlier of such Dealer's (i) discovery or notification of the graffiti or (ii) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require any Dealer to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (A) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco

Planning Code or the San Francisco Building Code; or (B) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Section 101 et seq.).

Any failure of the Dealer to comply with this Section of this Agreement shall constitute a material breach of this Agreement.

(o) *Food Service Waste Reduction Requirements.* The Dealer agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Dealer agrees that if it breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Dealer agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that the City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the City because of such Dealer's failure to comply with this provision.

(p) *Preservative-treated Wood Containing Arsenic.* The Dealer may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. The Dealer may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude the Dealer from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

(q) *Nondisclosure of Private Information.* The Dealer agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the "*Nondisclosure of Private information Ordinance*"), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, the Dealer agrees to all of the following:

(i) Neither the Dealer nor any of its Subcontractors shall disclose Private Information obtained from the City in the performance of this Agreement to any other Subcontractor, person, or other entity, unless one of the following is true:

(1) the disclosure is authorized by this Agreement;

(2) the Dealer received advance written approval from the Contracting Department to disclose the information; or

(3) the disclosure is required by law or judicial order.

(ii) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(iii) Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

(iv) Any failure of the Dealer to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar the Dealer, or bring a false claim action against the Dealer.

(r) *Proprietary or Confidential Information of City.* The Dealer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its obligations, (g) with the consent of the City or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Dealer on a nonconfidential basis from a source other than the City. For the purposes of this Section, "Information" means all information received from the City relating to the City or its business, other than any such information that is available to the Dealer on a nonconfidential basis prior to disclosure by the City; *provided* that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have

complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(s) *Submitting False Claims; Monetary Penalties.* Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (i) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (ii) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (iii) conspires to defraud the City by getting a false claim allowed or paid by the City; (iv) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (v) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

(t) *Subcontracting.* Except as otherwise provided in this Agreement, the Dealer is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

(u) *Non-Waiver of Rights.* The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

(v) *City a Third Party Beneficiary.* The City is hereby designated as a third party beneficiary for the purpose of enforcing all of the obligations of the Dealer contained in this Exhibit A to this Agreement.

AMENDED AND RESTATED DEALER AGREEMENT
(Dated As of September 1, 2013,
As Amended and Restated As of April 1, 2018)

THIS AMENDED AND RESTATED DEALER AGREEMENT (as amended, supplemented, restated or otherwise modified from time to time, this “Agreement”) is entered into as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the San Francisco Municipal Transportation Agency (the “SFMTA”), an agency of the City and County of San Francisco (the “City”) and Morgan Stanley & Co. LLC (“Morgan Stanley” or the “Dealer”).

RECITALS

The SFMTA proposes to issue on a revolving basis its Commercial Paper Notes, Series A-1 (Tax-Exempt) (the “Series A-1 Notes”) and its Commercial Paper Notes, Series A-2 (Taxable) (the “Series A-2 Notes” and, together with the Tax-Exempt Notes, the “Notes”) in the aggregate principal amount not to exceed \$100,000,000. The Notes are issued pursuant to Resolution No. 13-071, adopted by the Board of Directors of the SFMTA on June 4, 2013 (the “Note Resolution”), Sections 8A.100, 8A.101 and 8A.102 of the Charter of the City, and Ordinance No. 57-12 adopted by the Board of Supervisors of the City (the “Board”) on April 17, 2012 and signed by Mayor Edwin M. Lee on April 19, 2012, and codified as Chapter 43, Article XIII, Sections 43.13.1 through 43.13.8 of the San Francisco Administrative Code (the “Act”).

The Notes will be issued in accordance with the Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “Issuing and Paying Agent Agreement”), between the SFMTA and U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”).

All Notes are special limited obligations of the SFMTA payable when due from drawings on an irrevocable letter of credit (as amended, supplemented, restated or otherwise modified from time to time, the “Letter of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”), pursuant to the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “Reimbursement Agreement”), between SFMTA and the Bank, proceeds of the sale of Notes, and Available Transportation System Revenues (as defined herein). The Dealer has agreed to act as a Dealer for the Notes and to perform the duties imposed upon the Dealer by this Agreement. The Dealer has agreed to act as a Dealer for the Notes and to perform the duties imposed upon the Dealer by this Agreement.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

Section 22. Definitions. Unless the context clearly indicates a contrary meaning, each capitalized term used and not defined in this Agreement shall have the meaning given to that term in the Issuing and Paying Agent Agreement.

Section 23. Appointment of Dealer; Acceptance; Allocations; Evaluations.

(a) Subject to the terms and conditions set forth in this Agreement, the SFMTA hereby appoints Morgan Stanley as a Dealer for the Notes, and Morgan Stanley hereby accepts such appointment and accepts and agrees to perform the duties and obligations imposed upon it as a Dealer under this Agreement, subject to the terms, conditions and limitations set forth in this Agreement.

(b) The Dealer shall act as a non-exclusive Dealer with respect to the Notes and shall be responsible to solicit and arrange sales of the Notes allocated to it, including, without limitation, the initial placement of such Notes and subsequent sales, establishing the rates and maturities of such Notes from time to time. Each dealer acknowledges that the SFMTA may enter into agreements with other dealers in connection with the offering and sale of the Notes. The SFMTA reserves the right to allocate and reallocate Notes among the Dealer and the other dealers with respect to the Notes at any time in its sole discretion for any reason.

(c) The Dealer acknowledges that the SFMTA intends to conduct a regular evaluation of the Dealer. Such evaluation will consider, among other things, an analysis of interest rates on the Notes allocated hereunder and managed by the Dealer in comparison to the interest rates provided by other dealers.

(d) The Dealer acknowledges that the SFMTA has delivered to it executed copies of the Note Resolution, the Issuing and Paying Agent Agreement, the Letter of Credit, the Reimbursement Agreement and a Certificate of Designated Representatives in accordance with Section 6 hereof.

(e) The Dealer hereby agrees that it will comply with all statutes and regulations applicable to it, including without limitation, all applicable securities laws and requirements of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or any regulatory body having jurisdiction over the Dealer, non-compliance with which would adversely affect the Notes or the SFMTA's Note program.

Section 24. Sale and Purchase of Notes.

(a) The Dealer acknowledges that the terms and conditions of the Notes are set forth in the Issuing and Paying Agent Agreement and that in particular, the Notes of each Series (i) shall be issued in denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof, (ii) shall bear interest payable at maturity at an annual rate (calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable), not to exceed the Maximum Interest Rate of 12% per annum, (iii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the Business Day immediately preceding the Scheduled Termination Date (as defined in the Reimbursement Agreement) (*provided, however*, that, subject to the terms of Section 6.07 of the Reimbursement Agreement, the Dealer shall not market any Note or Notes with a maturity shorter than three (3) days from the date of issuance without the Bank's prior written consent), and (iv) shall be sold at a price equal to 100% of the principal amount thereof.

(b) The Dealer shall use its best efforts, consistent with commercial practice, to solicit and arrange sales of the Notes at such rates and maturities as may prevail from time to time in the market in accordance with Section 4 below up to the Maximum Interest Rate, provided such rates shall not exceed the Maximum Interest Rate. The Dealer agrees to notify SFMTA if for any reason it believes that it will not be able to sell the Notes on the date such Notes are to be issued. The Dealer and the SFMTA agree that any Notes that the Dealer may purchase or for which the Dealer may arrange the sale will be purchased or sold on the terms and conditions and in the manner provided in the Issuing and Paying Agent Agreement and this Agreement. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions hereof and the Issuing and Paying Agent Agreement, the provisions of the Issuing and Paying Agent Agreement shall be controlling.

Section 25. Transactions in Notes. All transactions in Notes between the Dealer and the SFMTA shall be in accordance with the Note Resolution, the Act, the Issuing and Paying Agent Agreement, this Agreement, the Letter of Credit, the Reimbursement Agreement and with the customs and practices in the commercial paper market regarding settlement and delivery formally adopted in writing from time to time by the New York Clearinghouse, to the extent not inconsistent with the Issuing and Paying Agent Agreement. As early as possible, but not later than 9:30 a.m. (New York City time) on the date on which any Notes are to be issued, the Dealer shall notify the SFMTA of the proposed final maturities, prices and interest rates (which interest rates shall not exceed the Maximum Interest Rate) at which the Dealer will purchase the Notes, and provide the SFMTA with any other information as required for delivery of such Notes. The Dealer shall not be obligated to purchase any Notes unless and until agreement, as described in the following sentence, has been reached in each case on the proposed final maturities, prices and interest rates. Not later than 11:00 a.m. (New York City time) on the date of issuance of the Notes, the SFMTA may approve or disapprove of such final maturities, prices and interest rates (provided that if the SFMTA does not provide notice to the Dealer of disapproval then the SFMTA shall be deemed to have approved such terms) and the Dealer shall either (a) confirm each transaction made with or arranged by it or (b) notify the SFMTA and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes which the Dealer has arranged to sell or has agreed to purchase. If the SFMTA elects to issue and receive electronic communications relating to the Notes via the System, as defined in the Issuing and Paying Agent Agreement, such confirmation or notification may be given via the System. At the election of the SFMTA, or if at any time the System is inoperable, such confirmation or notification shall be given by telephone (or by other telecommunication or electronic medium acceptable to the SFMTA) and confirmed in writing to the SFMTA and the Issuing and Paying Agent.

Section 26. Payment for Notes. The Dealer shall cause funds from settlement of the purchase or sale by the Dealer of Notes to be transferred to the Issuing and Paying Agent by 2:30 p.m. (New York City time) on the Business Day such Notes are issued. All Notes will be sold at a price of not less than 100% of the principal amount thereof, and will be executed in the manner provided for in the Issuing and Paying Agent Agreement.

Section 27. Designated Representative. Note transactions with the SFMTA pursuant to Section 4 hereof shall be with the Director of Transportation or the Chief Financial Officer of the SFMTA or such other person as may be designated to act on behalf of the SFMTA in a certificate signed by the Director of Transportation of the SFMTA. The SFMTA will deliver to the

Dealer a Certificate of Authorized Agency Representatives in the form appended to the Issuing and Paying Agent Agreement as Exhibit C. The SFMTA agrees to provide the Dealer with a revised Certificate of Authorized Agency Representatives in substantially said form when and as required by changes in the Authorized Agency Representatives. The Dealer may rely upon such Certificate of Authorized Agency Representatives unless and until otherwise notified in writing by the Director of Transportation of the SFMTA.

Section 28. Certain Representations of the SFMTA. The SFMTA represents to the Dealer as follows:

(a) As of the date of each issuance of Notes: (i) the SFMTA has full power and authority to issue the Notes, to enter into, perform and observe the covenants and agreements on its part contained in this Agreement, the Issuing and Paying Agent Agreement and the Letter of Credit (collectively, the “Documents”); (ii) such Documents have been duly authorized, executed and delivered by the SFMTA; and such Documents constitute legally valid and binding obligations of the SFMTA, in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies agreement public entities in the State of California.

(b) As of the date of each issuance of Notes, the Note Resolution is in full force and effect and has not been repealed, modified or amended since its adoption.

(c) As of the date of each issuance of Notes, the Act is in full force and effect and has not been repealed, modified or amended since its adoption.

(d) As of the date of each issuance of Notes, such Notes have been duly authorized and executed by the SFMTA, and when authenticated and delivered by the Issuing and Paying Agent, will be in conformity with, and entitled to the benefits of the Note Resolution and the Issuing and Paying Agent Agreement.

(e) The Offering Memorandum related to the Notes, as supplemented or amended (the “Offering Memorandum”) will not as of its date, and as of the date of issuance of one or more Notes pursuant to an Issuance Request, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that the SFMTA makes no representation with respect to information therein regarding the Bank, the Letter of Credit, the Dealer or any other dealers, the Issuing and Paying Agent and DTC and its book-entry only system.)

Section 29. Offering Memorandum and Disclosure.

(a) The SFMTA shall prepare or cause to be prepared the Offering Memorandum with respect to the Notes.

(b) The SFMTA shall make available to the Dealer [**Confirm**], by posting on its website, the following:

(i) copies of any notices filed by the SFMTA in accordance with Rule 15c2-12(b)(5)(i)(C) promulgated under the Securities Exchange Act of 1934 with respect to any outstanding revenue bonds, notes or other obligations for borrowed money of the SFMTA (the “SFMTA Bonds”) promptly following the filing thereof;

(ii) copies of annual reports filed by the SFMTA in accordance with Rule 15c2-12(b)(5)(i)(A) with respect to SFMTA Bonds promptly following the filing thereof;

(iii) copies of the official statements or other disclosure documents with respect to SFMTA Bonds promptly following the issuance thereof;

(iv) prompt notice and a copy of any amendment to the Issuing and Paying Agent Agreement, or of the substitution, termination or extension of the Letter of Credit;

(v) prompt notice of the occurrence and continuance of an event of default under the Issuing and Paying Agent Agreement or the Reimbursement Agreement and the issuance by the Bank of a No Issuance or a Final Delivery Notice;

(vi) prompt notice of the suspension, reduction or withdrawal of the rating on any SFMTA Bonds or the public announcement of the possibility thereof by the Rating Agencies then rating the SFMTA Bonds; and

(vii) prompt notice of the receipt by the SFMTA of notification from Bond Counsel that the SFMTA may not continue to rely on their opinion regarding the validity or tax-exempt status of the Notes.

(c) The SFMTA will furnish the Dealer such documents and information concerning the business, operations and financial condition of the SFMTA, as the Dealer may from time to time reasonably request.

(d) The Dealer shall provide a copy of the Offering Memorandum, as supplemented, amended and updated from time to time, to each person to whom it sells Notes prior to or with the delivery of any payment confirmation. The Dealer shall not provide prospective or actual purchasers of the Notes with any written offering materials, disclosure documents or other documents or information in connection with the solicitation of purchases and sales of the Notes other than the Offering Memorandum and any supplements, amendments or updates thereto and the Issuing and Paying Agent Agreement and the Letter of Credit, as the same may be amended, supplemented or replaced from time to time.

(e) The SFMTA authorizes the use and distribution of copies of the Offering Memorandum by the Dealer in connection with the sale of the Notes.

Section 30. Compensation to Dealer. For the services to be performed by the Dealer under this Agreement, the SFMTA agrees to pay the Dealer a fee equal to four and one-half (4.5) basis points (0.045%) of the average outstanding principal amount of the Notes managed by the Dealer, payable in arrears on the first Business Day of each February, May, August and November.

Section 31. Termination. This Agreement may be terminated by the SFMTA at any time with respect to the Dealer and by the Dealer upon not less than 90 days' prior written notice to the SFMTA and the Bank, provided that the Dealer may terminate with 60 days' prior written notice to the SFMTA and the Bank if other dealers reasonably acceptable to the SFMTA are in place with respect to the Notes.

Section 32. Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original but all of which shall constitute one and the same document. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a PDF copy attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 33. Governing Law; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

Section 34. Notices. Except as otherwise specifically provided herein, all notices required or provided for under this Agreement shall be in writing and shall be delivered by hand, first class mail (postage prepaid) or overnight express delivery, and shall be effective when received at the following addresses or at such other address as a party may designate in a notice delivered to the other part hereto in accordance herewith:

If to the SFMTA:

San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, California 94103
Attention: Chief Financial Officer
Telephone: (415) 701-4617
Facsimile: (415) 701-4725

With copies to:

City and County of San Francisco
Office of Public Finance
City Hall, Room 336
San Francisco, California 94102
Facsimile: (415) 554-4864
Attention: Nadia Sesay Director of Public Finance

City and County of San Francisco
Office of the Controller
City Hall, Room 316
San Francisco, California 94102
Facsimile: (415) 554-7466
Attention: Benjamin Rosenfield Controller

If to Dealer: Morgan Stanley & Co. LLP
555 California Street, Suite 2200
Attention: Adam Aranda
Telephone: (415) 576-2087
Facsimile: (415) 591-4524

If to the Issuing and Paying Agent: US Bank Corporate Trust Services
100 Wall Street 16th Floor
New York, NY 10005
Attention: Corporate Trust Services
Telephone: (212)951-8512
Facsimile: (212)361-6153

Section 35. Assignment. This Agreement shall not be assignable by any party hereto without the prior written consent of the other parties. This Agreement shall inure to the benefit of and shall be binding upon the SFMTA and the Dealer and their respective successor and assigns. This Agreement shall not be deemed to give any legal or equitable right, remedy or claim to any other person or entity other than the parties hereto.

Section 36. Headings. The section headings hereof have been inserted for convenience of reference only, shall not be part of this Agreement, and shall not be used to construe, define, limit or interpret the meaning of any provision hereof.

Section 37. Severability. If any provision of this Agreement shall be held or deemed by a court of competent jurisdiction to be invalid, inoperative or unenforceable for any reason, such determination shall not affect the validity or enforceability of the remaining provisions hereof.

Section 38. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Agreement shall only be amended, supplemented or modified in a writing signed by all of the parties hereto.

Section 39. No Personal Liability. The SFMTA, the City and their respective supervisors, members, officers, employees, representatives, agents and attorneys shall not be held personally liable for the execution or performance of this Agreement, or any breach or default of the provisions hereof.

Section 40. City Requirements. The Dealer hereby agrees to the City's requirements, as provided in Exhibit A attached hereto and incorporated hereby by this reference.

Section 41. Term. The initial term of this Agreement shall be from the date first written above through February __, 2023. The initial term of this Agreement may be extended by written instrument signed by the parties hereto, provided that such extension is authorized by resolutions of SFMTA and the City relating to the Commercial Paper Notes. SFMTA shall use its best efforts to notify the Dealer of its intent to terminate or extend this Agreement at least sixty (60) days prior to such termination or extension.

Section 42. No Advisory or Fiduciary Role. The SFMTA acknowledges and agrees that: (i) this Agreement and the transactions contemplated by this Agreement are arm's length, commercial transactions between the SFMTA and the Dealer in which the Dealer is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the SFMTA; (ii) Dealer has not assumed any advisory or fiduciary responsibility to the SFMTA with respect to this Agreement or the transactions contemplated hereby and the discussions, undertakings and procedures to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Dealer has provided other services or is currently providing other services to the SFMTA on other matters); (iii) the only obligations Dealer has to the SFMTA with respect to this Agreement and the transactions contemplated hereby expressly are set forth in this Dealer Agreement; and (iv) the SFMTA has consulted its own legal, accounting, tax, financial and other advisors, as applicable to the extent it has deemed appropriate.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____
Edward D. Reiskin
Director of Transportation

Approved as to Form:

DENNIS J. HERRERA
City Attorney of the City and County of
San Francisco

By: _____
Deputy City Attorney

MORGAN STANLEY & CO. LLC

By: _____
Authorized Representative

EXHIBIT B

City Requirements

For purposes of this Exhibit A the term Dealer shall mean Morgan Stanley & Co. LLC.

(a) *Tropical Hardwood and Virgin Redwood Ban.* The City urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

(b) *Nondiscrimination: Penalties.*

(i) *Dealer Shall Not Discriminate.* In the performance of this Agreement, the Dealer agrees not to discriminate against any employee, City and County employee working with the Dealer or subcontractor, applicant for employment with the Dealer or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status, or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(ii) *Subcontracts.* The Dealer shall incorporate by reference in all subcontracts made in fulfillment of its obligations hereunder the provisions of Sections 12B.2(a), 12B.2(c)-(k) and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. The Dealer's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(iii) *Non-Discrimination in Benefits.* The Dealer does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(iv) *HRC Form.* The Dealer shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(v) *Incorporation of Administrative Code Provisions by Reference.* The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. The Dealer shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the San Francisco Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Dealer understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against the Dealer and/or deducted from any payments due the Dealer; *provided, however*, that such damages shall not be set off against the payment of rental or other contract related to Commercial Paper Notes or other debt obligations of the City.

(c) *Limitations on Contributions.* Through execution of this Agreement, the Dealer acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, including the SFMTA, for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (A) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (B) a candidate for the office held by such individual, or (C) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Dealer acknowledges that the foregoing restriction applies only if the contract or combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Dealer further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Dealer's board of directors; the Dealer's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Dealer; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Dealer. Additionally, the Dealer acknowledges that the Dealer must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 of the City's Campaign and Governmental Conduct Code.

(d) *MacBride Principles - Northern Ireland.* Pursuant to San Francisco Administrative Code Section 12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of the Dealer acknowledges and agrees that he or she has read and understood this section.

(e) *Conflict of Interest.* Through its execution of this Agreement, the Dealer hereby acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it

does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

(f) *Earned Income Credit ("EIC") Forms.* San Francisco Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(i) The Dealer shall provide EIC Forms to each Eligible Employee at each of the following times: (A) within thirty days following the date on which this Agreement becomes effective (unless the Dealer has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (B) promptly after any Eligible Employee is hired by the Dealer; and (C) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(ii) Failure to comply with any requirement contained in the immediately preceding paragraph shall constitute a material breach by the Dealer of the terms of this Agreement. If, within thirty days after the Dealer receives written notice of such a breach, the Dealer fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Dealer fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(iii) Any subcontract entered into by the Dealer shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(iv) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

(g) *Local Business Enterprise Utilization; Liquidated Damages.*

(i) *The LBE Ordinance.* The Dealer shall comply with all the requirements of the Disadvantaged Business Enterprise Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase the Dealer's obligations or liabilities, or materially diminish the Dealer's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. The Dealer's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of the Dealer's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, the Dealer shall comply fully with all other

applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

(ii) *Compliance and Enforcement.* If the Dealer willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, the Dealer shall be liable for liquidated damages in an amount equal to the Dealer's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against the Dealer authorized in the LBE Ordinance, including declaring the Dealer to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Dealer's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to the San Francisco Administrative Code Section 14B.17.

By entering into this Agreement, the Dealer acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. The Dealer further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Dealer on any contract with City.

The Dealer agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(h) *Drug-Free Workplace Policy.* The Dealer acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on SFMTA or City premises. The Dealer agrees that any violation of this prohibition by the Dealer, its employees, agents or assigns will be deemed a material breach of this Agreement.

(i) *Compliance with Americans with Disabilities Act.* The Dealer acknowledges that, pursuant to the Americans with Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Dealer shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Dealer agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Dealer, its employees, agents or assigns will constitute a material breach of this Agreement.

(j) *Sunshine Ordinance.* In accordance with San Francisco Administrative Code Section 67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the SFMTA or the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision

requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

(k) *Requiring Minimum Compensation for Covered Employees.*

(i) The Dealer agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance ("MCO"), as set forth in San Francisco Administrative Code Chapter 12P ("Chapter 12P"), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Dealer's obligations under the MCO is set forth in this Section. The Dealer is required to comply with all the provisions of the MCO, irrespective of this listing of obligations in this Section.

(ii) The MCO requires the Dealer to pay the Dealer's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Dealer is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Dealer shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Dealer's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against the Dealer.

(iii) The Dealer shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(iv) The Dealer shall maintain employee and payroll records as required by the MCO. If the Dealer fails to do so, it shall be presumed that the Dealer paid no more than the minimum wage required under State law.

(v) The City is authorized to inspect the Dealer's job sites and conduct interviews with employees and conduct audits of the Dealer.

(vi) The Dealer's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Dealer fails to comply with these requirements. The Dealer agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Dealer's noncompliance.

The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(vii) The Dealer understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, the Dealer fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Dealer fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(viii) The Dealer represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(ix) The City may conduct random audits of the Dealer. Random audits shall be (A) noticed in advance in writing; (B) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (C) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (D) limited to one audit of the Dealer every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the City from investigating any report of an alleged violation of the MCO.

(l) *Requiring Health Benefits for Covered Employees.* Unless exempt, the Dealer agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (“HCAO”), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at <http://www.sfgov.org/lwlh.htm>. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(i) For each Covered Employee, the Dealer shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Dealer chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(ii) Notwithstanding the above, if the Dealer is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (i) above.

(iii) The Dealer’s failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Dealer if such a breach has occurred. If, within 30 days after receiving City’s written notice of a breach of this Agreement for violating the HCAO, the Dealer fails to cure such breach or, if such breach cannot

reasonably be cured within such period of 30 days, the Dealer fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(iv) Any subcontract entered into by the Dealer shall require the subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Dealer shall notify City's Office of Contract Administration when it enters into such a subcontract and shall certify to the Office of Contract Administration that it has notified the subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on subcontractor through the subcontract. The Dealer shall be responsible for its subcontractors' compliance with this Chapter. If a subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Dealer based on the subcontractor's failure to comply, provided that City has first provided the Dealer with notice and an opportunity to obtain a cure of the violation.

(v) The Dealer shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to the Dealer's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(vi) The Dealer represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(vii) The Dealer shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

(viii) The Dealer shall keep itself informed of the current requirements of the HCAO.

(ix) The Dealer shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subcontractors and subtenants, as applicable.

(x) The Dealer shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten Business Days to respond.

(xi) The Dealer shall allow City to inspect the Dealer's job sites and have access to the Dealer's employees in order to monitor and determine compliance with HCAO.

(xii) The City may conduct random audits of the Dealer to ascertain its compliance with HCAO. The Dealer agrees to cooperate with City when it conducts such audits.

(xiii) If the Dealer is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Dealer later enters into an agreement or agreements that cause the Dealer's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Dealer and the City to be equal to or greater than \$75,000 in the fiscal year.

(m) *Prohibition on Political Activity with City Funds.* In accordance with San Francisco Administrative Code Chapter 12.G, the Dealer may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. The Dealer agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event the Dealer violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Dealer from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Dealer's use of profit as a violation of this section.

(n) *Graffiti Removal.* Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

The Dealer shall remove all graffiti from any real property owned or leased by such Dealer in the City and County of San Francisco within forty eight (48) hours of the earlier of such Dealer's (i) discovery or notification of the graffiti or (ii) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require any Dealer to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (A) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco

Planning Code or the San Francisco Building Code; or (B) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Section 101 et seq.).

Any failure of the Dealer to comply with this Section of this Agreement shall constitute a material breach of this Agreement.

(o) *Food Service Waste Reduction Requirements.* The Dealer agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Dealer agrees that if it breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Dealer agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that the City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the City because of such Dealer's failure to comply with this provision.

(p) *Preservative-treated Wood Containing Arsenic.* The Dealer may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. The Dealer may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude the Dealer from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

(q) *Nondisclosure of Private Information.* The Dealer agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the "*Nondisclosure of Private information Ordinance*"), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, the Dealer agrees to all of the following:

(i) Neither the Dealer nor any of its Subcontractors shall disclose Private Information obtained from the City in the performance of this Agreement to any other Subcontractor, person, or other entity, unless one of the following is true:

(1) the disclosure is authorized by this Agreement;

(2) the Dealer received advance written approval from the Contracting Department to disclose the information; or

(3) the disclosure is required by law or judicial order.

(ii) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(iii) Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

(iv) Any failure of the Dealer to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar the Dealer, or bring a false claim action against the Dealer.

(r) *Proprietary or Confidential Information of City.* The Dealer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its obligations, (g) with the consent of the City or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Dealer on a nonconfidential basis from a source other than the City. For the purposes of this Section, "Information" means all information received from the City relating to the City or its business, other than any such information that is available to the Dealer on a nonconfidential basis prior to disclosure by the City; *provided* that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have

complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(s) *Submitting False Claims; Monetary Penalties.* Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (i) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (ii) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (iii) conspires to defraud the City by getting a false claim allowed or paid by the City; (iv) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (v) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

(s) *Subcontracting.* Except as otherwise provided in this Agreement, the Dealer is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

(t) *Non-Waiver of Rights.* The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

(u) *City a Third Party Beneficiary.* The City is hereby designated as a third party beneficiary for the purpose of enforcing all of the obligations of the Dealer contained in this Exhibit A to this Agreement.

Enclosure 4

Form of Amended and Restated Issuing and Paying Agent Agreement

AMENDED AND RESTATED
ISSUING AND PAYING AGENT AGREEMENT

Dated as of September 1, 2013,
As amended and restated as of April 1, 2018

by and between

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

and

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

Relating to

UP TO \$100,000,000
SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
COMMERCIAL PAPER NOTES

SERIES A-1 (TAX-EXEMPT)
AND
SERIES A-2 (TAXABLE)

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

Section 1.01 Definitions.....3
Section 1.02 Interpretation.....13
Section 1.03 Agreement to Constitute Contract13

ARTICLE II

GENERAL AUTHORIZATION AND ISSUANCE; THE COMMERCIAL PAPER NOTES

Section 2.01 Authorized Amount of Commercial Paper Notes; Terms and Description
of Commercial Paper Notes.....13
Section 2.02 Payment.....14
Section 2.03 Form and Authentication of Commercial Paper Notes.....15
Section 2.04 Procedures for Delivery of Commercial Paper Notes.....15
Section 2.05 Book-Entry System.....17
Section 2.06 Mutilated, Lost, Stolen or Destroyed Commercial Paper Notes.....19
Section 2.07 Surrender of Commercial Paper Notes19
Section 2.08 Non-Presentation of Commercial Paper Notes; Unclaimed Money.....19

ARTICLE III

FUNDS AND ACCOUNTS; APPLICATION OF NOTE PROCEEDS

Section 3.01 Establishment and Designation of Funds and Accounts.....20
Section 3.02 Deposit of Proceeds of Commercial Paper Notes.....21
Section 3.03 Deposits Into and Uses of the Letter of Credit Proceeds Account and the
Debt Service Account.21
Section 3.04 Draws Under the Letter of Credit22
Section 3.05 Application of Moneys in Project Fund.....22
Section 3.06 Application of Moneys in Closing Costs Account22
Section 3.07 Investments Authorized23
Section 3.08 Moneys Remaining in Funds and Accounts23

ARTICLE IV

COVENANTS; REPRESENTATIONS

Section 4.01 No Arbitrage23
Section 4.02 Rebate to United States.....24
Section 4.03 Tax Covenant.....24
Section 4.04 Letter of Credit.....25

ARTICLE V

PLEDGE OF AVAILABLE TRANSPORTATION SYSTEM REVENUES

Section 5.01 Pledge of Available Transportation System Revenues; Trust Estate.....26

ARTICLE VI

ISSUING AND PAYING AGENT; DEALER

Section 6.01 Appointment of Issuing and Paving Agent.....27
Section 6.02 Reports and Records.27
Section 6.03 Duties28
Section 6.04 Compensation28
Section 6.05 Liability.....29
Section 6.06 Additional Information29
Section 6.07 Resignation and Replacement of Issuing and Paving Agent29
Section 6.08 Dealers30
Section 6.09 Compliance with City Requirements30

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF COMMERCIAL PAPER NOTEHOLDERS

Section 7.01 Events of Default30
Section 7.02 Suits at Law or in Equity and Mandamus31
Section 7.03 Remedies Not Exclusive32
Section 7.04 Bank to Control Remedies32
Section 7.05 Waiver of Events of Default32

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Supplemental Agreements32
Section 8.02 Alternate Facility32
Section 8.03 Force Majeure33
Section 8.04 Timeliness of Deposits.....33
Section 8.05 Defeasance of Commercial Paper Notes.....33
Section 8.06 Payments or Actions Occurring on Non-Business Days34
Section 8.07 Notices to Rating Agencies.....34
Section 8.08 Issuance Requests: Addresses.....34
Section 8.09 Patriot Act35
Section 8.10 Governing Law36
Section 8.11 Assignment; Issuing and Paving Agent’s Successor in Interest36
Section 8.12 Term36
Section 8.13 Complete Agreement36

Section 8.14	Counterparts	36
Section 8.15	Section Headings	36
Section 8.16	Waiver of Set-Off, Offset Lien or Counterclaims	37
Section 8.17	Benefit of Agreement.....	37
Section 8.18	Covenant of Further Assurances	37
Section 8.19	Waiver of Personal Liability	37
Section 8.20	Acquisition of the Commercial Paper Notes by the Agency	37
Section 8.21	Notice by Mail	37
Section 8.22	Partial Invalidity.....	37
Section 8.23	Reference to the Bank.....	38

EXHIBITS

Exhibit A-1	– Form of Tax-Exempt Commercial Paper Note	A-1-1
Exhibit A-2	– Form of Taxable Commercial Paper Note	A-2-1
Exhibit B-1	– Form of Tax-Exempt Master Note.....	B-1-1
Exhibit B-2	– Form of Taxable Master Note.....	B-2-1
Exhibit C	– Certificate of Authorized Agency Representatives.....	C-1
Exhibit D	– Form of Issuance Request.....	D-1
Exhibit E	– Schedule of Fees and Expenses for Issuing and Paying Services.....	E-1
Exhibit F	– City Requirements	F-1
Exhibit G	– Form of Bond Counsel Opinion.....	G-1

AMENDED AND RESTATED
ISSUING AND PAYING AGENT AGREEMENT

W I T N E S S E T H

This Amended and Restated Issuing and Paying Agent Agreement (as amended, supplemented, restated or otherwise modified from time to time, this “Agreement”) is dated as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the San Francisco Municipal Transportation Agency (the “Agency”), and U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”);

WHEREAS, the Agency is an agency of the City and County of San Francisco (the “City”) and is governed by its Board of Directors (the “SFMTA Board”); and

WHEREAS, under Sections 8A.100, 8A.101 and 8A.102 of the Charter of the City (the “Charter”), the Agency is charged with managing the City’s transportation system (the “Transportation System”), which includes the Municipal Railway, the former Department of Parking and Traffic and other transportation functions;

WHEREAS, under Section 8A.102 of the Charter and Ordinance No. 57-12 adopted by the Board of Supervisors of the City (the “Board”) on April 17, 2012 and signed by Mayor Edwin M. Lee on April 19, 2012, and codified as Chapter 43, Article XIII, Sections 43.13.1 through 43.13.8 of the San Francisco Administrative Code (the “Act”), the Agency has the authority to issue commercial paper and to enter into related credit enhancement facilities under such terms and conditions as the Agency may authorize by resolution, with the concurrence of the Board of Supervisors of the City;

WHEREAS, the SFMTA Board authorized, pursuant to the Act and Resolution No. 13-071, adopted by the SFMTA Board on June 4, 2013 (the “Initial Note Resolution”), the issuance on a revolving basis of its Commercial Paper Notes, Series A-1 (Tax-Exempt) (the “Tax-Exempt Notes”) and its Commercial Paper Notes, Series A-2 (Taxable) (the “Taxable Notes” and, together with the Tax-Exempt Notes, the “Commercial Paper Notes”) in the aggregate principal amount not to exceed \$100,000,000, pursuant to this Agreement;

WHEREAS, the SFMTA Board has further authorized, pursuant to the Initial Note Resolution, that the Agency obtain from State Street Bank and Trust Company (“State Street”) its Irrevocable Letter of Credit, dated September 10, 2013 (the “2013 Letter of Credit”), pursuant to a Letter of Credit and Reimbursement Agreement, dated as of September 1, 2013, by and between the Agency and State Street;

WHEREAS, on July 11, 2012 the Agency issued its Revenue Bonds, Series 2012A and Series 2012B (collectively, the “Series 2012 Bonds”) pursuant to an Indenture of Trust, dated as of July 1, 2012 (the “Master Indenture”), as supplemented by the First Supplemental Indenture of Trust, dated as of July 1, 2012 (the “First Supplemental Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”);

WHEREAS, on December 4, 2013, the Agency issued its Revenue Bonds, Series 2013 (the “Series 2013 Bonds”) pursuant to the Master Indenture, as supplemented by the Second

Supplemental Indenture of Trust, dated as of December 1, 2013 (the “Second Supplemental Indenture”), by and between the Agency and the Trustee;

WHEREAS, on December 10, 2014, the Agency issued its Revenue Bonds, Series 2014 (the “Series 2014 Bonds”) pursuant to the Master Indenture, as supplemented by the Third Supplemental Indenture of Trust, dated as of December 1, 2014 (the “Third Supplemental Indenture”), by and between the Agency and the Trustee;

WHEREAS, on June 7, 2017, the Agency issued its Revenue Bonds, Series 2017 (the “Series 2017 Bonds” and together with the Series 2012 Bonds, the Series 2013 Bonds and the Series 2014 Bonds, the “Prior Bonds”) pursuant to the Master Indenture, as supplemented by the Fourth Supplemental Indenture of Trust, dated as of June 1, 2017 (the “Fourth Supplemental Indenture,” and together with the Master Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, and as may be further supplemented and amended from time to time, the “Senior Lien Revenue Bonds Indenture”), by and between the Agency and the Trustee; and

WHEREAS, the 2013 Letter of Credit expires on September 1, 2018; and

WHEREAS, the SFMTA Board has further authorized, pursuant to the Act and Resolution No. 18-_____, adopted by the SFMTA Board on April ___, 2018, the Agency to obtain from Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”) its Irrevocable Letter of Credit, dated April ___, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “2018 Letter of Credit”), pursuant to a Letter of Credit and Reimbursement Agreement, dated as of April 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “Reimbursement Agreement”), by and between the Agency and the Bank, in the Original Stated Amount set forth therein, to support the Commercial Paper Notes; and

WHEREAS, the Prior Bonds are payable from and secured by the Transportation System Revenues (the “Pledged Revenues,” as defined in the Senior Lien Revenue Bonds Indenture); and

WHEREAS, the Commercial Paper Notes shall be special, limited obligations of the Agency payable solely from Available Transportation System Revenues (as defined herein) and from amounts on deposit in certain funds and accounts held under this Agreement. No funds of the Agency other than the Available Transportation System Revenues are pledged to or available for payment of the principal of or interest on the Commercial Paper Notes, and such pledge or lien shall at all times be subordinate to the pledge of the Transportation System Revenues to the payment of the Senior Lien Revenue Bonds; and

WHEREAS, Section 8A.105 of the Charter requires the City to transfer certain monies to the Agency to support the Agency’s activities. The proceeds of transfers from the City’s General Fund to support such activities do not constitute any portion of Available Transportation System Revenues, and the principal of and interest on the Commercial Paper Notes are not payable from the proceeds of such transfers or from the City’s General Fund. The Agency has covenanted to hold the proceeds of such transfers separate and apart from the Enterprise Account and to deposit the proceeds of such transfers into the SFMTA General Fund Transfer Account. Amounts in the

SFMTA General Fund Transfer Account will not be used to pay debt service on the Commercial Paper Notes, and the City has no obligation to transfer any amounts from the City's General Fund to the Agency for the purpose of paying the principal of and interest on the Commercial Paper Notes.

NOW, THEREFORE, in consideration of the premises and in order to induce the Issuing and Paying Agent to enter into this Agreement the Issuing and Paying Agent and the Agency agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 **Definitions.** Except as otherwise defined in this Agreement (including the preambles), capitalized terms herein shall have the meanings assigned thereto in this Section 1.01. The following definitions shall apply to terms used in this Agreement, unless the context clearly requires otherwise:

“Advance” means an Advance or a Term Loan, as such terms are defined in the Reimbursement Agreement.

“Agency” means the San Francisco Municipal Transportation Agency as duly constituted from time to time under the Charter, and all commissions, agencies or public bodies which shall succeed to the powers, duties and obligations of the Agency.

“Agreement” means this Amended and Restated Issuing and Paying Agent Agreement, as it may from time to time be supplemented, modified or amended in accordance with the provisions hereof.

“Alternate Facility” means a Letter of Credit or another type of credit or liquidity facility supporting the Commercial Paper Notes which may be outstanding under this Agreement.

“Authenticating Agent” means, with respect to the Commercial Paper Notes, the Issuing and Paying Agent or each person or entity, if any, designated as such by the Agency, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant thereto.

“Authorized Agency Representatives” means the Director of Transportation or the Chief Financial Officer of the Agency or the Director of Public Finance of the City, or the respective successors to the powers and duties thereof, or such other person as may be designated to act on behalf of the Agency by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Agency by the Director of Transportation or Chief Financial Officer, or their respective successors in the form as provided in attached hereto.

“Available Transportation System Revenues” means the portion of the Transportation System Revenues remaining after (a) the payments relating to the Senior Lien Revenue Bonds required by Sections 5.05 and 5.09 of the Senior Lien Revenue Bonds Indenture, and (b) all amounts required to be paid under any other indenture or resolution of the Agency for principal,

interest, reserve fund and any other debt service requirements on Senior Lien Parity Obligations, as the same become due and payable.

“Bank” means Sumitomo Mitsui Banking Corporation, acting through its New York Branch, or any other entity that provides an Alternate Facility then outstanding and effective hereunder.

“Bank Note” means the promissory note issued by the Agency to the Bank to evidence the Agency’s obligations under the Reimbursement Agreement and the Fee Agreement.

“Beneficial Owner” means a person who has a beneficial ownership interest in the Commercial Paper Notes purchased through a participant in the book-entry system of Cede & Co., as nominee of The Depository Trust Company, or its registered assigns.

“Bond Counsel” means Norton Rose Fulbright US LLP or such other counsel selected by the City with nationally recognized expertise in municipal finance law, including matters related to the validity and tax-exempt status of interest on obligations of states and their political subdivisions.

“Business Day” means any day other than (i) a Saturday, Sunday or other day on which commercial banks located in New York, New York and San Francisco, California or the city in which is located the office of the Bank at which demands for a draw on the Letter of Credit will be made, are required or authorized by law to close for business, (ii) the New York Stock Exchange is closed or (iii) a legal holiday of the City or any other day the City is authorized by law to be closed for official business.

“Charter” means the Charter of the City and County of San Francisco, as amended and supplemented from time to time, and any new or successor Charter.

“City” means the City and County of San Francisco, a charter city and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California and the Charter and any public body hereafter created which shall be a successor thereto.

“City Treasurer” means the duly elected and acting City Treasurer of the City.

“Closing Costs Requisition” shall mean the written direction or directions of the Agency to pay closing costs of the Commercial Paper Notes from the Closing Costs Account delivered to the Issuing and Paying Agent on or after April ____, 2018 pursuant to Section 3.06 hereof.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“Commitment Effective Date” shall mean April ____, 2018, the date on which the 2018 Letter of Credit is issued by the Bank to the Issuing and Paying Agent.

“Commitment Expiration Date” shall mean the Scheduled Termination Date, as such term is defined in the Reimbursement Agreement, as such date may be extended from time to time pursuant to the Reimbursement Agreement.

“Commercial Paper Notes” means, collectively, Tax-Exempt Notes and the Taxable Notes.

“Dealer” means each of Loop Capital Markets LLC and Morgan Stanley & Co. LLC, or any successors or assigns permitted under a Dealer Agreement or any other dealer for the Commercial Paper Notes which is appointed by the Agency and has entered into a Dealer Agreement.

“Dealer Agreement” means the Amended and Restated Dealer Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the Agency and Loop Capital Markets LLC and the Amended and Restated Dealer Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the Agency and Morgan Stanley & Co. LLC, and any and all modifications, alterations, amendments and supplements thereto, or any other dealer agreement entered into by the Agency and a Dealer with respect to the Commercial Paper Notes.

“Debt Service Account” means the Debt Service Account established within the Debt Service Fund pursuant to Section 3.01(b) hereof.

“Debt Service Fund” means the Fund by that name established pursuant to Section 3.01(b) hereof.

“Director of Public Finance” means the Director of Public Finance of the City or such other officer of the City which may assume responsibility for management of the debt or other similar obligations of the City or any duly authorized designee of the Director of Public Finance or such other officer.

“DTC” means The Depository Trust Company, New York, New York.

“Enterprise Account” shall mean the Enterprise Account established under the Senior Lien Revenue Bonds Indenture.

“Event of Default” means an Event of Default described in Section 7.01 hereof.

“Expiration Date” means the date of expiration or termination of the 2018 Letter of Credit or any Alternate Facility then in effect.

“Fee Agreement” means the Fee Agreement, dated April ____, 2018, between the Agency and the Bank, as amended and supplemented from time to time.

“Final Drawing Notice” has the meaning set forth in the Reimbursement Agreement.

“Fiscal Year” means the twelve (12) month period commencing on July 1 of each year and ending on the following June 30 or any other period of twelve (12) consecutive months adopted by the Agency as its fiscal year.

“Fund” or “Account” shall mean any fund or account established pursuant to this Issuing and Paying Agent Agreement.

“Government Certificates” means evidences of indebtedness or ownership of proportionate interests in future principal and interest payments of Government Obligations, including depository receipts thereof, wherein (i) a bank or trust company acts as custodian and holds the underlying Government Obligations, (ii) the owner of the Government Certificate is a real party in interest with the right to proceed directly and individually against the obligor of the underlying Government Obligations, and (iii) the underlying Government Obligations are held in trust in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian or any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Government Obligations” mean direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or evidence of ownership in a portion thereof (which may consist of specified portions of interest thereon and obligations of the Resolution Funding Corporation which constitute interest strips) if held by a custodian on behalf of the Issuing and Paying Agent, and obligations the principal and interest on which are unconditionally guaranteed by the United States of America, and rated in a rating category at least as high as obligations of the United States America.

“Holder” or “Commercial Paper Noteholder” means the registered owner of a Commercial Paper Note.

“Interest Component” shall have the meaning ascribed to such term in the Letter of Credit.

“Issuance Request” means a request made by the Agency, acting through an Authorized Agency Representative, to the Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes, the form of which is attached hereto as .

“Issuing and Paying Agent” means U.S. Bank National Association, or any successor or assigns permitted under this Agreement or any other Issuing and Paying Agent which is appointed by the Agency and has entered into an Issuing and Paying Agent Agreement.

“Letter of Credit” means, initially, the 2018 Letter of Credit, and, following the expiration or substitution thereof, any letter of credit then in effect and issued by a Bank, which, by its terms, supports the payment of the principal and interest on the Commercial Paper Notes when due.

“Letter of Credit Proceeds Account” means the Letter of Credit Proceeds Account established within the Debt Service Fund pursuant to Section 3.01(b) hereof.

“Master Notes” has the meaning ascribed to such term in Section 2.03 hereof.

“Maximum Interest Rate” means 12% per annum.

“No Issuance Notice” shall have the meaning assigned thereto in the Reimbursement Agreement.

“Nominee” means the nominee of the Note Depository as determined from time to time in accordance with Section 2.05 hereof.

“Note Depository” means the securities depository for the Commercial Paper Notes appointed as such pursuant to Section 2.05 hereof, and its successors and assigns.

“Note Proceeds” means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

“Obligations” has the meaning set forth in the Reimbursement Agreement.

“Offering Memorandum” means the Offering Memorandum relating to the Commercial Paper Notes dated April ___, 2018, and any and all modifications, alterations, amendments and supplements thereto, or any other offering memorandum prepared and delivered by the Agency with respect to the Commercial Paper Notes.

“Outstanding” when used as of a particular time with reference to Commercial Paper Notes, means all Commercial Paper Notes delivered hereunder except:

(a) Commercial Paper Notes cancelled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation;

(b) Commercial Paper Notes that are paid or deemed to be paid within the meaning of Section 8.05 hereof; and

(c) Commercial Paper Notes in lieu of or in substitution for which replacement Commercial Paper Notes shall have been issued by the Agency and delivered by the Issuing and Paying Agent hereunder.

“Parity Obligations” means any evidences of indebtedness for borrowed money issued from time to time by the Agency under any contractual obligation with a lien on Available Transportation System Revenues on a parity with the Commercial Paper Notes and the Obligations, including but not limited to bonds, notes, bond anticipation notes, commercial paper, lease or installment purchase agreements or certificates of participation therein or loans from financial institutions or governmental agencies.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Note Depository holds Commercial Paper Notes as depository.

“Paying Agent” means, with respect to the Commercial Paper Notes, the Issuing and Paying Agent or each person or entity, if any, designated as such by the Agency herein, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant thereto.

“Permitted Investments” means and includes [any of the following, if and to the extent the same are at the time legal for the investment of the Agency’s money (*provided* that the Issuing and Paying Agent shall be entitled to rely upon any investment directions from the Agency as

conclusive certification to the Issuing and Paying Agent that the investments described therein are so authorized under the laws of the State of California and are Permitted Investments):

- (a) Government Obligations and Government Certificates.
- (b) Obligations issued or guaranteed by any of the following:
 - (i) Export-Import Bank of the United States;
 - (ii) Farmers Home Administration;
 - (iii) Federal Farm Credit System;
 - (iv) Federal Financing Bank;
 - (v) Federal Home Loan Bank System;
 - (vi) Federal Home Loan Mortgage Corporation;
 - (vii) Federal Housing Administration;
 - (viii) Federal National Mortgage Association;
 - (ix) Government National Mortgage Association;
 - (x) Private Export Funding Corporation
 - (xi) Resolution Funding Corporation;
 - (xii) Student Loan Marketing Association; and
 - (xiii) any other instrumentality or agency of the United States.
- (c) Prerefunded municipal obligations rated at the time of purchase of such investment in the highest rating category by the Rating Agencies then rating the Commercial Paper Notes and meeting the following conditions:
 - (i) such obligations are: (A) not subject to redemption prior to maturity or the Issuing and Paying Agent has been given irrevocable instructions concerning their calling and redemption, and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
 - (ii) such obligations are secured by Government Obligations or Government Certificates that may be applied only to interest, principal and premium payments of such obligations;
 - (iii) the principal of and interest on such Government Obligations or Government Certificates (plus any cash in the escrow fund with

respect to such prerefunded obligations) are sufficient to meet the liabilities of the obligations;

- (iv) the Government Obligations or Government Certificates serving as security for the obligations have been irrevocably deposited with and are held by an escrow agent or trustee; and
- (v) such Government Obligations or Government Certificates are not available to satisfy any other claims, including those against the trustee or escrow agent.

(d) Direct and general long-term obligations of any state of the United States of America or the District of Columbia (a "State") to the payment of which the full faith and credit of such State is pledged and that are rated at the time of purchase of the investment in either of the two highest rating categories by the Rating Agencies then rating the Commercial Paper Notes.

(e) Direct and general short-term obligations of any State to the payment of which the full faith and credit of such State is pledged and that are rated at the time of purchase of the investment in the highest rating category by the Rating Agencies then rating the Commercial Paper Notes.

(f) Interest-bearing demand or time deposits or overnight bank deposits with, or banker's acceptances from, state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC") including those of the Issuing and Paying Agent or any of its affiliates. Such deposits must be at least one of the following: (i) continuously and fully insured by FDIC; (ii) if they have a maturity of one year or less, with or issued by banks that are rated in one of the two highest short term rating categories by the Rating Agencies then rating the Commercial Paper Notes; (iii) if they have a maturity longer than one year, with or issued by banks that are rated at the time of purchase of the investment in one of the two highest rating categories by the Rating Agencies then rating the Commercial Paper Notes; or (iv) fully secured by Government Obligations and Government Certificates. Such Government Obligations and Government Certificates must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations and Government Certificates must be held by a third party (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. Such third party must have a perfected first lien in the Government Obligations and Government Certificates serving as collateral, and such collateral must be free from all other third party liens.

(g) Long-term or medium-term corporate debt guaranteed by any corporation that is rated at the time of purchase of the investment in one of the two highest rating categories by the Rating Agencies then rating the Commercial Paper Notes.

(h) Repurchase agreements, including those of the Issuing and Paying Agent or any of its affiliates, longer than one year with financial institutions such as banks or trust

companies organized under State or federal law, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation, or with a dealer or parent holding company that is rated at the time of purchase of the investment “AA” or better by the Rating Agencies then rating the Commercial Paper Notes. The repurchase agreement must be in respect of Government Obligations and Government Certificates or obligations described in paragraph (b) of this definition.

(i) Prime commercial paper of a corporation, finance company or banking institution rated at the time of purchase of the investment in the highest short-term rating category by the Rating Agencies then rating the Commercial Paper Notes.

(j) State or public agency or municipality obligations rated at the time of purchase of the investment in the highest credit rating category by the Rating Agencies then rating the Commercial Paper Notes.

(k) Shares of a diversified open-end management investment company, as defined in the Investment Company Act of 1940, as amended, or shares in a regulated investment company, as defined in Section 851(a) of the Code, that is a money market fund that has been rated in the highest rating category by the Rating Agencies then rating the Commercial Paper Notes.

(l) Money market mutual accounts of any state or federal bank, or bank whose holding parent company is, rated in the top two short-term or long-term rating categories by the Rating Agencies then rating the Commercial Paper Notes, including such funds for which the Issuing and Paying Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Issuing and Paying Agent or an affiliate of the Issuing and Paying Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Issuing and Paying Agent or an affiliate of the Issuing and Paying Agent receives fees from funds for services rendered, (ii) the Issuing and Paying Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Issuing and Paying Agent or an affiliate of the Issuing and Paying Agent.

(m) Investment agreements the issuer of which is rated at the time of purchase of the investment “AA” or better by the Rating Agencies then rating the Commercial Paper Notes.

(n) The City and County of San Francisco Treasurer’s Investment Pool.

(o) Any other debt or fixed income security specified by an Authorized Agency Representative and rated at the time of purchase of the investment in the highest short-term rating category or one of the three highest long-term rating categories by the Rating Agencies then rating the Commercial Paper Notes.

“Principal Office” means the office of the Issuing and Paying Agent designated in writing to the Agency.

“Project” means any lawful expenditure of the Agency.

“Project Costs” means, collectively, the Tax-Exempt Project Costs and the Taxable Project Costs.

“Project Fund” means the Fund by that name established pursuant to Section 3.01(a) hereof.

“Rating Agencies” means the rating agencies providing a rating on the Commercial Paper Notes.

“Rebate Fund” means the Fund by that name established pursuant to Section 4.02 hereof.

“Registrar” means, with respect to the Commercial Paper Notes, each person or entity, if any, designated as such by the Agency herein authorizing the issuance of the Commercial Paper Notes, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant thereto.

“Reimbursement Agreement” means (i) the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2018, by and between the Agency and the Bank, as amended, restated, supplemented and otherwise modified from time to time, in accordance with the provisions thereof, and (ii) any similar document entered into with respect to the issuance of a subsequent Alternate Facility. All references to obligations of the Agency under the Reimbursement Agreement and the Fee Agreement hereunder shall be deemed to include the Agency’s obligations under the Bank Note.

“Senior Lien Parity Obligations” means the Senior Lien Revenue Bonds, including the Series 2012 Bonds, the Series 2013 Bonds, the Series 2014 Bonds and the Series 2017 Bonds, and any evidences of indebtedness for borrowed money issued from time to time by the Agency under the Senior Lien Revenue Bonds Indenture, including but not limited to bonds, notes, bond anticipation notes, commercial paper, lease or installment purchase agreements or certificates of participation therein or loans from financial institutions or governmental agencies. Senior Lien Parity Obligations may also include any other obligation, including but not limited to Repayment Obligations (as defined in the Senior Lien Revenue Bonds Indenture) and other contractual obligations, entered into by the Agency pursuant to the terms hereof with a lien on Pledged Revenues on a parity with the lien on Transportation System Revenues securing the Senior Lien Revenue Bonds.

“Senior Lien Revenue Bonds” means all bonds currently outstanding or hereinafter issued by the Agency with a pledge or lien on Transportation System Revenues senior to the lien on Available Transportation System Revenues securing the Commercial Paper Notes and the Obligations, including without limitation the Series 2012 Bonds, the Series 2013 Bonds, the Series 2014 Bonds and the Series 2017 Bonds.

“Senior Lien Revenue Bonds Indenture” has the meaning ascribed to such term in the recitals to this Agreement.

“Series 2012 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2012A and the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2012B, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“Series 2013 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2013, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“Series 2014 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2014, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“Series 2017 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2017, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“SFMTA General Fund Transfer Account” shall mean the SFMTA General Fund Transfer Account created pursuant to the Senior Lien Revenue Bonds Indenture.

“Stated Amount” means the stated amount available to be drawn under the Letter of Credit, which is initially equal to a principal component of \$100,000,000 and an interest component of \$[8,876,713].

“Supplemental Agreement” means any Supplemental Agreement authorized by Section 8.01 hereof.

“System” shall have the meaning given in Section 2.04(e) hereof.

“Tax Certificate” means the Tax Certificate, dated as of its date, concerning certain matters pertaining to the use and investment of proceeds of the Commercial Paper Notes, executed by the Agency on the date of issuance of the Commercial Paper Notes, including any and all exhibits attached thereto.

“Tax-Exempt Notes” means the San Francisco Municipal Transportation Agency Commercial Paper Note Series A-1 (Tax-Exempt) in the form set forth in [-1](#) hereto.

“Tax-Exempt Project Costs” means costs and expenses incurred or to be incurred by the Agency for the Project that are permitted under the Code.

“Taxable Notes” means the San Francisco Municipal Transportation Agency Commercial Paper Note Taxable Series A-2 (Taxable) in the form set forth in hereto.

“Taxable Project Costs” means costs and expenses incurred or to be incurred by the Agency for the Project.

“Transportation System Revenues” means the Pledged Revenues, as defined in the Senior Lien Revenue Bonds Indenture.

“2018 Letter of Credit” means the Irrevocable Letter of Credit, dated April ___, 2018, issued by the Bank to the Issuing and Paying Agent pursuant to the terms of the Reimbursement Agreement to support the Commercial Paper Notes.

Section 1.02 **Interpretation.**

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” refer to this entire Agreement.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Section 1.03 **Agreement to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the Commercial Paper Notes by those who shall own the same from time to time, the provisions of this Agreement shall be part of the contract of the Agency with Holders of the Commercial Paper Notes, and shall be deemed to be and shall constitute contracts between the Agency, the Issuing and Paying Agent and the Holders from time to time of the Commercial Paper Notes; provided, however, that the duties and obligations of the Issuing and Paying Agent under this Agreement are owed solely to the Agency.

ARTICLE II

GENERAL AUTHORIZATION AND ISSUANCE; THE COMMERCIAL PAPER NOTES

Section 2.01 **Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.**

(a) The Agency hereby authorizes the issuance from time to time on a revolving basis of its “San Francisco Municipal Transportation Agency Commercial Paper Notes Series A-1 (Tax-Exempt)” (the “Tax-Exempt Notes”) and its “San Francisco Municipal Transportation Agency Commercial Paper Note Series A-2 (Taxable)” (the “Taxable Notes” and, together with the Tax-Exempt Notes, the “Commercial Paper Notes”). The Commercial Paper Notes shall be issued to finance and refinance the Project Costs. Proceeds of Commercial Paper Notes may be used to repay the Bank for draws on the Letter of Credit used to pay principal and interest due on any maturing Commercial Paper Notes and may be used to repay the Bank for principal or interest due on the Bank Note under the Reimbursement Agreement. The aggregate principal amount of Commercial Paper Notes that may be Outstanding at any one time hereunder shall not at any time exceed \$100,000,000.

(b) The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form, shall be issued in denominations of

\$100,000 and in integral multiples of \$1,000 in excess thereof. The Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable), not to exceed the Maximum Interest Rate, (ii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the Business Day immediately preceding the Commitment Expiration Date (*provided, however*, that, subject to the terms of Section 6.07 of the Reimbursement Agreement, the Agency or Dealer shall not issue any Commercial Paper Note or Commercial Paper Notes with a maturity shorter than three (3) days from the date of issuance without the Bank's prior written consent), and (iii) shall be sold by a Dealer pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date and other terms of each Commercial Paper Note shall be as set forth in the Issuance Request required by Section 2.04 hereof directing the issuance of such Commercial Paper Note; provided that such Issuance Request is consistent with the terms of this Agreement.

(c) The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(d) The definitive Commercial Paper Notes shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

(e) The Agency and the Issuing and Paying Agent may deem and treat the registered owner of Commercial Paper Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Agency nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

Section 2.02 **Payment.** The Agency covenants to duly and punctually pay or cause to be paid, from draws on the Letter of Credit or from the proceeds of the sale of Commercial Paper Notes, the principal of and interest on each and every Commercial Paper Note when due, as described in Section 3.03 hereof.

The principal of and the interest on the Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Commercial Paper Notes have become due and payable, *provided* that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent by 9:00 a.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 9:00 a.m. (New York City time) on a Business Day, payment therefor may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Commercial Paper Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

Section 2.03 **Form and Authentication of Commercial Paper Notes.** The Commercial Paper Notes (including the Master Notes) shall be executed by and in the name of the Agency under this Agreement, by the signature of the Director of Transportation, Chairman or Vice Chairman of the Agency and shall be delivered to the Issuing and Paying Agent. Such signature shall be manually affixed to the Commercial Paper Notes, except that if the Commercial Paper Notes shall have been manually authenticated by the Issuing and Paying Agent, the signature of the Director of Transportation, Chairman or Vice Chairman of the Agency may be a printed, lithographed or engraved facsimile thereof. The Issuing and Paying Agent is hereby authorized to cause the blank spaces in forms of Commercial Paper Notes attached hereto to be filled in as may be appropriate and to deliver the Commercial Paper Notes to the Dealers in accordance with the terms and provisions of the Issuance Requests.

The definitive Tax-Exempt Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A-1 and the definitive Tax-Exempt Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A-2 hereto and made a part hereof, each with such appropriate variations, omissions and insertions as shall be required or appropriate in order to designate the Subseries thereof and to accomplish the purpose of the transactions authorized by this Agreement. In the event a subseries of the Tax-Exempt Notes is issued in book entry form its aggregate face amount shall be represented by a master note (each, a "Tax-Exempt Master Note") in the form of Exhibit B-1, executed by the Commission pursuant to the book-entry commercial paper program of the Note Depository. In the event a subseries of the Taxable Notes is issued in book entry form its aggregate face amount shall be represented by a master note (each, a "Taxable Master Note") in the form of Exhibit B-2, executed by the Commission pursuant to the book-entry commercial paper program of the Note Depository. Each Tax-Exempt Master Note and Taxable Note is referred to herein as a "Master Note." The Issuing and Paying Agent shall maintain such Master Notes in safekeeping, in accordance with its customary practices, on behalf of Cede & Co., the registered owner thereof and nominee of DTC. As long as Cede & Co. is the registered owner of such Master Note, the beneficial ownership interest therein shall be shown on, and the transfer of ownership thereof shall be effected through, entries on the books maintained by DTC and the books of its direct and indirect participants. The Master Notes and the book-entry notes shall be subject to DTC's rules and procedures, as amended from time to time. The Issuing and Paying Agent shall not be liable or responsible for sending transaction statements of any kind to DTC's participants or the beneficial owners of the Book-Entry Notes, or for maintaining, supervising or reviewing the records of DTC or its participants with respect to such Notes.

Notwithstanding anything herein to the contrary, the Issuing and Paying Agent shall not (i) authenticate Commercial Paper Notes which mature later than the Business Day immediately preceding the Commitment Expiration Date, (ii) authenticate Commercial Paper Notes if (a) an Event of Default then exists of which it has actual knowledge or (b) after the Issuing and Paying Agent has received a No Issuance Notice or a Final Drawing Notice, which No Issuance Notice or Final Drawing Notice, as applicable, has not been withdrawn or rescinded by the Bank.

Section 2.04 **Procedures for Delivery of Commercial Paper Notes.**

(a) As a condition to the first issuance of Commercial Paper Notes hereunder, on or prior to the first date of issuance of Commercial Paper Notes the Agency shall deliver a Tax

Certificate acceptable to Bond Counsel and Bond Counsel shall have delivered its opinion in substantially the form of Appendix C to the Offering Memorandum.

(b) Subject to the provisions of Section 2.01, Section 2.05 and paragraphs (c) and (d) of this Section 2.04, at any time and from time to time prior to the Commitment Expiration Date, Commercial Paper Notes shall be authenticated and delivered by the Issuing and Paying Agent for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request in the form attached hereto as (which also may be transmitted by telephone, email or the System described in Section 2.04(d) below), no later than [10:00 a.m.] (New York City time) on the Business Day on which Commercial Paper Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Commercial Paper Notes referred to therein and to deliver the same to or upon the order of a Dealer.

Subject to the provisions of Section 2.05, upon receipt of such Issuance Request by [10:00 a.m.] (New York City time), the Issuing and Paying Agent shall, by [11:30 a.m.] (New York City time) on such day, complete each definitive Commercial Paper Note then to be delivered as to amount, date, maturity date, interest rate and interest amount specified in such Issuance Request, and deliver each such Commercial Paper Note to or upon the order of the Dealer upon receipt of payment therefor. No later than [11:00 a.m.] (New York City time) on each Business Day on which the Agency proposes to issue Commercial Paper Notes, the Dealer shall report to the Agency each transaction made with or arranged by it or shall notify the Agency and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Commercial Paper Notes and the amount of Commercial Paper Notes which the Dealer has arranged to sell or has agreed in its sole discretion to purchase.

(c) The delivery of any Issuance Request to the Issuing and Paying Agent by an Authorized Agency Representative in the manner provided in this Section 2.04 shall be deemed to constitute the certification and representation of the Agency as of the date of such Issuance Request as to the following: (i) the Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the amount that at the time is authorized to be Outstanding as provided in Section 2.01(a) hereof; (iii) the interest rates borne by the Commercial Paper Notes to be delivered on such date do not exceed the Maximum Interest Rate; (iv) the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on such date; *provided, however,* that the foregoing certification is not a condition to the issuance of Taxable Notes; (v) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Business Day immediately preceding the Commitment Expiration Date; (vi) the Agency has not been notified by Bond Counsel that their opinion with respect to the validity of the Commercial Paper Notes and, if the Issuance Request calls for the issuance of Tax-Exempt Notes, the tax treatment of the interest thereof, delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealer has been delivered; (vii) no Event of Default has occurred and is then continuing; (viii) the Agency is not aware of a No Issuance Notice or Final Drawing Notice which has been issued by the Bank and not rescinded; and (ix) all of the conditions

precedent to the issuance of such Commercial Paper Notes set forth in this Section 2.04 have been satisfied.

(d) Any Issuance Request made by telephone pursuant to this Section 2.04 may be recorded by the Issuing and Paying Agent and confirmed promptly in writing by an Authorized Agency Representative; *provided, however*, that the failure so to confirm any such Issuance Request, or any conflict between any such recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein.

(e) The Agency and the Issuing and Paying Agent agree that all instructions under this Agreement are to be directed to the Issuing and Paying Agent's Commercial Paper Operations Department. The Issuing and Paying Agent shall provide the Agency with access to the Issuing and Paying Agent's Securities Processing Automated Note System (SPANS Online as defined below in Section 8.24) or other electronic means (collectively, the "System") in order that the Issuing and Paying Agent may receive electronic instructions for the issuance of the Commercial Paper Notes. Electronic instructions will be subject to an acceptance of terms issued by the Issuing and Paying Agent if the Agency elects to use the Issuing and Paying Agent's internet-based communications program to access the System. Electronic instructions must be transmitted in accordance with the procedures furnished by the Issuing and Paying Agent to the Agency in connection with the System. These transmissions shall be the equivalent to the giving of a written Issuance Request to the Issuing and Paying Agent. If the System is inoperable at any time, the Authorized Agency Representatives may deliver written, telephone or facsimile instructions to the Issuing and Paying Agent, which instructions shall be verified in accordance with any security procedures agreed upon by the parties.

Section 2.05 **Book-Entry System.** The Commercial Paper Notes shall be issued in book-entry form as further provided in this Section 2.05. The initial Note Depository with respect to the Commercial Paper Notes shall be the Depository Trust Company ("DTC"). The initial Nominee with respect to the Commercial Paper Notes shall be CEDE & CO., as nominee of DTC.

(a) Each series of the Commercial Paper Notes issued pursuant to this Agreement shall initially be issued in the form of a separate single fully-registered master note evidencing each series of the Commercial Paper Notes. Except as provided in subsection (c) of this Section 2.05, all of the Commercial Paper Notes shall be registered in the name of the Nominee. Notwithstanding any provision to the contrary in Section 2.05, so long as the Commercial Paper Notes remain in the form of one or more master notes in book-entry form, the issuance of Notes pursuant to an Issuance Request against payment therefor shall not require the physical delivery of note certificates.

The Issuing and Paying Agent and the Agency may treat the registered owner of each Commercial Paper Note as the sole and exclusive owner thereof for the purposes of payment of the principal of or interest on the Commercial Paper Notes, giving any notice permitted or required to be given to Commercial Paper Noteholders under this Agreement, registering the transfer of Commercial Paper Notes, obtaining any consent or other action to be taken by Commercial Paper Noteholders, and for all other purposes whatsoever, and neither the Issuing and Paying Agent nor the Agency shall be affected by any notice to the contrary.

Neither the Issuing and Paying Agent nor the Agency shall have any responsibility or obligation to any participant in the Note Depository (a "Participant"), any person claiming a beneficial ownership interest in the Commercial Paper Notes under or through the Note Depository or any Participant, or any other person who is not shown on the registration books as being a Commercial Paper Noteholder, with respect to: (i) the accuracy of any records maintained by the Note Depository or any Participant; (ii) the payment by the Note Depository or any Participant of any amount in respect of the principal of or interest on the Commercial Paper Notes; (iii) the delivery of any notice which is permitted or required to be given to Commercial Paper Noteholders under this Agreement; (iv) any consent given or other action taken by the Note Depository as Commercial Paper Noteholder; or (v) any other purpose.

The Issuing and Paying Agent shall pay all principal of and interest on the Commercial Paper Notes only to or upon the order of the Note Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Agency's obligations with respect to the payment of the principal of and interest on the Commercial Paper Notes to the extent of the sum or sums so paid. Upon delivery by the Note Depository to the Issuing and Paying Agent of written notice to the effect that the Note Depository has determined to substitute a new Nominee in place of the current Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Article II shall refer to such new Nominee.

(b) In order to qualify the Commercial Paper Notes for the Note Depository's Book-Entry System, the appropriate officers or employees of the Agency are hereby authorized and directed to execute, seal, countersign and deliver, with a copy to the Issuing and Paying Agent, on behalf of the Agency to the Note Depository for the Commercial Paper Notes, a Letter of Representation from the Agency representing such matters as shall be necessary to so qualify the Commercial Paper Notes. The execution and delivery of the Letter of Representation shall not in any way limit the provisions of this Section 2.05 or in any other way impose upon the Agency any obligation whatsoever with respect to persons having beneficial ownership interests in the Commercial Paper Notes other than the Commercial Paper Noteholders.

(c) In the event (i) the Note Depository determines not to continue to act as securities depository for Commercial Paper Notes, or (ii) the Agency determines that the Note Depository shall no longer so act and delivers a written certificate to the Issuing and Paying Agent to that effect, then the Agency will discontinue the Book-Entry System with the Note Depository for such Commercial Paper Notes. If the Agency determines to replace the Note Depository for the Commercial Paper Notes with another qualified securities depository, the Agency shall prepare or direct the preparation of a new, single, separate, fully registered Commercial Paper Note for such Commercial Paper Notes registered in the name of such successor or substitute qualified Note Depository or its Nominee, or make such other arrangements acceptable to the Issuing and Paying Agent and such successor or substitute Note Depository as are not inconsistent with the terms of this Agreement. If the Agency fails to identify another qualified Note Depository to replace the incumbent Note Depository for the Commercial Paper Notes, then such Commercial Paper Notes shall no longer be restricted to being registered in the bond registration books in the name of the incumbent Note Depository or its Nominee, but shall be registered in whatever name or names the incumbent Note Depository or its Nominee transferring or exchanging such Commercial Paper Notes shall designate.

(d) Notwithstanding any provision of this Agreement to the contrary, so long as the Commercial Paper Notes are registered in the name of the Nominee, all payments with respect to principal of and interest on the Commercial Paper Notes and all notices with respect to the Commercial Paper Notes shall be made and given, respectively, as provided in the Letter of Representation or as otherwise instructed by the Note Depository.

Section 2.06 **Mutilated, Lost, Stolen or Destroyed Commercial Paper Notes.** If any Commercial Paper Note shall become mutilated, the Agency, at the expense of the Holder of such Commercial Paper Note, shall execute or cause to be executed, and the Issuing and Paying Agent shall thereupon authenticate and deliver a new Commercial Paper Note of like tenor bearing a different number in exchange and substitution for the Commercial Paper Note so mutilated, but only upon surrender to the Issuing and Paying Agent of the Commercial Paper Note so mutilated. If any Commercial Paper Note shall be lost, destroyed or stolen, evidence of the ownership thereof, and of such loss, destruction or theft may be submitted to the Agency and the Issuing and Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Agency, at the expense of the Holder, shall execute, and the Issuing and Paying Agent shall thereupon authenticate and deliver a new Commercial Paper Note of like tenor and bearing a different number in lieu of and in substitution for the Commercial Paper Note so lost, destroyed or stolen (or if any such Commercial Paper Note shall have matured or shall be about to mature, instead of issuing a substitute Commercial Paper Note, the Agency may direct the Issuing and Paying Agent to pay the same without surrender thereof). The Agency and Issuing and Paying Agent may require payment by the registered Holder of a Commercial Paper Note of a sum not exceeding the actual cost of preparing each new Commercial Paper Note executed and delivered pursuant to this paragraph and of the expenses which may be incurred by the Agency and the Issuing and Paying Agent. Any Commercial Paper Note executed and delivered under these provisions in lieu of any Commercial Paper Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Agency whether or not Commercial Paper Note so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Agreement with all other Commercial Paper Notes secured by this Agreement.

Section 2.07 **Surrender of Commercial Paper Notes.** All Commercial Paper Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Issuing and Paying Agent, shall be delivered to the Issuing and Paying Agent and shall be promptly cancelled by it. The Agency may at any time deliver to the Issuing and Paying Agent for cancellation any Commercial Paper Notes previously authenticated and delivered hereunder which the Agency may have acquired in any manner whatsoever, and all Commercial Paper Notes so delivered shall promptly be cancelled by the Issuing and Paying Agent. No Commercial Paper Note shall be authenticated in lieu of or in exchange for any Commercial Paper Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Commercial Paper Notes held by the Issuing and Paying Agent shall be disposed of as directed by the Agency.

Section 2.08 **Non-Presentation of Commercial Paper Notes; Unclaimed Money.**

(a) If any Commercial Paper Notes are not presented for payment when the principal thereof becomes due, all liability of the Agency to the Holder thereof for the payment of such Commercial Paper Notes shall be completely discharged if funds sufficient to pay such Commercial Paper Notes and the interest due thereon to the stated maturity date shall be held by

the Issuing and Paying Agent for the benefit of such Holder, and thereupon it shall be the duty of the Issuing and Paying Agent to hold such funds subject to subsection (b) below, without liability for interest thereon, for the benefit of such Holder, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature under this Agreement or on, or with respect to, such Commercial Paper Note; provided, however, that the duties and obligations of the Issuing and Paying Agent under this Agreement are owed solely to the Agency.

(b) Anything contained herein to the contrary notwithstanding, any money held by the Issuing and Paying Agent for the payment and discharge of any Commercial Paper Notes which remains unclaimed for two (2) years after the date when the payments on such Commercial Paper Notes have become payable, if such money was held by the Issuing and Paying Agent on such date, or for two (2) years after the date of deposit of such money if deposited with the Issuing and Paying Agent after the date when the principal of such Commercial Paper Notes have become payable, shall upon written notice from the Agency be repaid by the Issuing and Paying Agent to the Agency as its absolute property free from trust, and the Issuing and Paying Agent shall thereupon be released and discharged with respect thereto and the Holders shall look only to the Agency for the payment of the principal of such Commercial Paper Notes and the interest due thereon to the stated maturity date; *provided* that before being required to make any such payment to the Agency, the Agency shall publish once in The Wall Street Journal a notice that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of the earliest publication of such notice, the Issuing and Paying Agent shall promptly pay to the Bank so much of such money as the Bank certifies to the Issuing and Paying Agent, with notice to the Agency and the City, that the Agency owes to the Bank with respect to any Commercial Paper Note or under the Reimbursement Agreement or this Agreement, and the balance of such money then unclaimed will be returned to the Agency.

ARTICLE III

FUNDS AND ACCOUNTS; APPLICATION OF NOTE PROCEEDS

Section 3.01 **Establishment and Designation of Funds and Accounts.**

(a) There is hereby established a Project Fund, and within such Project Fund, subaccounts known as the “Tax-Exempt Account of the Project Fund” and the “Taxable Account of the Project Fund,” which shall be held by the Agency or the City Treasurer on behalf of the Agency (or may be held by the Issuing and Paying Agent at the written direction of the Agency) in accordance with this Agreement;

(b) There is hereby established a Debt Service Fund, and the Issuing and Paying Agent shall hold such fund in accordance with this Agreement and within such fund establish and maintain the following accounts:

(1) Letter of Credit Proceeds Account, into which proceeds of draws on the Letter of Credit shall be deposited pursuant to Section 3.03(b) and from which the principal and interest coming due on maturing Commercial Paper Notes shall be paid pursuant to Section 3.03(b) (all draw proceeds of the Letter of Credit shall be held in the Letter of Proceeds Account and no other amounts shall be commingled in such Account); and

(2) Debt Service Account, which shall receive deposits of proceeds from the sale of Commercial Paper Notes pursuant to Section 3.02 and deposits of Available Transportation System Revenues pursuant to Section 3.03(c), and from which the Issuing and Paying Agent shall reimburse the Bank for draws under the Letter of Credit pursuant to Section 3.03(c), make payments to the Bank for Advances pursuant to Section 3.03(d), and transfer amounts to the Project Fund pursuant to Section 3.03(d).

(c) There is hereby established a Closing Costs Account, and the Issuing and Paying Agent shall hold such fund in accordance with this Agreement and make payments therefrom as provided in Section 3.06.

Section 3.02 **Deposit of Proceeds of Commercial Paper Notes.** Immediately upon receipt thereof, the Issuing and Paying Agent shall deposit the proceeds of the sale of any Commercial Paper Notes into the Debt Service Account. Such amount, together with any amount paid by the Agency for deposit into such Debt Service Account shall be applied in the following order: (i) to reimburse the Bank for any draws made under the Letter of Credit, (ii) to make payments on outstanding Advances as directed in writing by the Agency, and (iii) if so directed by the Agency in writing, for transfer to the Project Fund.

Section 3.03 **Deposits Into and Uses of the Letter of Credit Proceeds Account and the Debt Service Account.**

(a) The Issuing and Paying Agent shall make information available to the Agency and the Bank on the System on or before [5:00 p.m.] (New York City time), on the Business Day prior to the maturity date of each Commercial Paper Note, as to the total amount of principal and interest due on such maturity date. Except as provided in Section 3.03(e) below, the principal of and interest coming due on maturing Commercial Paper Notes shall be paid with the proceeds of a draw on the Letter of Credit.

(b) On or before [11:30 a.m.] (New York City time) on the maturity date of each maturing Commercial Paper Note, the Issuing and Paying Agent shall submit to the Bank a request to draw an amount under the Letter of Credit sufficient to pay the principal of and interest coming due on each maturing Commercial Paper Note. The Issuing and Paying Agent shall deposit the proceeds of such draw directly into the Letter of Credit Proceeds Account and shall apply such proceeds to pay the principal of and interest coming due on each maturing Commercial Paper Note on or before [2:00 p.m.] (New York City time) on such maturity date.

(c) On or before [3:00 p.m.] (New York City time) on the date of any draw on the Letter of Credit pursuant to Section 3.03(b), the Agency shall transfer to the Issuing and Paying Agent Available Transportation System Revenues from the Enterprise Account in an amount sufficient, together with all other amounts on deposit in the Debt Service Account, to reimburse the Bank for such draw. The Issuing and Paying Agent shall deposit such Available Transportation System Revenues, if any, into the Debt Service Account, and thereafter shall transfer by wire funds from the Debt Service Account in the amount necessary to reimburse the Bank for the draw on the Letter of Credit by [3:30 p.m.] (New York City time) on the date of such draw.

(d) If the Agency shall so direct, the Issuing and Paying Agent shall transfer funds on deposit in the Debt Service Account to the Project Fund.

(e) If, on the maturity date of any Commercial Paper Note, the Bank fails to honor a draw under the Letter of Credit, the Agency shall transfer to the Issuing and Paying Agent on or before [2:00 p.m.] (New York City time) for deposit into the Debt Service Account sufficient funds from Available Transportation System Revenues, together with any other amounts on deposit in the Debt Service Account, to pay in full each maturing Commercial Paper Note on such date, which funds the Issuing and Paying Agent shall so deposit and shall so apply.

Section 3.04 **Draws Under the Letter of Credit.** As a beneficiary of the Letter of Credit, the Issuing and Paying Agent agrees to take such action as necessary so as to assure timely payment under the Letter of Credit (to the extent permitted by law) for the payment, from time to time, of the Commercial Paper Notes. On or before each maturity date for any Commercial Paper Note, in the manner described in Section 3.03(b), an authorized officer of the Issuing and Paying Agent shall present all required drawing certificates and accompanying documentation, if required, to the Bank and demand payment be made under the Letter of Credit on such maturity date at such time and in such amount so as to be timely and sufficient to pay the entire amount of principal becoming due on all Commercial Paper Notes on such date; *provided* that, in each case, any certificates of the Issuing and Paying Agent shall be signed by one who states therein that such person is a duly authorized officer of the Issuing and Paying Agent. All draw proceeds of the Letter of Credit shall be held in the Letter of Credit Proceeds Account and no other amounts shall be commingled in such Account).

Upon the Issuing and Paying Agent's receipt of a Final Drawing Notice, the Issuing and Paying Agent shall draw on the Letter of Credit as promptly as possible and in any event no later than one (1) Business Day prior to the 15th day after receipt of such Final Drawing Notice, in an amount at least equal to the principal of and interest accrued and to accrue until the scheduled maturity date on all outstanding Commercial Paper Notes.

Section 3.05 **Application of Moneys in Project Fund.**

(a) Moneys in the Tax-Exempt Account of the Project Fund shall be applied to the payment of the Tax-Exempt Project Costs, and Moneys in the Taxable Account of the Project Fund shall be applied to the Taxable Project Costs, and moneys in either subaccount of the Project Fund shall be applied to the payment of the administrative costs related to the Commercial Paper Notes, including but not limited to the fees and expenses of the Dealers, the Issuing and Paying Agent, the Rating Agencies, the Bank and any other attorneys, consultants or service providers.

(b) The Authorized Agency Representative is hereby authorized to disburse from the Project Fund the amount required for the payment of the Project Costs and administrative costs.

Section 3.06 **Application of Moneys in Closing Costs Account.** On and after April ____, 2018, the Agency shall transfer to the Issuing and Paying Agent for deposit into the Closing Costs Account an amount sufficient to pay the closing costs of the Commercial Paper Notes detailed in the Closing Costs Requisition or Requisitions, and on April ____, 2018, the Issuing and Paying

Agent shall pay such costs from the Closing Costs Account as provided in the Closing Costs Requisition.

Section 3.07 **Investments Authorized.** Money held by the Issuing and Paying Agent in any fund or account hereunder shall be invested by the Issuing and Paying Agent in Permitted Investments pending application as provided herein solely at the written direction of an Authorized Agency Representative, shall be registered in the name of the Issuing and Paying Agent where applicable, as Issuing and Paying Agent, and shall be held by the Issuing and Paying Agent. Money held in any fund, account, or subaccount hereunder (other than the Rebate Fund) may be commingled for purposes of investment only; *provided, however,* that each fund, account, or subaccount held by the Issuing and Paying Agent hereunder shall be accounted for separately and *provided, further,* that moneys in the Debt Service Account and the Letter of Credit Proceeds Account shall not be invested or commingled. The Issuing and Paying Agent shall have no duty to determine whether any investment direction received from the Agency complies with the requirements of these investment restrictions or requirements. The Issuing and Paying Agent may elect, but shall not be obligated, to credit the Note Payment Account established hereunder with funds representing income or principal payments due on, or sales proceeds due in respect of, assets in such account, or to credit to such Note Payment Account assets intended to be purchased with such funds, in each case before actually receiving the requisite funds from the payment source, or to otherwise advance funds for transactions hereunder. Notwithstanding anything else in this Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Issuing and Paying Agent is authorized to reverse or offset any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Agreement shall constitute a waiver of any of U.S. Bank National Association's rights as a securities intermediary under Uniform Commercial Code §9-206. The Issuing and Paying Agent may also set-off and deduct funds in any account hereunder with respect to deposits that have been credited to such account but are subsequently returned unpaid or reversed.

Section 3.08 **Moneys Remaining in Funds and Accounts.** At any time there are no Commercial Paper Notes Outstanding or any amounts outstanding under the Reimbursement Agreement, the Agency may withdraw moneys from any Fund or Account established hereunder by written direction to the Issuing and Paying Agent. Upon receipt of such a written request, the Issuing and Paying Agent shall deliver any amounts so specified to, or upon the order of, the Agency.

ARTICLE IV

COVENANTS; REPRESENTATIONS

Section 4.01 **No Arbitrage.** The Agency shall not take, nor permit to be taken by the Issuing and Paying Agent or otherwise, any action which, if such action had been reasonably expected to have been taken or had been deliberately and intentionally taken on the date of the issuance of any Tax-Exempt Notes, would have caused such Tax-Exempt Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations. To that end, the Agency will comply with all requirements of Section 148 of the Code to the extent applicable to the Tax-Exempt Notes. In the event that at any time the Agency is of the opinion that for purposes of this Section 4.01 it is necessary to restrict or to limit the yield on the investment of any moneys held

under this Agreement, the Agency shall take such action as may be necessary in accordance with such opinion.

Section 4.02 **Rebate to United States**. The Agency will pay or cause to be paid to the United States Government the amounts required by Section 148(f) of the Code and any Regulations promulgated thereunder at the times required thereby. To further the satisfaction of such rebate requirement, there is hereby created, to be held by the Issuing and Paying Agent as a separate fund for the Tax-Exempt Notes distinct from all other funds and accounts held by the Issuing and Paying Agent under this Agreement, a fund designated as the “Rebate Fund.” The Issuing and Paying Agent shall hold any payments received from the Agency for deposit into the Rebate Fund for purposes of ultimate rebate to the United States, all as more particularly described in the Tax Certificate. Pending payment to the United States, moneys held in the Rebate Fund are hereby pledged to secure such payments to the United States as provided herein and in the Tax Certificate, and neither the Agency, the Holders nor any other person shall have any rights in or claim to such moneys. The Issuing and Paying Agent shall invest all amounts held in the Rebate Fund as directed in writing by an Authorized Agency Representative in Nonpurpose Investments (as defined in the Tax Certificate), as directed by the Agency in the Tax Certificate.

Computations of the rebate amount and all calculations under this Section and the Tax Certificate shall be furnished by or on behalf of the Agency. The Issuing and Paying Agent shall be deemed conclusively to have complied with the provisions of this Section if it follows the payment directions of the Authorized Agency Representative. The Issuing and Paying Agent shall have no liability or responsibility to enforce compliance by the Agency with the Tax Certificate. The Issuing and Paying Agent shall have no obligation to pay any amounts required to be rebated pursuant to this Section, other than from moneys required to be held in the funds and accounts created under this Agreement, including the Rebate Fund, or from other moneys provided to it by the Agency.

The Agency and the Issuing and Paying Agent shall keep and retain, for a period of three (3) years following the retirement of the Tax-Exempt Notes, records of the determinations made pursuant to this Section 4.02.

In order to provide for the administration of this Section 4.02, the Agency may provide for the engagement of independent attorneys, accountants and consultants, who shall be selected by the Agency with reasonable care and compensated on such reasonable basis as the Agency may deem appropriate, and the Issuing and Paying Agent may, without further investigation, rely conclusively upon the opinions, calculations, determinations and advice of such attorneys, accountants and consultants engaged hereunder.

Section 4.03 **Tax Covenant**. The Agency shall not use or knowingly permit the use of any proceeds of the Commercial Paper Notes or any other funds of the Agency, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Tax-Exempt Notes being treated as an obligation not described in Section 103(a) of the Code. Without limiting the generality of the foregoing, the Agency will comply with all the requirements and covenants contained in the Tax Certificate. This covenant shall survive the payment in full or defeasance of the Commercial Paper Notes.

Section 4.04 **Letter of Credit**. The Agency hereby covenants to maintain in effect a Letter of Credit or an Alternate Facility meeting the requirements hereof at all times that Commercial Paper Notes are Outstanding hereunder.

Section 4.05 **Representations and Warranties of The Agency**. The Agency hereby warrants and represents to Issuing and Paying Agent, and, each request to issue Commercial Paper Notes shall constitute the Agency's continuing warranty and representation, as follows:

(a) This Agreement is, and all Commercial Paper Notes delivered to the Issuing and Paying Agent pursuant to this Agreement will be, duly authorized, executed and delivered by the Agency. The Issuing and Paying Agent's appointment to act for the Agency hereunder is duly authorized by the Agency.

(b) The issuance and delivery of the Commercial Paper Notes will not violate any state or federal law and the Commercial Paper Notes do not require registration under the Securities Act of 1933, as amended.

(c) This Agreement constitutes, and the Commercial Paper Notes, when completed, countersigned, and delivered pursuant hereto, will constitute, the Agency's legal, valid and binding obligations enforceable against the Agency in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(d) The Agency has, and at all relevant times has had, all necessary power and authority to execute, deliver and perform this Agreement and to issue the Commercial Paper Notes.

(e) The Agency has taken all actions which are required for the authorization of the issuance of the Commercial Paper Notes, and for the authorization, execution, delivery and performance of this Agreement, and such actions do not require the approval or consent of any holder or trustee of any indebtedness or obligations of the Agency.

(f) The issuance of Commercial Paper Notes by the Agency (i) does not and will not contravene any provision of any governmental law, regulation or rule applicable to the Agency, and (ii) does not and will not conflict with, breach or contravene the provisions of any contract or other instrument binding upon the Agency.

(g) Each Issuance Request given to the Issuing and Paying Agent in accordance with Section 2.04 hereof shall constitute a representation and warranty by the Agency that the issuance and delivery of such Commercial Paper Note(s) have been duly and validly authorized by the Agency.

ARTICLE V

PLEDGE OF AVAILABLE TRANSPORTATION SYSTEM REVENUES

Section 5.01 **Pledge of Available Transportation System Revenues; Trust Estate**. Principal and interest payments on the Commercial Paper Notes shall be secured by a pledge of, first lien on and security interest in, and, to the extent not paid from proceeds from the sale of

Commercial Paper Notes or proceeds of draws on the Letter of Credit, shall be paid exclusively from, the Available Transportation System Revenues. Additionally, the payment of all Obligations under the Reimbursement Agreement and the Fee Agreement are hereby secured by a pledge of, first lien and security interest in the Available Transportation System Revenues on parity with the lien on Available Transportation System Revenues securing the Commercial Paper Notes. The Available Transportation System Revenues deposited in the Enterprise Account established under the Senior Lien Revenue Bonds Indenture shall constitute a trust fund for the security and payment of the principal amount of and interest on the Commercial Paper Notes and obligations to the Bank under the Reimbursement Agreement and the Fee Agreement, on a *pari passu* basis; *provided, however*, that the lien on such trust fund shall be subordinate at all times to the lien on the Pledged Revenues established under the Senior Lien Revenue Bonds Indenture for the benefit of the holders of the Senior Lien Revenue Bonds. The Agency hereby grants a first lien and charge on and security interest in, assigns, transfers, pledges and grants and conveys to the Holders and the holders of any other Parity Obligations and the Bank with respect to Obligations under the Reimbursement Agreement and the Fee Agreement, the following property:

(a) amounts on deposit from time to time in the Funds and Accounts created pursuant to this Issuing and Paying Agent Agreement, including the earnings thereon, subject to the provisions of this Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, provided, however, that the duties and obligations of the Issuing and Paying Agent under this Agreement are solely to the Agency;

(b) amounts constituting Available Transportation System Revenues in the Enterprise Account or otherwise available; and

(c) any and all other property of any kind from time to time conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Commercial Paper Notes.

The pledge of the Available Transportation System Revenues and other moneys and property described above shall be irrevocable until all of the Commercial Paper Notes have been paid and retired and all obligations of the Agency hereunder, under the Reimbursement Agreement and the Fee Agreement, without priority or distinction of one over the other, except as expressly provided hereunder, have been met. Such pledge shall be valid and binding from and after the date hereof and all Available Transportation System Revenues shall immediately be subject to the lien of such pledge as and when received by the Agency, without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Agency.

All Commercial Paper Notes issued hereunder and at any time Outstanding shall be equally and ratably secured with all Parity Obligations, with the same right, lien, preference and priority with respect to Available Transportation System Revenues, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity thereof or otherwise. Notwithstanding the foregoing, amounts drawn under the Letter of Credit or an Alternate Facility with respect to particular Commercial Paper Notes and all other amounts held in Funds or Accounts established with respect to particular Commercial Paper Notes pursuant to the provisions hereof shall be applied solely to make payments on such particular Commercial Paper Notes.

The Commercial Paper Notes are special, limited obligations of the Agency payable solely from Available Transportation System Revenues of the Agency, from moneys held in certain Funds and Accounts established hereunder, and draws on the Letter of Credit or an Alternate Facility. The General Fund of the City is not liable for the payment of principal or interest on the Commercial Paper Notes, and neither the credit nor the taxing power of the City is pledged to the payment of principal or interest on the Commercial Paper Notes. The Commercial Paper Notes are not secured by a legal or equitable pledge of, or charge, lien, or encumbrance upon, any of the property of the City or of the Agency or any of its income or receipts, except Available Transportation System Revenues as provided herein.

ARTICLE VI

ISSUING AND PAYING AGENT; DEALER

Section 6.01 **Appointment of Issuing and Paying Agent.** The Agency hereby appoints U.S. Bank National Association to serve as Issuing and Paying Agent hereunder. The Issuing and Paying Agent hereby accepts such appointment and hereby agrees to hold such funds, and fulfill such other duties of the Issuing and Paying Agent as more fully set forth in this Agreement. The Agency acknowledges that (i) the Issuing and Paying Agent has previously entered into a commercial paper certificate agreement (the "Certificate Agreement") with DTC, a copy of which is on file with the Agency and the Issuing and Paying Agent, and (ii) the continuing effectiveness of the Certificate Agreement is a necessary prerequisite to the Issuing and Paying Agent's provision of services related to the issuance and payment of the Commercial Paper Notes while the Commercial Paper Notes are in book-entry only form and DTC is the Note Depository.

Section 6.02 **Reports and Records.**

(a) The Issuing and Paying Agent shall at all times keep or cause to be kept proper books and records, as shall be consistent with prudent industry practice, in which complete and accurate entries shall be made of all transactions, including without limitation a complete record of all Issuance Requests, made by it relating to the proceeds of the Commercial Paper Notes and all Funds and Accounts established and maintained by the Issuing and Paying Agent hereunder. Such records shall be available for inspection by the Agency, the City and the Bank on each Business Day upon reasonable notice during reasonable business hours and by any Commercial Paper Noteholder or its agent or representative duly authorized in writing at reasonable hours upon reasonable notice.

(b) The Issuing and Paying Agent shall provide to the Agency each month a report of the amounts deposited in each Fund and Account held by it under this Agreement and the amount disbursed from such Funds and Accounts, the earnings thereon, if any, the ending balance in each such Fund and Account, and the investments in each such Fund and Account. The Issuing and Paying Agent shall also make available to the Agency such information regarding the issuance of Commercial Paper Notes during the subject month as the Agency shall reasonably request.

(c) The Issuing and Paying Agent shall maintain such books, records, and accounts as may be necessary to evidence the obligations of the Agency resulting from the

Commercial Paper Notes, the principal amounts owing thereunder, the maturity schedule therefor, the respective rates of interest thereon and the principal and interest paid from time to time thereunder. So long as the Commercial Paper Notes are in book-entry form, in any legal action or proceeding with respect to a master note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Agency therein recorded.

Section 6.03 **Duties**. The Issuing and Paying Agent's duties and responsibilities in connection with the payment of the Commercial Paper Notes shall include:

- (a) upon presentment at maturity of a Commercial Paper Note, to pay the principal of and interest on the Commercial Paper Note to the Holder thereof;
- (b) to make the necessary and timely drawings under the Letter of Credit in accordance with the terms and provisions thereof in order to effectuate the timely payment of principal of and interest on the Commercial Paper Notes as the same becomes due;
- (c) to credit amounts received from the Agency and the Dealers for reimbursement of the Bank for draws on the Letter of Credit to the Debt Service Account;
- (d) to credit amounts received from the Bank as a result of drawings under the Letter of Credit to the Letter of Credit Proceeds Account;
- (e) to keep amounts on deposit in the Letter of Credit Proceeds Account separate from all other funds and accounts of the Issuing and Paying Agent and to utilize such amounts in accordance with the terms hereof; and
- (f) the Issuing and Paying Agent agrees that it will not consent to the reduction of the Stated Amount of the Letter of Credit below the amount of Commercial Paper Notes outstanding.

The Issuing and Paying Agent shall have no obligation to pay amounts due on the Commercial Paper Notes at their maturity other than from funds received by the Issuing and Paying Agent from the Agency or the Bank pursuant to draws made on the Letter of Credit.

Section 6.04 **Compensation**. The Agency agrees to pay compensation for the Issuing and Paying Agent's services hereunder in accordance with the Issuing and Paying Agent's fee schedule, as amended from time to time (with notice to and the consent of the Agency), and to reimburse the Issuing and Paying Agent for such disbursements (including the reasonable fees and expenses of counsel). The Issuing and Paying Agent's fee schedule is attached hereto as . The Agency shall also reimburse the Issuing and Paying Agent for any fees and charges imposed by the Note Depository with respect to Commercial Paper Notes issued in book-entry form as set forth in the fee schedule. The Issuing and Paying Agent shall have no lien on Commercial Paper proceeds, on any unreimbursed draw on the Letter of Credit or on any Advance outstanding under the Reimbursement Agreement for payment of its compensation hereunder.

Section 6.05 **Liability**. The Issuing and Paying Agent's duties and obligations shall be determined by the express provisions of this Agreement, and Issuing and Paying Agent and Issuing

and Paying Agent's agents shall be responsible for the performance of only such duties and obligations as are specifically set forth herein and therein, and no implied duties or covenants shall be read into any such document against Issuing and Paying Agent and Issuing and Paying Agent's agents. The Agency agrees to indemnify the Issue and Paying Agent to the fullest extent permitted by law, and that the Issuing and Paying Agent shall not be liable for any losses, damages, liabilities or costs suffered or incurred by the Agency as a result of: (a) the Issuing and Paying Agent's having duly executed Issuance Requests in good faith in accordance therewith and with this Agreement; (b) the Issuing and Paying Agent's improperly executing or failing to execute any Issuance Requests because of erroneous Issuance Requests, failure of communications media, or any other circumstances beyond the Issuing and Paying Agent's control; (c) the actions or inactions of DTC or any broker, dealer, consignee or agent not selected by the Issuing and Paying Agent; or (d) any other acts or omissions of the Issuing and Paying Agent relating to this Agreement or the transactions or activities contemplated hereby except to the extent, if any, that such other acts or omissions constitute gross negligence or willful misconduct by the Issuing and Paying Agent. This Section 6.05 shall survive any termination of this Agreement and the issuance and payment of any Commercial Paper Notes. The Issuing and Paying Agent shall not be liable for any action taken or omitted by it in good faith except when, and to the extent that, a court of competent jurisdiction determines that the Issuing and Paying Agent's gross negligence or willful misconduct was the cause of any loss to Agency.

Section 6.06 **Additional Information**. Upon the reasonable written request of the Agency, the City or the Bank, as applicable, the Issuing and Paying Agent agrees promptly to provide the Agency, the City or the Bank as agreed upon by the Agency, as applicable, with information with respect to the Commercial Paper Notes issued and paid hereunder. Such request shall be in written form and shall include the principal amount, date of issue, maturity date, interest rate and amount of interest, as applicable, of each Commercial Paper Note which has been issued or paid by the Issuing and Paying Agent and for which the request is being made.

Section 6.07 **Resignation and Replacement of Issuing and Paving Agent**. The Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this Agreement by giving at least 30 days' written notice to the Bank, the City and the Agency. The Issuing and Paying Agent may be removed, with the written consent of the Bank, which consent shall not be unreasonably withheld, at any time by an instrument signed by an Authorized Agency Representative and filed with the Issuing and Paying Agent and the Bank. No such resignation or removal shall become effective, however, until a successor Issuing and Paying Agent has been selected by the Agency with the consent of the Bank (which such consent shall not be unreasonably withheld) and assumed the duties of the Issuing and Paying Agent hereunder and under the Reimbursement Agreement. The Agency will use its best efforts to at all times maintain a Issuing and Paying Agent that is reasonably acceptable to the Bank.

In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall transfer, assign and deliver to the Agency the Letter of Credit and any moneys held by it in such capacity to its successor.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having an office in New York, New York and shall at all times be a corporation or a national banking association organized and doing business under the laws of the United States of America or of any

State with a combined capital and surplus of at least \$50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or national banking association into which any Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which any Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of any Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 6.08 **Dealers**. The Agency hereby agrees that, at or prior to the time of issuance of any Commercial Paper Notes, the Agency will enter into a Dealer Agreement with each Dealer. The Agency covenants that at all times prior to the Commitment Expiration Date, it will maintain in effect one or more Dealer Agreements, pursuant to which each Dealer will agree to fulfill the duties and obligations of the Dealer as set forth in this Agreement and its Dealer Agreement.

Section 6.09 **Compliance with City Requirements**. The Issuing and Paying Agent hereby agrees to comply with the City's requirements as set forth in .

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF COMMERCIAL PAPER NOTEHOLDERS

Section 7.01 **Events of Default**. Each of the following shall constitute an "Event of Default":

- (a) if default shall be made in the due and punctual payment of the principal of any Commercial Paper Notes when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Commercial Paper Notes when and as such interest installment shall become due and payable;
- (c) if material default shall be made by the Agency in the performance or observance of any other of the material covenants, agreements or conditions on its part in this Issuing and Paying Agent Agreement or in the Commercial Paper Notes contained, and such material default shall have continued for a period of sixty (60) days after written notice thereof, specifying such material default and requiring the same to be remedied, shall have been given to the Agency by the Issuing and Paying Agent; or

(d) if the Bank shall have declared an Event of Default under the Reimbursement Agreement.

If the Bank becomes insolvent or for any reason fails to honor a properly presented and conforming drawing under the Letter of Credit or Alternate Facility and there is a default in the payment of principal or interest on the Commercial Paper Notes as provided in subsections (a) or (b) above, the Issuing and Paying Agent shall declare the principal of the Commercial Paper Notes Outstanding and the interest accrued thereon to be due and payable immediately, whereupon the same shall become and shall be immediately due and payable, anything in this Agreement or in the Commercial Paper Notes or in the Reimbursement Agreement contained to the contrary notwithstanding.

Upon the Issuing and Paying Agent's receipt the Bank's declaration of an Event of Default as described in subsection (d) above and a Final Drawing Notice, the Issuing and Paying Agent shall draw on the Letter of Credit no later than one (1) Business Day prior to the 15th day after receipt of such Final Drawing Notice in an amount at least equal to the principal of and interest accrued and to accrue until the scheduled maturity date on all outstanding Commercial Paper Notes. The Issuing and Paying Agent shall deposit such amounts in the Letter of Credit Proceeds Account and shall pay the principal and interest on Commercial Paper Notes as they come due.

Upon the Issuing and Paying Agent's receipt from the Agency or the Bank of a written notice identified therein as a No Issuance Notice, the Issuing and Paying Agent shall promptly discontinue the issuance of Commercial Paper Notes. After the receipt of a No Issuance Notice, the Issuing and Paying Agent may resume the issuance of the Commercial Paper Notes only upon receipt of prior written notice from the Bank that the No Issuance Notice has been rescinded.

Section 7.02 **Suits at Law or in Equity and Mandamus.** In case one or more Events of Default shall occur, then and in every such case, subject to Section 7.04 hereof, any Holder of any Commercial Paper Note at the time Outstanding and the Bank shall be entitled to proceed to protect and enforce such Holder's rights or the Bank's rights, as the case may be, by such appropriate judicial proceeding as such enforcer shall deem most effectual to protect and enforce any such right, whether by mandamus or other suit or proceeding at law or in equity, for the specific performance of any covenant or agreement contained in this Agreement, or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right. The provisions of this Agreement shall be a contract with the Bank and with each and every Holder of Commercial Paper Notes, and the duties of the Agency and of the Board shall be enforceable by the Bank (subject to Section 7.04 hereof) or any Commercial Paper Noteholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 7.03 **Remedies Not Exclusive.** No remedy herein conferred upon the Bank or the Holders of Commercial Paper Notes is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Bank (subject to Section 7.04 hereof) or the Holder of any one or more of the Commercial Paper Notes.

Section 7.04 **Bank to Control Remedies**. So long as the Bank is not insolvent and has not failed to honor a properly presented and conforming drawing under the Letter of Credit, no remedy under this Agreement with respect to the Commercial Paper Notes may be pursued without the prior written consent of the Bank. The Bank shall have the right to direct the Issuing and Paying Agent to pursue any right, power, or remedy available under this Agreement.

Section 7.05 **Waiver of Events of Default**. No Event of Default with respect to the Commercial Paper Notes shall be waived pursuant to Section 7.04 unless after such waiver the Letter of Credit shall have been reinstated and shall be in full force and effect.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 **Supplemental Agreements**. The Agency may modify or amend this Agreement and the rights and obligations of the Bank and the Holders of Commercial Paper Notes and the Agency hereunder at any time by a supplemental agreement, without notice to or the consent of the Bank or any Commercial Paper Noteholder, but only to make such provisions for the purpose of (i) curing any ambiguity or formal defect or omission herein, (ii) curing, correcting or supplementing any defective provision contained in this Agreement which may be inconsistent with any provision herein, or to make any other provisions with respect to matters or questions arising hereunder which shall not have a material adverse effect on the Holders or the Bank, (iii) granting or conferring upon the Holders and the Bank any additional rights, remedies, powers or authority that may be lawfully granted or conferred, (iv) securing additional revenues or providing additional security for the payment of any Commercial Paper Notes and the Bank Note, (v) complying with requirements of the Code, in order to satisfy the covenants of Section 4.01 hereof, (vi) adding requirements the compliance of which is required by a Rating Agency in connection with issuing or maintaining a rating on the Commercial Paper Notes and (vii) making any change or addition hereto which, in the opinion of Bond Counsel, shall not have a material adverse effect on the interests of the Holders or the Bank. The Agency shall also have the right to make any change or addition hereto with the consent of the Bank. The Agency shall provide a copy of any such amendment to the Bank promptly upon its execution.

Section 8.02 **Alternate Facility**. Notwithstanding anything herein to the contrary, the Agency may obtain an Alternate Facility to replace a Letter of Credit (or Alternate Facility) then in effect so long as (i) there shall be no Commercial Paper Notes outstanding on the effective date of said replacement Alternate Facility, or the maturing principal and accrued interest on all Outstanding Commercial Paper Notes shall have been fully paid with the proceeds of a draw on the Letter of Credit (or Alternate Facility) to be replaced (in which case, such replacement Alternate Facility may be utilized to support the sale of rollover Commercial Paper Notes on such substitution date), and (ii) the Expiration Date with respect to such replacement Alternate Facility shall be no earlier than the earlier of (x) six (6) months after its date, or (y) the Expiration Date set forth in the Letter of Credit (or Alternate Facility) then in effect. The following are further conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept an Alternate Facility:

(a) The Agency shall deliver written notice of the proposed Alternate Facility to the Issuing and Paying Agent, the Bank, the City and each Dealer not less than 30 days prior to the substitution date.

(b) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the Alternate Facility is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(c) An opinion of Bond Counsel shall be delivered to the Issuing and Paying Agent to the effect that the substitution of a Letter of Credit (or Alternate Facility then in effect) is authorized hereunder and will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Tax-Exempt Notes.

Section 8.03 **Force Majeure.** In no event shall the Issuing and Paying Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Issuing and Paying Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 8.04 **Timeliness of Deposits.** Funds shall be deemed transferred for purposes of timeliness of receipt under this Agreement when transfer instructions for transfer by federal reserve wire have been given and a federal wire number confirmation has been received; *provided* that the party to receive such funds shall not be required to take any action required to be taken hereunder with respect to such funds until it has confirmation of actual receipt of such funds.

Section 8.05 **Defeasance of Commercial Paper Notes.** Commercial Paper Notes shall be deemed to have been paid in full, and the obligation of the Agency thereunder to have ceased, terminated and become void and completely discharged and satisfied, if payment of the principal of, and interest on the Commercial Paper Notes shall have been provided for by irrevocably depositing with the Issuing and Paying Agent and irrevocably setting aside exclusively for such payment (a "Defeasance Escrow") (i) moneys sufficient to make such payment, and/or (ii) Government Obligations, in each case, in an amount sufficient, with reinvestment, to pay when due the principal amount of the Commercial Paper Notes, including accrued interest thereon; provided, that such Defeasance Escrow shall be funded solely by a draw on the Letter of Credit or the Issuing and Paying Agent shall have received an opinion of counsel to the effect that the moneys funding such Defeasance Escrow would not constitute a voidable preference in the event of a bankruptcy under the United States Bankruptcy Code.

Section 8.06 **Payments or Actions Occurring on Non-Business Days.** If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made or the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 8.07 **Notices to Rating Agencies.** The Agency shall provide each Rating Agency, with a copy to the City, with written notice of the occurrence of the following events: (i) removal or appointment of any Dealer, (ii) the appointment of a successor Issuing and Paying Agent, (iii) amendments to this Agreement or the Letter of Credit, (iv) the expiration, termination, substitution or extension of a Letter of Credit, and (v) the defeasance or acceleration of all Outstanding Commercial Paper Notes. Notice to Moody's shall be addressed as follows (or as provided in any subsequent notice to the Agency) Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Public Finance Group; notice to Fitch shall be addressed as follows (or as provided in any subsequent notice to the Agency) to Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004, Attention: Municipal Structured Finance; and notice to Standard and Poor's shall be addressed as follows (or as provided in any subsequent notice to the Agency) Standard and Poor's, 55 Water Street, 38th Floor, New York, New York 10041, Attention: Public Finance Structured Group, email address: pubfin_structured@standardandpoors.com.

Section 8.08 **Issuance Requests: Addresses.** Issuance Requests hereunder shall be (a) mailed, (b) telephoned, (c) transmitted by facsimile device, and/or (d) transmitted via the System described in Section 2.04(d) hereof to the Issuing and Paying Agent at the address, telephone number, facsimile number specified below or through the System and shall be deemed delivered upon receipt by the Issuing and Paying Agent at the address, telephone number, facsimile number and/or email address specified below or through the System.

U.S. Bank National Association
100 Wall Street, 16th Fl.
New York, NY 10005
Attn: Commercial Paper Operations
Telephone: 212-951-8508
Facsimile: 212-509-4529
Email address: mmi.processing@usbank.com

All notices, requests, demands, and other communications hereunder (excluding any No-Issuance Notices, Final Drawing Notices and Issuance Requests) shall be in writing and shall be deemed to have been duly given (a) upon delivery by hand (against receipt), or (b) three days after such notice, request, demand, or other communication is delivered to a United States Post Office certified mail (against receipt) or by regular mail (upon receipt) to the party or by national overnight courier service and at the address set forth below or at such other address as a party may designate by written notice:

If to the Agency:

San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, California 94103
Attention: Chief Financial Officer
Telephone: (415) 701-4617
Facsimile: (415) 701-4725
and

City and County of San Francisco
Office of Public Finance
Attention: Director of Public Finance
City Hall, Room 336
San Francisco, California 94102
Telephone: (415) 554-4862
Facsimile: (415) 554-4864

If to the Dealers: As set forth in the Dealer Agreement.

If to the Issuing and Paying Agent: US Bank Corporate Trust Services
100 Wall Street 16th Floor
New York, NY 10005
Attn: Corporate Trust Services
Telephone: (212) 361-6151
Facsimile: (212)361-6153

If to the Bank: Sumitomo Mitsui Banking Corporation
277 Park Avenue, 4th Floor
New York, New York 10172
Attention: Head of Public Infrastructure Finance
North America
Telephone: (212) 224-4000
Facsimile: (212) 224-5227
E-mail: NYPublicFinance@smbcgroup.com

With a copy to: Sumitomo Mitsui Banking Corporation
277 Park Avenue
New York, New York 10172
Attention: Trade Credit Services Department
Telephone: (212) 224-4000
Facsimile: (212) 224-4566
E-mail: trade_credit_svc@smbcgroup.com

Notwithstanding the foregoing, any notices required to be sent or received under the Reimbursement Agreement shall be sent and received as provided therein.

Section 8.09 **Patriot Act**. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Issuing and Paying Agent, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Issuing and Paying Agent. The parties to this Agreement agree that they will provide the Issuing and Paying Agent with such information as it may request in order for the Issuing and Paying Agent to satisfy the requirements of the U.S.A. Patriot Act.

Section 8.10 **Governing Law**. This Agreement shall be governed and interpreted in accordance with the laws of the State of California.

Section 8.11 **Assignment; Issuing and Paying Agent's Successor in Interest.** This Agreement may not be assigned by either the Agency or the Issuing and Paying Agent except by a writing or writings duly executed by the duly authorized representatives of the Agency and the Issuing and Paying Agent and approved in writing by the Bank (which approval shall not be unreasonably withheld). Anything in this Agreement to the contrary notwithstanding, any corporation or national banking association into which the Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which the Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of the Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under Section 6.07 hereof, without the execution or filing of any document or any further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 8.12 **Term.** The initial term of this Agreement shall be from the date first written above through February __, 2023. The initial term of this Agreement may be extended by written instrument signed by the parties hereto, provided that such extension is authorized by resolutions of SFMTA and the City relating to the Commercial Paper Notes. SFMTA shall use its best efforts to notify the Issuing and Paying Agent of its intent to terminate or extend this Agreement at least sixty (60) days prior to such termination or extension.

Section 8.13 **Complete Agreement.** This Agreement contains the entire understanding and agreement between the parties with respect to the subject matter hereof and all prior agreements, understandings, representations, statements, promises, inducements, negotiations and undertakings between the parties with respect to said subject matter are superseded hereby.

Section 8.14 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 8.15 **Section Headings.** Section headings in this Agreement are for convenience of reference only, shall not constitute part of this Agreement and shall not be used to continue the meaning or intent of the provisions hereof.

Section 8.16 **Waiver of Set-Off, Offset Lien or Counterclaims.** The Issuing and Paying Agent hereby waives to the fullest extent possible under applicable law any and all rights of setoff, offset, lien or counterclaim it may have with respect to any amounts held by it in the Letter of Credit Proceeds Account and the Debt Service Account by reason of any claim it may have against the Agency, the Bank or any other person.

Section 8.17 **Benefit of Agreement.** This Agreement is solely for the benefit of the parties hereto, the Bank and the owners of the Commercial Paper Notes, and no other person shall acquire or have any right under or by virtue hereof.

Section 8.18 **Covenant of Further Assurances.** It is hereby covenanted and warranted by the Agency that all representations and recitals contained in this Agreement are true and correct and that the Agency, and their appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for collection of Available Transportation System Revenues in accordance with law and for carrying out the provisions of this Agreement.

Section 8.19 **Waiver of Personal Liability.** No officer or employee of the Agency shall be individually or personally liable for the payment of the Commercial Paper Notes, but nothing contained herein shall relieve any officer or employee of the Agency from the performance of any official duty provided by any applicable provision of law or hereby.

Section 8.20 **Acquisition of the Commercial Paper Notes by the Agency.** All Commercial Paper Notes acquired by the Agency, whether by purchase or gift or otherwise, may be surrendered to the Issuing and Paying Agent for cancellation.

Section 8.21 **Notice by Mail.** With respect to Commercial Paper Notes, any notice required to be given hereunder by mail to the Holders shall be given by mailing a copy of such notice, first-class postage prepaid, to the Holders of all the Commercial Paper Notes at their addresses appearing in the books required to be kept by the Issuing and Paying Agent pursuant to the provisions of this Agreement, provided however, that the Commercial Paper Notes are not held by DTC.

Section 8.22 **Partial Invalidity.** If any one or more of the conditions, covenants or terms contained herein or required herein to be observed or performed by or on the part of the Agency, the Issuing and Paying Agent or the Bank shall be contrary to law, then such condition or conditions, such covenant or covenants, or such term or terms shall be null and void and shall be deemed separable from the remaining conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Commercial Paper Notes, and the Holders and the Bank shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Agency declares that it would have executed and delivered this Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Commercial Paper Notes pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.23 **Reference to the Bank.** Notwithstanding any provisions contained herein to the contrary, after the expiration or termination of a Letter of Credit, by its terms (or if a Bank shall have failed to honor a properly presented and conforming draw under the Letter of Credit), and after all obligations owed to a Bank under the Reimbursement Agreement and Fee Agreement (other than the right to indemnification and other rights which purport to survive satisfaction of present payment obligations) have been paid in full or discharged, all references to the Bank contained herein shall be null and void and of no further force and effect.

Section 8.24 **SPANS Online.**

(a) The Agency and each Authorized Representative may use the U.S. Bank Securities Processing Automated Notes System Online (“SPANS Online”) instruction and reporting communication service to transmit instructions to the Issuing and Paying Agent or obtain reports with respect to the Commercial Paper Notes. The Agency may, by separate agreement between the Agency and one or more of its Authorized Agency Representatives or representatives of the Dealer, authorize the Authorized Agency Representatives or representative of the Dealer to directly access SPANS Online for the purposes of transmitting instructions to the Issuing and Paying Agent or obtaining reports with respect to the Commercial Paper Notes. the Agency acknowledges that (i) some or all of the services utilized in connection with SPANS Online are furnished by SS&C Technologies, Inc. (“SS&C”), (ii) SPANS Online is provided to the Agency “AS IS” without warranties or representations of any kind whatsoever, and (iii) SPANS Online is proprietary and confidential property disclosed to the Agency in confidence and may be utilized only on the SPANS Online Terms and Conditions as set forth in the SPANS Online website and for purposes set forth in this Agreement.

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

[Remainder of page left intentionally blank.]

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

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

By: _____
Authorized Officer

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____
Edward D. Reiskin
Director of Transportation

Approved as to Form:

DENNIS J. HERRERA
City Attorney of the
City and County of San Francisco

By: _____
Deputy City Attorney

EXHIBIT A-1

FORM OF TAX-EXEMPT COMMERCIAL PAPER NOTE

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

COMMERCIAL PAPER NOTES

SERIES A-1 (TAX-EXEMPT)

Principal Sum: Not to Exceed \$100,000,000 Outstanding When Combined With Taxable Commercial Paper Notes

No.: _____

Dated Date: _____

Principal Amount: _____

Maturity Date: _____

Interest to Maturity: _____

Number of Days: _____

Due at Maturity: _____

Interest Rate (%): _____

Place of Payment: _____

Payee: _____

The SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY, duly constituted and established under Article VIIIA of the Charter of the City and County of San Francisco (hereinafter called the "Agency"), for value received, hereby promises to pay (but only out of the Available Transportation System Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Agency (the "Underlying Records") as being evidenced by this Master Commercial Paper Note, which Underlying Records are maintained by U.S. Bank National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent"). Interest shall be calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable, at the rate specified on the Underlying Records. Payments shall be made solely from Available Transportation System Revenues (as defined in the Agreement referred to hereinafter) and draws on the Letter of Credit or any Alternate Facility to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Commercial Paper Note.

This Master Commercial Paper Note is one of a duly authorized issue of San Francisco Municipal Transportation Agency Commercial Paper Notes (hereinafter called the "Commercial Paper Notes") of the series and designation indicated on the face hereof. Said authorized issue of Commercial Paper Notes is limited in aggregate principal amount and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Agreement hereinafter mentioned provided, all obligations issued and to be issued pursuant to the

provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including Section 8A.102 of the Charter and Ordinance No. 57-12 adopted by the Board of Supervisors of the City (the "Board") on April 17, 2012 and signed by Mayor Edwin M. Lee on April 19, 2012, and codified as Chapter 43, Article XIII, Sections 43.13.1 through 43.13.8 of the San Francisco Administrative Code (the "Act"). This Master Commercial Paper Note has been issued pursuant to the Amended and Restated Issuing and Paying Agent Agreement (the "Agreement"), dated as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the Agency and the Issuing and Paying Agent, which Agreement provides for the issuance of the Commercial Paper Notes. This Master Commercial Paper Note evidences a series of Commercial Paper Notes designated as the "San Francisco Municipal Transportation Agency Commercial Paper Notes Series A-1 (Tax-Exempt)," the aggregate principal amount of which is limited to \$100,000,000.

Reference is hereby made to the Agreement for a description of the terms on which the Commercial Paper Notes are issued and to be issued, the provisions with regard to the nature and extent of the Available Transportation System Revenues, as that term is defined in the Agreement, and the rights of the registered owners of the Commercial Paper Notes; and all the terms of the Agreement are hereby incorporated herein and made a contract between the Agency and the registered owner from time to time of this Master Commercial Paper Note, and to all the provisions thereof the registered owner of this Master Commercial Paper Note, by its acceptance hereof, consents and agrees.

This Master Commercial Paper Note, including the interest hereon, together with all other Commercial Paper Notes, and the interest thereon, issued under the Agreement (and to the extent set forth in the Agreement), is payable from, and is secured by a charge and lien on, the Available Transportation System Revenues derived by the Agency from the Project (as those terms are defined in the Agreement).

The obligation of the Agency to pay the registered owners from time to time of Commercial Paper Notes shall be only from Available Transportation System Revenues. No holder of this Master Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Master Commercial Paper Note or the interest hereon.

At the request of the registered owner, the Agency shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Commercial Paper Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Commercial Paper Note. This Commercial Paper Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Master Commercial Paper Note. Upon such transfer a new fully registered Master Commercial Paper Note without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Agency and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Agency and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Agency and of the registered owners of the Commercial Paper Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Agreement.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Commercial Paper Note, and in the issuing of this Master Commercial Paper Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Master Commercial Paper Note, together with all other indebtedness of the Agency pertaining to the Project, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Commercial Paper Notes permitted to be issued under the Agreement.

This Master Commercial Paper Note shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Commercial Paper Note is a valid and binding obligation of Agency.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY has caused this Master Commercial Paper Note to be executed in its name and on its behalf by its Director of Transportation and countersigned by its Secretary, and this Master Commercial Paper Note to be dated as of the _____ day of April, 2018.

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____
Director of Transportation

Countersigned

Secretary

CERTIFICATE OF AUTHENTICATION

This is the Master Commercial Paper Note described in the within-mentioned Agreement.

Dated: _____, _____

U.S. Bank National Association,
as Issuing and Paying Agent

By: _____
Authorized Officer

ASSIGNMENT

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

(Name, address, and Taxpayer Identification Number of Assignee)

this Master Commercial Paper Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Master Commercial Paper Note on the books of the Agency with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

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

EXHIBIT A-2

FORM OF TAXABLE COMMERCIAL PAPER NOTE

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

COMMERCIAL PAPER NOTES

SERIES A-2 (TAXABLE)

Principal Sum: Not to Exceed \$100,000,000 When Combined With Tax-Exempt Commercial Paper Notes

The SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY, an agency duly constituted and established under Article VIII A of the Charter of the City and County of San Francisco (hereinafter called the “Agency”), for value received, hereby promises to pay (but only out of the Available Transportation System Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Agency (the “Underlying Records”) as being evidenced by this Master Commercial Paper Note, which Underlying Records are maintained by U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”). Interest shall be calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable, at the rate specified on the Underlying Records. Payments shall be made solely from Available Transportation System Revenues (as defined in the Agreement referred to hereinafter) and draws on the Letter of Credit or any Alternate Facility to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Commercial Paper Note.

This Master Commercial Paper Note is one of a duly authorized issue of San Francisco Municipal Transportation Agency Commercial Paper Notes (hereinafter called the “Commercial Paper Notes”) of the series and designation indicated on the face hereof. Said authorized issue of Commercial Paper Notes is not limited in aggregate principal amount and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Agreement hereinafter mentioned provided, all obligations issued and to be issued pursuant to the provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including Section 8A.102 of the Charter and Ordinance No. 57-12 adopted by the Board of Supervisors of the City (the “Board”) on April 17, 2012 and signed by Mayor Edwin M. Lee on April 19, 2012, and codified as Chapter 43, Article XIII, Sections 43.13.1 through 43.13.8 of the San Francisco Administrative Code (the “Act”). This Master Commercial Paper Note has been issued pursuant to the Amended and Restated Issuing and Paying Agent Agreement (the “Agreement”), dated as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the Agency and the Issuing and Paying Agent, which Agreement provides for the issuance of the Commercial Paper Notes. This Master Commercial Paper Note evidences a series of Commercial Paper Notes designated as the “San Francisco Municipal

Transportation Agency Commercial Paper Notes Series A-2 (Taxable),” the aggregate principal amount of which is limited to the \$100,000,000, as such terms are defined in the Agreement.

Reference is hereby made to the Agreement for a description of the terms on which the Commercial Paper Notes are issued and to be issued, the provisions with regard to the nature and extent of the Available Transportation System Revenues, as that term is defined in the Agreement, and the rights of the registered owners of the Commercial Paper Notes; and all the terms of the Agreement are hereby incorporated herein and made a contract between the Agency and the registered owner from time to time of this Master Commercial Paper Note, and to all the provisions thereof the registered owner of this Master Commercial Paper Note, by its acceptance hereof, consents and agrees.

This Master Commercial Paper Note, including the interest hereon, together with all other Commercial Paper Notes, and the interest thereon, issued under the Agreement (and to the extent set forth in the Agreement), is payable from, and is secured by a charge and lien on, the Available Transportation System Revenues derived by the Agency from the Project (as those terms are defined in the Agreement).

The obligation of the Agency to pay the registered owners from time to time of Commercial Paper Notes shall be only from Available Transportation System Revenues. No holder of this Master Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Master Commercial Paper Note or the interest hereon.

At the request of the registered owner, the Agency shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Commercial Paper Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Commercial Paper Note. This Commercial Paper Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Master Commercial Paper Note. Upon such transfer a new fully registered Master Commercial Paper Note without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Agency and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Agency and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Agency and of the registered owners of the Commercial Paper Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Agreement.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Commercial Paper Note, and in the issuing of this Master Commercial

Paper Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Master Commercial Paper Note, together with all other indebtedness of the Agency pertaining to the Project, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Commercial Paper Notes permitted to be issued under the Agreement.

This Master Commercial Paper Note shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Commercial Paper Note is a valid and binding obligation of Agency.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY has caused this Master Commercial Paper Note to be executed in its name and on its behalf by its Director of Transportation and countersigned by its Secretary, and this Master Commercial Paper Note to be dated as of the ____ day of April, 2018.

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____
Director of Transportation

Countersigned

Secretary

CERTIFICATE OF AUTHENTICATION

This is the Master Commercial Paper Note described in the within-mentioned Agreement.

Dated: _____, _____

U.S. Bank National Association,
as Issuing and Paying Agent

By: _____
Authorized Officer

ASSIGNMENT

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

(Name, address, and Taxpayer Identification Number of Assignee)

this Master Commercial Paper Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Master Commercial Paper Note on the books of the Agency with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

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

EXHIBIT B-1

FORM OF TAX-EXEMPT MASTER NOTE

[Attached]

EXHIBIT B-2

FORM OF TAXABLE MASTER NOTE

[Attached]

EXHIBIT C

CERTIFICATE OF AUTHORIZED AGENCY REPRESENTATIVES

I am the Director of Transportation of the San Francisco Municipal Transportation Agency (the “Agency”) duly authorized pursuant to the Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018 (the “SFMTA Issuing and Paying Agent Agreement”), between the Agency and U.S. Bank National Association relating to the San Francisco Municipal Transportation Agency Commercial Paper Notes Series A-1 (Tax-Exempt) (the “Tax-Exempt Notes”) and San Francisco Municipal Transportation Agency Commercial Paper Notes Series A-2 (Taxable) (the “Taxable Notes” and, together with the Tax-Exempt Notes, the “Commercial Paper Notes”), to appoint Authorized Agency Representatives of the Agency in connection with the issuance, from time to time, by the Agency of the Commercial Paper Notes in accordance with the SFMTA Issuing and Paying Agent Agreement. I hereby designate the following persons to act on my behalf in accordance with the SFMTA Issuing and Paying Agent Agreement and with respect to actions taken under the following agreements relating to the Commercial Paper Notes, the signatures of which persons are set forth beside their names: (i) Letter of Credit and Reimbursement Agreement relating to the Commercial Paper Notes, dated as of April __, 2018, by and between the Agency and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“SMBC”), (ii) the Fee Letter relating to the Commercial Paper Notes, dated as of April __, 2018, by and between the Agency and SMBC and (iii) the Amended and Restated Dealer Agreement, dated as of September 10, 2013, as amended and restated as of April 1, 2018, by and between the Agency and Loop Capital Markets LLC and (iv) the Amended and Restated Dealer Agreement, dated as of September 10, 2013, as amended and restated as of April 1, 2018, by and between the Agency and Morgan Stanley & Co. LLC.

<u>Designated Persons</u>	<u>Title</u>	<u>Specimen Signature</u>
Edward D. Reiskin	Director of Transportation of San Francisco Municipal Transportation Agency	_____
Sonali Bose	Chief Financial Officer of San Francisco Municipal Transportation Agency	_____
Roberta Boomer	Secretary of the Board of Directors of San Francisco Municipal Transportation Agency	_____

EXECUTED THIS April ____, 2018.

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____

Edward D. Reiskin
Director of Transportation

EXHIBIT D

FORM OF ISSUANCE REQUEST

Date:

Request Number:

The undersigned, an Authorized Agency Representative of the San Francisco Municipal Transportation Agency (the "Agency") does hereby request U.S. Bank National Association as Issuing and Paying Agent (the "Issuing and Paying Agent") under the Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018 (the Agreement") between the Agency and the Issuing and Paying Agent, to issue the Agency's Commercial Paper Notes, as follows:

- (1) Series Designation & whether Tax-Exempt or Taxable:
- (2) Dealer Name:
- (3) Date of Issuance:
- (4) Principal Amount/Purchase Price for Notes:
- (5) Term of Commercial Paper Notes:
- (6) Rate of Interest:
- (7) Amount of Interest:
- (8) Maturity (specified actual date and number of days):
- (9) Total Commercial Paper Notes outstanding (including this request and excluding any Commercial Paper Notes maturing as of even date hereof):
- (10) Amount of Utilized Credit Capacity under Letter of Credit:
- (11) Stated Amount of Letter of Credit:
- (12) Remaining Amount of Unutilized Credit Capacity under Letter of Credit:
- (13) Commitment Expiration Date:

The delivery of this Issuance Request constitutes a certification and representation of the Agency as of the date hereof as to the matters set forth in Section 2.04(d) of the Agreement.

All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Agreement.

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____
Authorized Agency Representative

ACKNOWLEDGED:

Secretary

ATTACHMENT A

AGENCY CERTIFICATIONS

- (i) the Letter of Credit is in full force and effect;
- (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the amount that at the time is authorized to be Outstanding as provided in Section 2.01(a) of the Agreement;
- (iii) the interest rates borne by the Commercial Paper Notes to be delivered on such date do not exceed the Maximum Interest Rate;
- (iv) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Business Day immediately preceding the Commitment Expiration Date or the latest maturity date allowed by the Note Resolution;
- (v) with respect to the Tax-Exempt Notes, the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on such date;
- (vi) the Agency has not been notified by Bond Counsel that their opinion with respect to the validity of the Commercial Paper Notes and, with respect to the Tax-Exempt Notes, the tax treatment of the interest thereof, delivered in connection with the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealer has been delivered;
- (vii) no Event of Default has occurred and is then continuing; and
- (viii) all of the conditions precedent to the issuance of such Commercial Paper Notes set forth in Section 2.04 of the Agreement have been satisfied.

EXHIBIT E

**SCHEDULE OF FEES AND EXPENSES
FOR ISSUING AND PAYING AGENT SERVICES**

[Attached]

EXHIBIT F

CITY REQUIREMENTS

[Update]

(a) *Tropical Hardwood and Virgin Redwood Ban.* The City urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

(b) *Nondiscrimination: Penalties.*

(i) *Issuing and Paying Agent Shall Not Discriminate.* In the performance of this Agreement, the Issuing and Paying Agent agrees not to discriminate against any employee, City and County employee working with the Issuing and Paying Agent or subcontractor, applicant for employment with the Issuing and Paying Agent or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status, or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(ii) *Subcontracts.* The Issuing and Paying Agent shall incorporate by reference in all subcontracts made in fulfillment of its obligations hereunder the provisions of Sections 12B.2(a), 12B.2(c)-(k) and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. The Issuing and Paying Agent's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(iii) *Non-Discrimination in Benefits.* The Issuing and Paying Agent does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(iv) *HRC Form.* The Issuing and Paying Agent shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Agency.

(v) *Incorporation of Administrative Code Provisions by Reference.* The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. The Issuing and Paying Agent shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the San Francisco Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Issuing and Paying Agent understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against the Issuing and Paying Agent and/or deducted from any payments due the Issuing and Paying Agent; *provided, however*, that such damages shall not be set off against the payment of rental or other contract related to Commercial Paper Notes or other debt obligations of the City.

(c) *Limitations on Contributions.* Through execution of this Agreement, the Issuing and Paying Agent acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, including the Agency, for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (A) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (B) a candidate for the office held by such individual, or (C) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Issuing and Paying Agent acknowledges that the foregoing restriction applies only if the contract or combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Issuing and Paying Agent further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Issuing and Paying Agent's board of directors; the Issuing and Paying Agent's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Issuing and Paying Agent; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Issuing and Paying Agent. Additionally, the Issuing and Paying Agent acknowledges that the Issuing and Paying Agent must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 of the City's Campaign and Governmental Conduct Code.

(d) *McBride Principles - Northern Ireland.* Pursuant to San Francisco Administrative Code Section 12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of the Issuing and Paying Agent acknowledges and agrees that he or she has read and understood this section.

(e) *Conflict of Interest.* Through its execution of this Agreement, the Issuing and Paying Agent hereby acknowledges that it is familiar with the provision of Section 15.103 of the

City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

(f) *Earned Income Credit ("EIC") Forms.* San Francisco Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(i) The Issuing and Paying Agent shall provide EIC Forms to each Eligible Employee at each of the following times: (A) within thirty days following the date on which this Agreement becomes effective (unless the Issuing and Paying Agent has already *provided* such EIC Forms at least once during the calendar year in which such effective date falls); (B) promptly after any Eligible Employee is hired by the Issuing and Paying Agent; and (C) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(ii) Failure to comply with any requirement contained in the immediately preceding paragraph shall constitute a material breach by the Issuing and Paying Agent of the terms of this Agreement. If, within thirty days after the Issuing and Paying Agent receives written notice of such a breach, the Issuing and Paying Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Issuing and Paying Agent fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(iii) Any subcontract entered into by the Issuing and Paying Agent shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(iv) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

(g) *Local Business Enterprise Utilization; Liquidated Damages.*

(i) *The LBE Ordinance.* The Issuing and Paying Agent shall comply with all the requirements of the Disadvantaged Business Enterprise Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), *provided* such amendments do not materially increase the Issuing and Paying Agent's obligations or liabilities, or materially diminish the Issuing and Paying Agent's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. The Issuing and Paying Agent's willful failure to

comply with any applicable provisions of the LBE Ordinance is a material breach of the Issuing and Paying Agent's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, the Issuing and Paying Agent shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

(ii) **Compliance and Enforcement.** If the Issuing and Paying Agent willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, the Issuing and Paying Agent shall be liable for liquidated damages in an amount equal to the Issuing and Paying Agent's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$ 1,000, whichever is greatest. The Director of the City's Human Rights Agency or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against the Issuing and Paying Agent authorized in the LBE Ordinance, including declaring the Issuing and Paying Agent to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Issuing and Paying Agent's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to the San Francisco Administrative Code Section 14B.17.

By entering into this Agreement, the Issuing and Paying Agent acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. The Issuing and Paying Agent further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Issuing and Paying Agent on any contract with City.

The Issuing and Paying Agent agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(h) ***Drug-Free Workplace Policy.*** The Issuing and Paying Agent acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on Agency or City premises. The Issuing and Paying Agent agrees that any violation of this prohibition by the Issuing and Paying Agent, its employees, agents or assigns will be deemed a material breach of this Agreement.

(i) ***Compliance with Americans with Disabilities Act.*** The Issuing and Paying Agent acknowledges that, pursuant to the Americans with Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Issuing and Paying Agent shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all

other applicable federal, state and local disability rights legislation. The Issuing and Paying Agent agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Issuing and Paying Agent, its employees, agents or assigns will constitute a material breach of this Agreement.

(j) *Sunshine Ordinance.* In accordance with San Francisco Administrative Code Section 67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the Agency or the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

(k) *Requiring Minimum Compensation for Covered Employees.*

(i) The Issuing and Paying Agent agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance ("MCO"), as set forth in San Francisco Administrative Code Chapter 12P ("Chapter 12P"), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Issuing and Paying Agent's obligations under the MCO is set forth in this Section. The Issuing and Paying Agent is required to comply with all the provisions of the MCO, irrespective of this listing of obligations in this Section.

(ii) The MCO requires the Issuing and Paying Agent to pay the Issuing and Paying Agent's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Issuing and Paying Agent is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Issuing and Paying Agent shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Issuing and Paying Agent's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against the Issuing and Paying Agent.

(iii) The Issuing and Paying Agent shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(iv) The Issuing and Paying Agent shall maintain employee and payroll records as required by the MCO. If the Issuing and Paying Agent fails to do so, it shall be presumed

that the Issuing and Paying Agent paid no more than the minimum wage required under State law.

(v) The City is authorized to inspect the Issuing and Paying Agent's job sites and conduct interviews with employees and conduct audits of the Issuing and Paying Agent.

(vi) The Issuing and Paying Agent's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Issuing and Paying Agent fails to comply with these requirements. The Issuing and Paying Agent agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Issuing and Paying Agent's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(vii) The Issuing and Paying Agent understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, the Issuing and Paying Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Issuing and Paying Agent fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(viii) The Issuing and Paying Agent represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(ix) The City may conduct random audits of the Issuing and Paying Agent. Random audits shall be (A) noticed in advance in writing; (B) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (C) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (D) limited to one audit of the Issuing and Paying Agent every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the City from investigating any report of an alleged violation of the MCO.

(l) *Requiring Health Benefits for Covered Employees.* Unless exempt, the Issuing and Paying Agent agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance ("HCAO"), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made

a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at <http://www.sfgov.org/lwlh.htm>. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(i) For each Covered Employee, the Issuing and Paying Agent shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Issuing and Paying Agent chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Agency.

(ii) Notwithstanding the above, if the Issuing and Paying Agent is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (i) above.

(iii) The Issuing and Paying Agent's failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Issuing and Paying Agent if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, the Issuing and Paying Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Issuing and Paying Agent fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(iv) Any subcontract entered into by the Issuing and Paying Agent shall require the subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Issuing and Paying Agent shall notify City's Office of Contract Administration when it enters into such a subcontract and shall certify to the Office of Contract Administration that it has notified the subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on subcontractor through the subcontract. The Issuing and Paying Agent shall be responsible for its subcontractors' compliance with this Chapter. If a subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Issuing and Paying Agent based on the subcontractor's failure to comply, *provided* that City has first provided the Issuing and Paying Agent with notice and an opportunity to obtain a cure of the violation.

(v) The Issuing and Paying Agent shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to the Issuing and Paying Agent's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(vi) The Issuing and Paying Agent represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(vii) The Issuing and Paying Agent shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Agency orders, including the number of hours each employee has worked on the City Contract.

(viii) The Issuing and Paying Agent shall keep itself informed of the current requirements of the HCAO.

(ix) The Issuing and Paying Agent shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subcontractors and subtenants, as applicable.

(x) The Issuing and Paying Agent shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

(xi) The Issuing and Paying Agent shall allow City to inspect the Issuing and Paying Agent's job sites and have access to the Issuing and Paying Agent's employees in order to monitor and determine compliance with HCAO.

(xii) The City may conduct random audits of the Issuing and Paying Agent to ascertain its compliance with HCAO. The Issuing and Paying Agent agrees to cooperate with City when it conducts such audits.

(xiii) If the Issuing and Paying Agent is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Issuing and Paying Agent later enters into an agreement or agreements that cause the Issuing and Paying Agent's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Issuing and Paying Agent and the City to be equal to or greater than \$75,000 in the fiscal year.

(m) *Prohibition on Political Activity with City Funds.* In accordance with San Francisco Administrative Code Chapter 12.G, the Issuing and Paying Agent may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. The Issuing and Paying Agent agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event the Issuing and Paying Agent violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Issuing and Paying Agent from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Issuing and Paying Agent's use of profit as a violation of this section.

(n) *Graffiti Removal.* Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of

the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

The Issuing and Paying Agent shall remove all graffiti from any real property owned or leased by such Issuing and Paying Agent in the City and County of San Francisco within forty eight (48) hours of the earlier of such Issuing and Paying Agent's (i) discovery or notification of the graffiti or (ii) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require any Issuing and Paying Agent to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (A) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (B) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Section 101 et seq.).

Any failure of the Issuing and Paying Agent to comply with this Section of this Agreement shall constitute a material breach of this Agreement.

(o) *Food Service Waste Reduction Requirements.* The Issuing and Paying Agent agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Issuing and Paying Agent agrees that if it breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Issuing and Paying Agent agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that the City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the City because of such Issuing and Paying Agent's failure to comply with this provision.

(p) *Preservative-treated Wood Containing Arsenic.* The Issuing and Paying Agent may not purchase preservative-treated wood products containing arsenic in the performance of this

Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. The Issuing and Paying Agent may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude the Issuing and Paying Agent from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

(q) *Nondisclosure of Private Information.* The Issuing and Paying Agent agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the “*Nondisclosure of Private Information Ordinance*”), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, the Issuing and Paying Agent agrees to all of the following:

(i) Neither the Issuing and Paying Agent nor any of its Subcontractors shall disclose Private Information obtained from the City in the performance of this Agreement to any other Subcontractor, person, or other entity, unless one of the following is true:

(1) the disclosure is authorized by this Agreement;

(2) the Issuing and Paying Agent received advance written approval from the Contracting Department to disclose the information; or

(3) the disclosure is required by law or judicial order.

(ii) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(iii) Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

(iv) Any failure of the Bark to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar the Issuing and Paying Agent, or bring a false claim action against the Issuing and Paying Agent.

(r) *Proprietary or Confidential Information of City.* The Issuing and Paying Agent agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its obligations, (g) with the consent of the City or to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Issuing and Paying Agent on a nonconfidential basis from a source other than the City. For the purposes of this Section, "Information" means all information received from the City relating to the City or its business, other than any such information that is available to the Issuing and Paying Agent on a nonconfidential basis prior to disclosure by the City; *provided* that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(s) *Submitting False Claims; Monetary Penalties.* Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (i) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (ii) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (iii) conspires to defraud the City by getting a false claim allowed or paid by the City; (iv) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (v) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

(t) *Subcontracting.* Except as otherwise provided in this Agreement, the Issuing and Paying Agent is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

(u) *Non-Waiver of Rights.* The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

(v) *City a Third Party Beneficiary.* The City is hereby designated as a third party beneficiary for the purpose of enforcing all of the obligations of the Issuing and Paying Agent contained in this to this Agreement.

EXHIBIT G

FORM OF OPINION OF BOND COUNSEL

Enclosure 5

Form of Offering Memorandum

OFFERING MEMORANDUM DATED APRIL ___, 2018

**Ratings: Moody's: [P-1]
S&P: [A-1+]
(See "RATINGS" herein)**

In the opinion of Norton Rose Fulbright US LLP, San Francisco, California, Bond Counsel ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions and assuming compliance with certain covenants in the Issuing and Paying Agent Agreements and requirements of the Internal Revenue Code of 1986, as amended, regarding the use, expenditure and investment of proceeds of the Commercial Paper Notes and the timely payment of certain investment earnings to the United States, interest on the Tax Exempt CP Notes is not includable in the gross income of the owners of the Tax Exempt CP Notes for federal income tax purposes. Failure to comply with such covenants and requirements may cause interest on the Tax Exempt CP Notes to be included in gross income. In the further opinion of Bond Counsel, interest on the Tax Exempt CP Notes is not treated as an item of tax preference for purposes of the alternative minimum taxable tax. Although the corporate alternative minimum tax is repealed for taxable years beginning on and after January 1, 2018 for taxable years that began before January 1, 2018, interest on the Tax-Exempt CP Notes is included as an adjustment in the calculation of federal corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax liability. In the further opinion of Bond Counsel, interest on the Tax-Exempt CP Notes is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" herein.

San Francisco Municipal Transportation Agency



**Not to Exceed \$100,000,000
Commercial Paper Notes
Series A-1 (Tax-Exempt)
Series A-2 (Taxable)**

Letter of Credit Provider:

[Insert SMBC Logo]

The San Francisco Municipal Transportation Agency ("SFMTA") Commercial Paper Notes ("Commercial Paper Notes") are special limited obligations of the SFMTA, supported by and payable when due from proceeds of drawings on an irrevocable letter of credit (the "Letter of Credit") issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "Bank") on April ___, 2018. The Letter of Credit will expire, unless earlier terminated or unless renewed or extended, on February ___, 2023.

THE COMMERCIAL PAPER NOTES ARE NOT SECURED BY ANY PROPERTY OR OTHER ASSETS OF THE SFMTA (OR THE CITY), EXCEPT FOR AVAILABLE TRANSPORTATION SYSTEM REVENUES (AS DEFINED HEREIN). THE GENERAL FUND OF THE CITY AND COUNTY OF SAN FRANCISCO IS NOT LIABLE, AND THE CREDIT OR THE TAXING POWER OF THE CITY AND COUNTY OF SAN FRANCISCO IS NOT PLEDGED, FOR THE PAYMENT OF THE COMMERCIAL PAPER NOTES AND THE INTEREST THEREON. THE AVAILABLE TRANSPORTATION SYSTEM REVENUES ARE PLEDGED, ON A SUBORDINATE BASIS TO THE SFMTA'S PLEDGE OF ITS TRANSPORTATION SYSTEM REVENUES TO THE PAYMENT OF THE SENIOR LIEN REVENUE BONDS (AS DEFINED HEREIN) AND TO THE REIMBURSEMENT OF THE BANK FOR DRAWINGS ON THE LETTER OF CREDIT. THE AVAILABLE TRANSPORTATION SYSTEM REVENUES SHALL BE APPLIED (TO THE EXTENT AVAILABLE) TO THE PAYMENT OF THE COMMERCIAL PAPER NOTES IF FOR ANY REASON SUCH DRAWINGS ARE UNAVAILABLE. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES - LIMITED OBLIGATIONS OF THE SFMTA" HEREIN.

The Commercial Paper Notes are being offered solely on the basis of the Letter of Credit and the financial strength of the Bank and not the operations, financial strength or condition of the SFMTA. Accordingly, this Offering Memorandum does not describe the financial condition of the SFMTA. Timely payment of the Commercial Paper Notes is dependent upon the availability of the funds under the Letter of Credit. If for any reason the Bank fails to honor a properly presented and conforming drawing due under the Letter of Credit, the SFMTA makes no representation, and no assurance can be given, that the SFMTA would have sufficient funds on hand and available to make the corresponding payment of principal and interest on the Commercial Paper Notes. The ratings assigned to the Commercial Paper Notes are based on the creditworthiness of the Bank. The Commercial Paper Notes have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption from registration contained therein.

Dealers

Loop Capital Markets

Morgan Stanley

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	3
THE SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY	4
THE COMMERCIAL PAPER NOTES	4
GENERAL	4
USE OF PROCEEDS	4
SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES	4
THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT.....	5
ALTERNATE FACILITY	8
LIMITED OBLIGATIONS OF THE SFMTA	8
THE BANK	8
FINANCIAL AND OTHER INFORMATION	9
THE DEALERS	9
RATINGS	9
ABSENCE OF LITIGATION	10
TAX MATTERS	10
TAX EXEMPT CP NOTES.....	10
INFORMATION REPORTING AND BACKUP WITHHOLDING	10
FUTURE DEVELOPMENTS	11
STATE TAX EXEMPTION.....	11
TAXABLE CP NOTES	11
LEGAL MATTERS	11
ADDITIONAL INFORMATION	11
APPENDIX A - BOOK -ENTRY SYSTEM FOR COMMERCIAL PAPER NOTES.....	A-1
APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE ISSUING AND PAYING AGENT AGREEMENT.....	B-1
APPENDIX C - FORM OF OPINION OF BOND COUNSEL.....	C-1

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

Not to Exceed \$100,000,000 Commercial Paper Notes SERIES A-1 (TAX-EXEMPT) SERIES A-2 (TAXABLE)

INTRODUCTION

The purpose of this Offering Memorandum is to provide certain general information in connection with the issuance and sale of the San Francisco Municipal Transportation Agency (“SFMTA”) Commercial Paper Notes (“*Commercial Paper Notes*”). It is not intended to be a complete summary of the terms of or security for the Commercial Paper Notes. Capitalized terms used herein and not defined shall have the respective meanings given such terms in the Issuing and Paying Agent Agreement (defined herein). See also APPENDIX B - “SUMMARY OF CERTAIN PROVISIONS OF THE ISSUING AND PAYING AGENT AGREEMENT.”

The Commercial Paper Notes are supported by an irrevocable letter of credit (the “*Letter of Credit*”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “*Bank*”). The Commercial Paper Notes will be payable when due from properly presented and conforming drawings on the Letter of Credit. Available Transportation System Revenues (defined herein) of the SFMTA are pledged to the reimbursement of the Bank for such drawings on a subordinate basis to the SFMTA’s Senior Lien Revenue Bonds and shall be applied (to the extent available), if for any reason proceeds of such drawings are unavailable, to the payment of principal and interest on the Commercial Paper Notes. **The Commercial Paper Notes are not secured by any property or other assets of the SFMTA (or the City), except for Available Transportation System Revenues. The General Fund of the City and County of San Francisco (the “City”) is not liable, and the credit or the taxing power of the City is not pledged, for the payment of the Commercial Paper Notes or the interest thereon.**

The SFMTA may issue from time to time, and have outstanding at any one time, an aggregate principal amount of Commercial Paper Notes up to \$100,000,000. The Commercial Paper Notes may be issued on a tax-exempt or taxable basis.

The SFMTA does not expect that it will have on hand, on any maturity date for Commercial Paper Notes, Available Transportation System Revenues sufficient to pay maturing Commercial Paper Notes. Payment of maturing Commercial Paper Notes is therefore dependent on the Letter of Credit and on the ability of the SFMTA to sell rollover Commercial Paper Notes or bonds issued for the purpose of refinancing such Commercial Paper Notes. Prospective investors therefore should base their investment decision on an evaluation of the credit of the Bank, rather than on the credit of the SFMTA.

The information in this Offering Memorandum has been obtained from the SFMTA, the Bank (but solely with respect to the information describing itself under the heading “THE BANK”) and other sources believed to be reliable. The references herein to the Issuing and Paying Agent Agreement, and the Letter of Credit and Reimbursement Agreement (all as hereinafter defined) do not purport to be complete or definitive, do not constitute summaries thereof, and are qualified in their entirety by reference to the provisions thereof. The information and expressions of opinion

in this Offering Memorandum are subject to change without notice after the date hereof and future use of this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.

The Bank has no responsibility for the form and content of this Offering Memorandum, other than solely with respect to the information describing itself under the heading “THE BANK,” other than the first paragraph thereunder, and has not independently verified or reviewed, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Offering Memorandum or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing itself under the heading “THE BANK”, other than the first paragraph thereunder.

No Dealer or other person has been authorized by the Agency to give any information or to make any representation other than those contained in this Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by the SFMTA. The information contained herein is not expected to be updated and distributed upon each new sale of Commercial Paper Notes, although the information may be updated and distributed from time to time. See “ADDITIONAL INFORMATION.”

THE SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

The SFMTA is an enterprise department of the City and a multi-modal transportation agency responsible for planning, designing, constructing, managing, operating and maintaining public transit, paratransit, street and traffic management and improvements, bicycle and pedestrian safety and enhancement programs, on and off-street parking improvements and programs, and the regulation of taxis and commercial vehicles within the City.

THE COMMERCIAL PAPER NOTES

General

The Commercial Paper Notes are issued pursuant to the terms of the Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018 (the “*Issuing and Paying Agent Agreement*”), by and between U.S. Bank National Association, as issuing and paying agent, and the SFMTA.

The Commercial Paper Notes are dated the date of their original issuance, will be issued in book- entry form only in denominations of \$100,000 and in integral multiples of \$1,000 in excess of \$100,000, and bear interest at stated interest rates not to exceed 12% per annum. The SFMTA may issue, and have outstanding at any one time, an aggregate principal amount of Commercial Paper Notes up to \$100,000,000.

Each Commercial Paper Note (i) will bear interest payable at maturity at an annual rate (calculated on the basis of actual days elapsed and a year of 365 or 366 days, as applicable) (ii) will mature not more than 270 days after its issuance date, but in no event later than the Business Day immediately preceding the Termination Date of the Letter of Credit, (iii) will be sold at a price of not less than 100% of the principal amount thereof, and (iv) will mature on a Business Day. The Commercial Paper Notes will not be subject to redemption prior to maturity.

The Commercial Paper Notes are fully registered notes registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. Beneficial ownership interests in the Commercial Paper Notes are available in book-entry form only, and purchasers of the Commercial Paper Notes will not receive certificates representing their interests in the Commercial Paper Notes purchased. While held in book-entry form, all payments of principal of and interest on the Commercial Paper Notes will be made by wire transfer to DTC or its nominee as the sole registered owner of the Commercial Paper Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See APPENDIX A - “BOOK-ENTRY SYSTEM FOR COMMERCIAL PAPER NOTES.”

Use of Proceeds

The Commercial Paper Notes will be issued from time to time to provide interim financing for lawful expenditures of the SFMTA.

SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES

The Commercial Paper Notes, as they mature, will be paid from funds drawn by the Issuing and Paying Agent under the Letter of Credit issued by the Bank pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2018 (the “*Reimbursement Agreement*”), between the SFMTA and the Bank. The Issuing and Paying Agent will draw upon the Letter of Credit in an amount sufficient to pay both principal of and interest on the Commercial Paper Notes when due. Pursuant to the Issuing and Paying Agent Agreement, the SFMTA has covenanted to maintain in effect the Letter of Credit or an Alternate Facility meeting the requirements of the Issuing and Paying Agent Agreement (see “Alternate Facility” below) at all times that Commercial Paper Notes are outstanding.

Timely payment of the Commercial Paper Notes is dependent upon the availability of the funds under the Letter of Credit. If for any reason the Bank fails to honor a properly presented and conforming drawing due under the Letter of Credit, the SFMTA makes no representation, and no assurance can be given, that the SFMTA would have sufficient funds on hand and available to make the corresponding payment of principal and interest on the Commercial Paper Notes. Prospective investors therefore should base their investment decision on the credit standing of the Bank, rather than the SFMTA.

The Letter of Credit and Reimbursement Agreement

Capitalized terms used in this section “The Letter of Credit and Reimbursement Agreement” and not otherwise defined shall have the meaning given to such terms as set forth in the Reimbursement Agreement. In the event of any conflict between a definition set forth herein and the corresponding definition set forth in the Reimbursement Agreement, the definition set forth in the Reimbursement Agreement shall control for purposes of this section “The Letter of Credit and Reimbursement Agreement.”

The following is a description of certain provisions of the Letter of Credit which will be issued on April __, 2018, pursuant to the terms of the Reimbursement Agreement. This description is not to be considered to be a full statement of the provisions thereof and accordingly is qualified by reference thereto and is subject to the full text thereof.

Letter of Credit. The Letter of Credit in place at any time is required to have a stated amount (the “*Stated Amount*”) comprised of a principal component equal to the principal amount of Commercial Paper Notes that may be issued at any one time (the “*Principal Component*”) and an interest component (the “*Interest Component*”) equal to 270 days’ interest on the amount of the Principal Component calculated at an interest rate of 12% per annum on the basis of a 365-day year, the maximum rate on the Commercial Paper Notes. The Stated Amount of the Letter of Credit may be reduced or increased at any time, so long as the SFMTA complies with, and subject to, the terms set forth in the Reimbursement Agreement. The SFMTA may not issue, and have outstanding at any one time, a principal amount of Commercial Paper Notes exceeding the Principal Component of the then-effective Letter of Credit.

At the request of and for the account of the SFMTA, the Bank will issue the Letter of Credit in favor of the Issuing and Paying Agent in the initial Stated Amount of \$108,876,713, comprised of a Principal Component of \$100,000,000 and an Interest Component of \$8,876,713. The Stated Amount of the Letter of Credit will be reduced following, and by the amount of, each drawing made by the Issuing and Paying Agent thereunder that is honored by the Bank. So long as the Bank has not delivered a notice to the Issuing and Paying Agent that an Event of Default under the Reimbursement Agreement has occurred and is continuing, the Stated Amount of the Letter of Credit shall be automatically reinstated following a drawing thereunder by and to the extent of amounts received by the Bank from the Issuing and Paying Agent or by or on behalf of the SFMTA in reimbursement for such drawing; provided, however, that in no event shall the Interest Component be reinstated to an amount in excess of 270 days’ interest (computed at the rate of 12% per annum and on the basis of a 365-day year) on the then applicable Principal Component of the Letter of Credit.

The Letter of Credit shall expire at 5:00 p.m. New York City time on the date (the “*Termination Date*”) which is the earliest of: (i) February __, 2023, as such date may be extended upon delivery of a written notice of extension of the Letter of Credit to the Issuing and Paying Agent (the “*Scheduled Termination Date*”)-, (ii) the date of payment of a drawing, not subject to reinstatement, which when added to all other Drawings honored by the Bank under the Letter of Credit that were not subject to reinstatement as provided in the Letter of Credit, in the aggregate, equals the Stated Amount on the date of issuance of the Letter of Credit or the Stated Amount as adjusted in accordance with the terms thereof; (iii) the date on which the Bank receives a written notice from the Issuing and Paying Agent of its acceptance of an alternate letter of credit in substitution for the Letter of Credit in accordance with the Issuing and Paying Agent Agreement or the date on which there are no longer any Commercial Paper Notes outstanding under the Issuing and Paying Agent Agreement and that the Issuing and Paying Agent elects to terminate the Letter of Credit; or (iv) the earlier of: (a) the date which is the fifteenth (15th) calendar day after the date on which the Issuing and Paying Agent receives a written notice from that Bank that an Event of Default has occurred under the Reimbursement Agreement and requesting the Issuing and Paying Agent to make a final payment drawing pursuant to the Letter of Credit to provide for the payment of the principal of and interest to maturity of all outstanding Commercial Paper Notes which are maturing or to thereafter mature (the “*Final Drawing Notice*”) and (b) the date, following receipt of a Final Drawing Notice, upon which the Issuing and Paying Agent has drawn upon the Letter of Credit the amount required thereby and as permitted under the Letter of Credit and the proceeds of such Drawing have been delivered to the Issuing and Paying Agent.

Reimbursement Agreement. The SFMTA and the Bank will enter into the Reimbursement Agreement pursuant to which the Letter of Credit will be issued.

The occurrence and continuance of any of the following events shall be an “Event of Default” under the Reimbursement Agreement:

(a) The SFMTA shall fail to pay when due to the Bank: (i) the principal of or interest on the Bank Note, any Advance, Term Loan or other Reimbursement Obligation (each as defined in Reimbursement Agreement); *provided, however,* that no failure to pay the interest on the Bank Note, any Advance, Term Loan or any other Reimbursement Obligation when due to the Bank shall constitute an Event of Default if (1) such failure was caused solely by an error or omission of an administrative or operational nature (which shall be demonstrated in writing by the SFMTA to the Bank), (2) the SFMTA had sufficient funds available on such day to make payment when due, and (3) the payment is made within three (3) Business Days after such amount was due; or (ii) any other Obligation (as defined in the Reimbursement Agreement) when due and such failure continues for a period of thirty (30) days; or

(b) Any representation made by the SFMTA in the Reimbursement Agreement has been incorrect in any materially adverse respect when made; or

(c) The SFMTA shall default in the due performance or observance of any of the certain specified terms, covenants or agreements as set forth in the Reimbursement Agreement; or

(d) The SFMTA shall default in the due performance or observance of any other term, covenant or agreement contained in the Reimbursement Agreement (other than those described in paragraph (a), (b) or (c) of this section), and such failure shall remain unremedied for a period of 30 days after the Bank shall have given the SFMTA and the City written notice of such default; provided, that so long as the SFMTA shall be proceeding with due diligence to remedy any default then such 30 day period shall be extended to the extent as shall be necessary to enable the SFMTA to begin and complete the remedying of such default through the exercise of due diligence, provided that such period shall not extend more than ninety (90) days after such notice was given unless the SFMTA provides a written explanation that it has been proceeding with due diligence to cure such default and that additional time is needed to cure such default and the

Bank consents to extending such period, such consent not to be unreasonably withheld; or

(e) The SFMTA or the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare or be subject to a moratorium, or shall take any action to authorize any of the foregoing; or a case or other proceeding shall be commenced against the SFMTA or the City seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of ninety (90) consecutive days; or an order for relief shall be entered against the SFMTA or the City under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the SFMTA or the City, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be; or

(f) The Reimbursement Agreement, any Related Document (as defined in the Reimbursement Agreement) or any material provision thereof, at any time after the execution and delivery thereof, shall, cease to be valid and binding on the SFMTA or the Reimbursement Agreement, any Related Document, or any material provision thereof is contested or repudiated by the SFMTA, the City or any other governmental authority of competent jurisdiction; or

(g) The SFMTA: (i) defaults in any payment of any indebtedness with an outstanding principal amount of \$5,000,000 or more secured by a lien on the Available

Transportation System Revenues on a basis that is senior to, or on a parity with, the Commercial Paper Notes and the Reimbursement Obligations under the Reimbursement Agreement ("*Senior and Parity Secured Debt*"), beyond the period of grace, if any, provided in the instrument or agreement under which such Senior and Parity Secured Debt was created; or (ii) defaults in the observance or performance of any agreement or condition relating to any Senior and Parity Secured Debt with an outstanding principal amount of \$5,000,000 or more or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default, event or condition is to cause, or to permit the holder or holders of such Senior and Parity Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Senior and Parity Secured Debt to become due prior to its stated maturity; or (iii) defaults in the payment of any indebtedness secured by a lien on the Available Transportation System Revenues on a basis that is subordinate to the Commercial Paper Notes and the Reimbursement Obligations under the Reimbursement Agreement in an outstanding principal amount of \$20,000,000 or more ("*Subordinate Secured Debt*"), beyond the period of grace, if any, provided in the instrument or agreement under which such Subordinate Secured Debt was created; or (iv) defaults in the observance or performance of any agreement or condition relating to any Subordinate Secured Debt in an outstanding principal amount of \$20,000,000 or more or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Subordinate Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Subordinate Secured Debt to become due prior to its stated maturity; or

(h) Any security interest created by the Reimbursement Agreement or any of the Related Documents securing the Obligations shall fail to be valid with the priority required under the Reimbursement Agreement; or

(i) The SFMTA shall fail to pay when due an uninsured, final and non-appealable judgment or order against the SFMTA of \$25,000,000 or more which shall be rendered against the SFMTA and such judgment has not been vacated,

discharged, satisfied or stayed by the SFMTA within 60 days (provided that judgments payable in installments or which can be financed or paid with the proceeds of insurance in accordance with the Reimbursement Agreement or which can otherwise be legally satisfied shall be deemed satisfied so long as the SFMTA makes arrangements to satisfy such judgment within a reasonable period of time); or

(j) any of Moody's, S&P or Fitch reduces its long-term unenhanced rating assigned to any Senior Lien Revenue Bonds (as defined in the Reimbursement Agreement) below "Baal" (or its equivalent), "BBB+" (or its equivalent) or "BBB+" (or its equivalent) or any of Moody's, S&P or Fitch shall withdraw or suspend such rating.

Upon the occurrence of an Event of Default, the Bank may, at the same or different times, so long as such Event of Default shall not have been remedied to the sole satisfaction of the Bank, take one or more of the following actions: (i) declare the principal of and interest on all Outstanding Obligations (as defined in the Reimbursement Agreement) to be immediately due and payable; (ii) by notice to the Issuing and Paying Agent, permanently reduce the Stated Amount to the principal amount of Commercial Paper Notes Outstanding plus interest thereon; (iii) by notice to the Issuing and Paying Agent, issue a No Issuance Notice (as defined in the Reimbursement Agreement); (iv) by notice to the Issuing and Paying Agent, issue a Final Drawing Notice (which Final Drawing Notice requires the Issuing and Paying Agent to draw down under the Letter of Credit at least one (1) Business Day prior to the fifteenth (15th) day after receipt of such Final Drawing Notice in an amount equal to the principal amount of all outstanding Commercial Paper Notes plus interest thereon to the scheduled maturity date of such Commercial Paper Notes, terminating the Letter of Credit on the earlier of (x) the date of the Issuing and Paying Agent's receipt of proceeds the drawing required by such Final Drawing Notice and (y) on the 15th day after receipt of such Final Drawing Notice); or (v) proceed to enforce all other remedies available under applicable law and in equity. No reduction in the Stated Amount pursuant to clause (ii) above shall be effective until notice thereof is delivered to, and received by, the Issuing and Paying Agent. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in paragraph (e) above, the remedies described in clauses (i) and (ii) above shall occur immediately and automatically without notice or further action on the part of the Bank or any other person and the remedy described in clauses (iii) and (iv) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Reimbursement Agreement to the contrary notwithstanding, from and after the occurrence an Event of Default, all Obligations shall bear interest at the Default Rate (as defined in the Reimbursement Agreement). Upon any action by the Bank as contemplated in the foregoing clauses (ii), (iii) and (iv), the Stated Amount shall be permanently reduced upon, and by the amount of, each Drawing under the Letter of Credit following the occurrence of an Event of Default.

Alternate Facility

The SFMTA may obtain substitute letter of credit or another type of credit or liquidity facility supporting the Commercial Paper Notes (an "Alternate Facility") to replace the Letter of Credit or Alternate Facility then in effect, so long as (i) there shall be no Commercial Paper Notes

outstanding on the effective date of the replacement Alternate Facility, or the maturing principal and accrued interest on all Outstanding Commercial Paper Notes shall have been fully paid with the proceeds of a draw on the Letter of Credit (or the Alternate Facility to be replaced), in which case, such replacement Alternate Facility may be utilized to support the sale of rollover Commercial Paper Notes on such substitution date, and (ii) the Expiration Date with respect to such Alternate Facility shall be no earlier than the earlier of (x) six (6) months after its date, or (y) the Expiration Date set forth in the Letter of Credit (or Alternate Facility then in effect).

Limited Obligations of the SFMTA

The Commercial Paper Notes are special limited obligations of the SFMTA, payable when due from proceeds of drawings on the Letter of Credit. The Available Transportation System Revenues are pledged to the reimbursement of the Bank for such drawings on a subordinate basis to the SFMTA's pledge of its Transportation System Revenues to the payment of the Senior Lien Revenue Bonds and shall be applied (to the extent available), if for any reason proceeds of such drawings are unavailable, to the payment of principal and interest on the Commercial Paper Notes. For definitions of "Available Transportation System Revenues," "Transportation System Revenues" and "Senior Lien Revenue Bonds," see APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE ISSUING AND PAYING AGENT AGREEMENT.

Section 8A.105 of the Charter requires the City to transfer certain moneys to the SFMTA to support the SFMTA's activities. The proceeds of transfers from the City's General Fund to support such activities do not constitute any portion of Available Transportation System Revenues, and the principal of and interest on the Commercial Paper Notes is not payable from the proceeds of such transfers. The SFMTA will not apply the proceeds of such transfers to the payment of principal of and interest on the Commercial Paper Notes, and the City has no obligation to transfer any amounts from the City's General Fund to the SFMTA for the purpose of paying the principal of and interest on the Commercial Paper Notes. ***The Commercial Paper Notes are not secured by any property or other income, receipts or assets of the SFMTA (or the City), except for Available Transportation System Revenues. The General Fund of the City is not liable, and the credit nor the taxing power of the City is pledged, for the payment of the Commercial Paper Notes or the interest thereon.***

THE BANK

The following information has been furnished by the Bank for use in this Offering Memorandum. Such information has not been independently confirmed or verified by the SFMTA. No representation is made herein by the SFMTA as to the accuracy or adequacy of such information subsequent to the date hereof, or that the information contained and incorporated herein by reference is correct. The SFMTA has assumed no obligation to update such information in the future, or to advise of any adverse change in the financial condition of the Bank. Investors are advised to obtain and carefully review any financial reports and other information published after the date hereof about the Bank prior to making a decision of purchase the Commercial Paper Notes.

Sumitomo Mitsui Banking Corporation (*Kabushiki Kaisha Mitsui Sumitomo Ginko*) ("SMBC") is a joint stock corporation with limited liability (*Kabushiki Kaisha*) under the laws of

Japan. The registered head office of SMBC is located at 1-2, Marunouchi 1-chome, Chiyoda ku, Tokyo 100-0005, Japan.

SMBC was established in April 2001 through the merger of two leading banks, The Sakura Bank, Limited and The Sumitomo Bank, Limited. In December 2002, Sumitomo Mitsui Financial Group, Inc. (“SMFG”) was established through a stock transfer as a holding company under which SMBC became a wholly-owned subsidiary. **SMFG reported ¥208,147 billion (US\$1.9 trillion) in consolidated total assets as of December 31, 2017.**

SMBC is one of the world’s leading commercial banks and provides an extensive range of banking services to its customers in Japan and overseas. In Japan, SMBC accepts deposits, makes loans and extends guarantees to corporations, individuals, governments and governmental entities. It also offers financing solutions such as syndicated lending, structured finance and project finance. SMBC also underwrites and deals in bonds issued by or under the guarantee of the Japanese government and local government authorities, and acts in various administrative and advisory capacities for certain types of corporate and government bonds. Internationally, SMBC operates through a network of branches, representative offices, subsidiaries and affiliates to provide many financing products, including syndicated lending and project finance.

The New York Branch of SMBC is licensed by the New York State Department of Financial Services to conduct branch banking business at 277 Park Avenue, New York, New York, and is subject to examination by the New York State Department of Financial Services and the Federal Reserve Bank of New York.

Financial and Other Information

Audited consolidated financial statements for SMFG and its consolidated subsidiaries for the fiscal year 2016 ended March 31, 2017, as well as other corporate data, financial information and analyses, are available in English on SMFG’s website at www.smfg.co.jp/english.

The information herein has been obtained from SMBC, which is solely responsible for its content. The delivery of the Offering Memorandum shall not create any implication that there has been no change in the affairs of SMBC since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

THE DEALERS

The SFMTA has appointed Loop Capital Markets LLC and Morgan Stanley and Co. LLC, each as a non-exclusive dealer with respect to the offering and sale of the Commercial Paper Notes.

RATINGS

Moody’s and S&P have each assigned ratings on the Commercial Paper Notes of “[P-1]” and “[A-1+],” respectively. Each of such ratings is based on the understanding that the Letter of Credit has been issued by the Bank. Such ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained only from the agencies at the following addresses: Moody’s Investors Service, Inc., 7 World Trade Center, New York, New York 10007 and Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC

business, 55 Water Street, New York, New York 10004. The SFMTA furnished to such rating agencies certain information and materials regarding the Commercial Paper Notes. In addition, the Bank furnished certain information to such rating agencies regarding the Bank and the Letter of Credit.

There is no assurance such ratings will continue for any given period or that they will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant and, therefore, any prospective purchaser should confirm the ratings prior to purchasing the Commercial Paper Notes. Any such change in or withdrawal of such ratings could have an adverse effect on the market for or market price of the Commercial Paper Notes. The above ratings are not recommendations to buy, sell or hold the Commercial Paper Notes. The SFMTA has not undertaken to provide notice to the holders of the Commercial Paper Notes of any change in the ratings on the Commercial Paper Notes.

The ratings on the Commercial Paper Notes may be adversely affected by a downgrade of the credit ratings of the Bank. Although the SFMTA has covenanted that the Commercial Paper Notes will not mature later than the stated expiration date of the Letter of Credit, it is not obligated to replace the Bank in the event of a downgrade of such Bank's rating. The SFMTA has not covenanted to provide notice to holders of the Commercial Paper Notes of any downgrade of the credit ratings of the Bank.

ABSENCE OF LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body pending or, to the best of the knowledge of the SFMTA after reasonable investigation, threatened in any way (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Commercial Paper Notes, or (ii) challenging the validity of the Commercial Paper Notes.

TAX MATTERS

Tax Exempt CP Notes

In the opinion of Norton Rose Fulbright US LLP, San Francisco, California, Bond Counsel ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions and assuming compliance with certain covenants in the Issuing and Paying Agent Agreements and requirements of the Internal Revenue Code of 1986, as amended, regarding the use, expenditure and investment of proceeds of the Tax Exempt CP Notes and the timely payment of certain investment earnings to the United States, interest on the Tax Exempt CP Notes is not includable in the gross income of the owners of the Tax Exempt CP Notes for federal income tax purposes. Failure to comply with such covenants and requirements may cause interest on the Tax Exempt CP Notes to be included in gross income.

In the further opinion of Bond Counsel, interest on the Tax Exempt CP Notes is not treated as an item of tax preference for purposes of the alternative minimum tax. Although the corporate alternative minimum tax is repealed for taxable years beginning on and after January 1, 2018, for taxable years that began before January 1, 2018, interest on the Tax Exempt CP Notes is included

as an adjustment in the calculation of federal corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax liability.

Ownership of, or the receipt of interest on, tax exempt obligations may result in collateral income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual receipts of Social Security or Railroad Retirement benefits, and taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax exempt obligations and taxpayers who may be eligible for the earned income tax credit. Bond Counsel's opinion will express no opinion as to any collateral tax consequences and, accordingly, prospective purchasers of the Commercial Paper Notes should consult their tax advisors as to the applicability of any such collateral tax consequences.

Certain requirements and procedures contained or referred to in the Issuing and Paying Agent Agreement or other documents pertaining to the Tax Exempt CP Notes may be changed, and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax exempt obligations. Bond Counsel expresses no opinion as to the effect of any change to any document pertaining to the Tax Exempt CP Notes or of any action taken or not taken where such change is made or action is taken or not taken without Bond Counsel's approval, or in reliance upon the advice of counsel other than Bond Counsel with respect to the exclusion from gross income of interest on the Tax Exempt CP Notes for federal income tax purposes.

Information Reporting and Backup Withholding

Interest paid on tax exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not, by itself, affect the excludability of interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Tax Exempt CP Notes to be subject to backup withholding if such interest is paid to beneficial owners that (a) are not "exempt recipients," and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner are allowed as a refund or credit against such beneficial owner's federal income tax liability so long as the required information is furnished to the IRS.

Future Developments

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Tax Exempt CP Notes to be subject, directly or indirectly, to federal income taxation or may cause interest on the Commercial Paper Notes to be subject, directly or indirectly, to State or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or State tax

exemption or the market value of the Commercial Paper Notes. Prospective purchasers of the Commercial Paper Notes should consult their tax advisors regarding any future, pending or proposed federal or State tax legislation, regulations, rulings or litigation, as to which Bond Counsel expresses no opinion.

State Tax Exemption

In the further opinion of Bond Counsel, interest on the Tax-Exempt CP Notes is exempt from personal income taxes imposed by the State of California.

Taxable CP Notes

Interest on the Taxable CP Notes is not excluded from gross income for federal income tax purposes, but, in the opinion of Bond Counsel, interest on the Taxable CP notes is exempt from personal income taxes imposed by the State of California.

The form of opinion of Bond Counsel is attached hereto as Appendix C.

LEGAL MATTERS

Upon the issuance of the Commercial Paper Notes, Norton Rose Fulbright US LLP, San Francisco, California, Bond Counsel, will render the legal opinion described in "TAX MATTERS" above, the form of which is set forth in Appendix C hereto. Bond Counsel is not passing upon, and undertakes no responsibility for, the accuracy, completeness or fairness of the information contained in this Offering Memorandum. Certain legal matters in connection with the Reimbursement Agreement and the Letter of Credit are passed on by Chapman and Cutler LLP, as special United States counsel to the Bank, and Yumoto, Ota & Miyazaki, as special Japanese counsel to the Bank. Certain legal matters in connection with the Commercial Paper Notes are subject to the approval of the City Attorney for the City.

ADDITIONAL INFORMATION

No information concerning the operations or finances of the SFMTA has been provided herein. No attempt is made herein to provide a complete summary of the terms of the referenced Letter of Credit, Reimbursement Agreement or the Issuing Paying Agent Agreement. The descriptions of and reference to such documents contained herein do not purport to be complete, and such references to and descriptions of such documents and all other documents and other items described herein are qualified in their entirety by reference to each such document and item.

No Dealer or other person has been authorized by the SFMTA to give any information or to make any representations other than those contained in this Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by the SFMTA.

The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibility to investors under the federal securities law as

applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information. **[Confirm]**

The SFMTA maintains a website that contains certain information about its mission and operations. However, the information presented there is not part of this Offering Memorandum and should not be relied upon in making an investment decision with respect to the Commercial Paper Notes.

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The SFMTA maintains a website that contains certain information about its mission and operations. However, the information presented there is not part of this Offering Memorandum and should not be relied upon in making an investment decision with respect to the Commercial Paper Notes.

The execution, delivery and distribution of this Offering Memorandum have been duly authorized by the Board of Directors of the SFMTA.

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

By: _____

Director of Transportation

APPENDIX A

BOOK-ENTRY SYSTEM FOR COMMERCIAL PAPER NOTES

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Commercial Paper Notes. The Commercial Paper Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered master Commercial Paper Note certificate in the aggregate principal amount not exceeding \$100,000,000 to secure the Commercial Paper Notes, Series A-1 (Tax-Exempt) under the Reimbursement Agreement has been registered in the name of Cede & Co., as nominee of DTC and has been deposited with DTC. One fully registered master Commercial Paper Note certificate in the aggregate principal amount not exceeding \$100,000,000 to secure the Commercial Paper Notes, Series A-2 (Taxable) under the Reimbursement Agreement has been registered in the name of Cede & Co., as nominee of DTC and has been deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein by reference.

Purchases of the Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC’s records. The ownership interest of each actual purchaser of each Commercial Paper Note (the “*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant

through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Commercial Paper Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in the Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the identities of the actual Beneficial Owners of the Commercial Paper Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts the Commercial Paper Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Commercial Paper Notes, such as defaults and proposed amendments to the security documents. For example, Beneficial Owners of Commercial Paper Notes may wish to ascertain that the nominee holding the Commercial Paper Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them. **THE SFMTA AND THE ISSUING AND PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE COMMERCIAL PAPER NOTES.**

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an "Omnibus Proxy" to the SFMTA as soon as possible after the record date. The "Omnibus Proxy" assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Commercial Paper Notes are credited on the record date (identified in a listing attached to the "Omnibus Proxy").

Payments of principal of and interest on the Commercial Paper Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuing and Paying Agent or the SFMTA on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or

registered in “street name,” and will be the responsibility of such Participants and not of DTC nor of its nominee, the SFMTA or the Issuing and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to the SFMTA or the Issuing and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Commercial Paper Note certificates will be printed and delivered.

The SFMTA may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Commercial Paper Note certificates will be printed and delivered.

THE SFMTA AND THE ISSUING AND PAYING AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, ANY BENEFICIAL OWNER OR ANY OTHER PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE COMMERCIAL PAPER NOTES UNDER OR THROUGH DTC OR ANY DTC PARTICIPANT, OR ANY OTHER PERSON WHICH IS NOT SHOWN ON THE REGISTRATION BOOKS OF THE ISSUING AND PAYING AGENT AS BEING AN OWNER WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE COMMERCIAL PAPER NOTES; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS; ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS AN OWNER; OR ANY OTHER PROCEDURES OR OBLIGATIONS OF DTC UNDER THE BOOK-ENTRY SYSTEM.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE COMMERCIAL PAPER NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS OR OWNERS OR REGISTERED HOLDERS OR REGISTERED OWNERS OF THE COMMERCIAL PAPER NOTES SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE COMMERCIAL PAPER NOTES.

The foregoing description of the procedures and recordkeeping with respect to beneficial ownership interests in the Commercial Paper Notes, payment of principal and interest on the Commercial Paper Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Commercial Paper Notes and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

APPENDIX B

**SUMMARY OF CERTAIN PROVISIONS OF THE
ISSUING AND PAYING AGENT AGREEMENT**

APPENDIX B
TABLE OF CONTENTS

	<u>Page</u>
Summary of Certain Provisions of the Issuing and Paying Agent Agreement	B-1
Definitions	B-1
The Issuing and Paying Agent Agreement	B-8
General Authorization and Issuance; the Commercial Paper Notes	B-8
Funds and Accounts; Application of Note Proceeds	B-9
Covenants; Representations	B-11
Pledge of Available Transportation System Revenues	B-12
Events of Default and Remedies of Commercial Paper Noteholders	B-13
Miscellaneous	B-15

SUMMARY OF CERTAIN PROVISIONS OF THE ISSUING AND PAYING AGENT AGREEMENT

The following is a summary of certain provisions of the Issuing and Paying Agent Agreement which are not described elsewhere in this Offering Memorandum. This summary does not purport to be comprehensive and reference should be made to said document for a full and complete statement of its provisions.

Definitions

The following is a summary of certain of the defined terms from the Issuing and Paying Agent Agreement.

“Advance” means an Advance Loan or a Term Loan.

“Advance Loan” means an advance made by the Bank to the Agency on the date and in the amount of a payment made by the Bank under the Letter of Credit pursuant to a Drawing and not reimbursed by the Agency by 5:00 p.m. (New York time) on the day such payment was made.

“Agency” means the San Francisco Municipal Transportation Agency as duly constituted from time to time under the Charter, and all commissions, agencies or public bodies which shall succeed to the powers, duties and obligations of the Agency.

“Alternate Facility” means a Letter of Credit or another type of credit or liquidity facility supporting the Commercial Paper Notes which may be outstanding under the Issuing and Paying Agent Agreement.

“Authorized Agency Representatives” means the Director of Transportation or the Chief Financial Officer of the Agency or the Director of Public Finance of the City, or the respective successors to the powers and duties thereof, or such other person as may be designated to act on behalf of the Agency by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Agency by the Director of Transportation or Chief Financial Officer, or their respective successors in the form as provided in Exhibit C of the Issuing and Paying Agent Agreement.

“Available Transportation System Revenues” means the portion of the Transportation System Revenues remaining after (a) the payments relating to the Senior Lien Revenue Bonds required by the Senior Lien Revenue Bonds Indenture, and (b) all amounts required to be paid under any other indenture or resolution of the Agency for principal, interest, reserve fund and any other debt service requirements on Senior Lien Parity Obligations, as the same become due and payable.

“Bank” means Sumitomo Mitsui Banking Corporation, acting through its New York Branch, or any other entity that provides an Alternate Facility then outstanding and effective under the Issuing and Paying Agent Agreement.

“Bank Note” means the promissory note issued by the Agency to the Bank to evidence the Agency’s obligations under the Reimbursement Agreement and the Fee Agreement.

“Board” means by the Board of Supervisors of the City.

“Bond Counsel” means Norton Rose Fulbright US LLP or such other counsel selected by the City with nationally recognized expertise in municipal finance law, including matters related to the validity and tax-exempt status of interest on obligations of states and their political subdivisions.

“Business Day” means any day other than (i) a Saturday, Sunday or other day on which commercial banks located in New York, New York and San Francisco, California or the city in which is located the office of the Bank at which demands for a draw on the Letter of Credit will be made, are required or authorized by law to close for business, (ii) the New York Stock Exchange is closed or (iii) a legal holiday of the City or any other day the City is authorized by law to be closed for official business.

“Charter” means the Charter of the City and County of San Francisco, as amended and supplemented from time to time, and any new or successor Charter.

“City” means the City and County of San Francisco, a charter city and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California and the Charter and any public body created after the execution of the Issuing and Paying Agent Agreement which shall be a successor thereto.

“City Treasurer” means the duly elected and acting City Treasurer of the City.

“Closing Costs Requisition” means the written direction or directions of the Agency to pay closing costs of the Commercial Paper Notes from the Closing Costs Account delivered to the Trustee on or after April ____, 2021 pursuant to the Issuing and Paying Agent Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“Commitment Expiration Date” shall mean the Scheduled Termination Date, as such term is defined in the Reimbursement Agreement, as such date may be extended from time to time pursuant to the Reimbursement Agreement.

“Commercial Paper Notes” means, collectively, Tax-Exempt Notes and the Taxable Notes.

“Dealer” means each of Loop Capital Markets LLC and Morgan Stanley & Co. LLC, or any successors or assigns permitted under a Dealer Agreement or any other dealer for the Commercial Paper Notes which is appointed by the Agency and has entered into a Dealer Agreement.

“Dealer Agreement” means the Amended and Restated Dealer Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the Agency and Loop Capital Markets LLC and the Amended and Restated Dealer Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018, by and between the Agency and Morgan Stanley & Co. LLC, and any and all modifications, alterations, amendments and

supplements thereto, or any other dealer agreement entered into by the Agency and a Dealer with respect to the Commercial Paper Notes.

“Debt Service Account” means the Debt Service Account established within the Debt Service Fund pursuant to the Issuing and Paying Agent Agreement.

“Debt Service Fund” means the Fund by that name established pursuant to the Issuing and Paying Agent Agreement.

“Director of Public Finance” means the Director of Public Finance of the City or such other officer of the City which may assume responsibility for management of the debt or other similar obligations of the City or any duly authorized designee of the Director of Public Finance or such other officer.

“Enterprise Account” shall mean the Enterprise Account established under the Senior Lien Revenue Bonds Indenture.

“Event of Default” means an Event of Default described in the Issuing and Paying Agent Agreement.

“Expiration Date” means the date of expiration or termination of the 2018 Letter of Credit or any Alternate Facility then in effect.

“Fee Agreement” means the Fee Agreement, dated April ____, 2018, between the Agency and the Bank, as amended and supplemented from time to time.

“Final Drawing Notice” has the meaning set forth in the Reimbursement Agreement.

“Fund” or “Account” shall mean any fund or account established pursuant to the Issuing and Paying Agent Agreement.

“Government Certificates” means evidences of indebtedness or ownership of proportionate interests in future principal and interest payments of Government Obligations, including depository receipts thereof, wherein (i) a bank or trust company acts as custodian and holds the underlying Government Obligations, (ii) the owner of the Government Certificate is a real party in interest with the right to proceed directly and individually against the obligor of the underlying Government Obligations, and (iii) the underlying Government Obligations are held in trust in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian or any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Government Obligations” mean direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or evidence of ownership in a portion thereof (which may consist of specified portions of interest thereon and obligations of the Resolution Funding Corporation which constitute interest strips) if held by a custodian on behalf of the Issuing and Paying Agent, and obligations the principal and interest on which are unconditionally guaranteed by the United States of America, and rated in a rating category at least as high as obligations of the United States America.

“Holder” or “Commercial Paper Noteholder” means the registered owner of a Commercial Paper Note.

“Issuance Request” means a request made by the Agency, acting through an Authorized Agency Representative, to the Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes, the form of which is attached as Exhibit D to the Issuing and Paying Agent Agreement.

“Issuing and Paying Agent” means U.S. Bank National Association, or any successor or assigns permitted under the Issuing and Paying Agent Agreement or any other Issuing and Paying Agent which is appointed by the Agency and has entered into an Issuing and Paying Agent Agreement.

“Issuing and Paying Agent Agreement” means the Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2013, as amended and restated as of April 1, 2018, between the Issuing and Paying Agent and the Agency, as it may from time to time be supplemented, modified or amended in accordance with the provisions thereof.

“Letter of Credit” means, initially, the 2018 Letter of Credit, and, following the expiration or substitution thereof, any letter of credit then in effect and issued by a Bank, which, by its terms, supports the payment of the principal and interest on the Commercial Paper Notes when due.

“Letter of Credit Proceeds Account” means the Letter of Credit Proceeds Account established within the Debt Service Fund pursuant to the Issuing and Paying Agent Agreement.

“Maximum Interest Rate” means 12% per annum.

“Note Depository” means the securities depository for the Commercial Paper Notes appointed as such pursuant to the Issuing and Paying Agent Agreement, and its successors and assigns.

“Note Proceeds” means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

“Obligations” has the meaning set forth in the Reimbursement Agreement.

“Offering Memorandum” means the Offering Memorandum relating to the Commercial Paper Notes dated April __, 2018.

“Outstanding” when used as of a particular time with reference to Commercial Paper Notes, means all Commercial Paper Notes delivered under the Issuing and Paying Agent Agreement except:

(a) Commercial Paper Notes cancelled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation;

(b) Commercial Paper Notes that are paid or deemed to be paid within the meaning set forth in the Issuing and Paying Agent Agreement; and

(c) Commercial Paper Notes in lieu of or in substitution for which replacement Commercial Paper Notes shall have been issued by the Agency and delivered by the Issuing and Paying Agent under the Issuing and Paying Agent Agreement.

“Parity Obligations” means any evidences of indebtedness for borrowed money issued from time to time by the Agency under any contractual obligation with a lien on Available Transportation System Revenues on a parity with the Commercial Paper Notes and the Obligations, including but not limited to bonds, notes, bond anticipation notes, commercial paper, lease or installment purchase agreements or certificates of participation therein or loans from financial institutions or governmental agencies.

“Paying Agent” means, with respect to the Commercial Paper Notes, the Issuing and Paying Agent or each person or entity, if any, designated as such by the Agency in the Issuing and Paying Agent Agreement, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant thereto.

“Permitted Investments” means and includes any of the following, if and to the extent the same are at the time legal for the investment of the Agency’s money (*provided* that the Issuing and Paying Agent shall be entitled to rely upon any investment directions from the Agency as conclusive certification to the Issuing and Paying Agent that the investments described therein are so authorized under the laws of the State of California and are Permitted Investments):

- (a) Government Obligations and Government Certificates.
- (b) Obligations issued or guaranteed by any of the following:
 - (i) Export-Import Bank of the United States;
 - (ii) Farmers Home Administration;
 - (iii) Federal Farm Credit System;
 - (iv) Federal Financing Bank;
 - (v) Federal Home Loan Bank System;
 - (vi) Federal Home Loan Mortgage Corporation;
 - (vii) Federal Housing Administration;
 - (viii) Federal National Mortgage Association;
 - (ix) Government National Mortgage Association;
 - (x) Private Export Funding Corporation
 - (xi) Resolution Funding Corporation;

- (xii) Student Loan Marketing Association; and
- (xiii) any other instrumentality or agency of the United States.

(c) Prerefunded municipal obligations rated at the time of purchase of such investment in the highest rating category by the Rating Agencies then rating the Commercial Paper Notes and meeting the following conditions:

(i) such obligations are: (A) not subject to redemption prior to maturity or the Issuing and Paying Agent has been given irrevocable instructions concerning their calling and redemption, and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations or Government Certificates that may be applied only to interest, principal and premium payments of such obligations;

(iii) the principal of and interest on such Government Obligations or

(iv) Government Certificates (plus any cash in the escrow fund with respect to such prerefunded obligations) are sufficient to meet the liabilities of the obligations;

(v) the Government Obligations or Government Certificates serving as

(vi) security for the obligations have been irrevocably deposited with and are held by an escrow agent or trustee; and

(vii) such Government Obligations or Government Certificates are not

(viii) available to satisfy any other claims, including those against the trustee or escrow agent.

(d) Direct and general long-term obligations of any state of the United States of America or the District of Columbia (a "State") to the payment of which the full faith and credit of such State is pledged and that are rated at the time of purchase of the investment in either of the two highest rating categories by the Rating Agencies then rating the Commercial Paper Notes.

(e) Direct and general short-term obligations of any State to the payment of which the full faith and credit of such State is pledged and that are rated at the time of purchase of the investment in the highest rating category by the Rating Agencies then rating the Commercial Paper Notes.

(f) Interest-bearing demand or time deposits or overnight bank deposits with, or banker's acceptances from, state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC") including those of the Issuing and Paying Agent or any of its affiliates. Such deposits must be at least one of the following: (i) continuously and fully insured by FDIC; (ii) if they have a maturity of one year or less, with or issued by banks that are rated in one of the two highest short term rating categories by the Rating Agencies then rating the Commercial Paper Notes; (iii) if they have a maturity longer than one year, with or issued by banks that are rated at the time of purchase of the investment in one of the

two highest rating categories by the Rating Agencies then rating the Commercial Paper Notes; or (iv) fully secured by Government Obligations and Government Certificates. Such Government Obligations and Government Certificates must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations and Government Certificates must be held by a third party (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. Such third party must have a perfected first lien in the Government Obligations and Government Certificates serving as collateral, and such collateral must be free from all other third party liens.

(g) Long-term or medium-term corporate debt guaranteed by any corporation that is rated at the time of purchase of the investment in one of the two highest rating categories by the Rating Agencies then rating the Commercial Paper Notes.

(h) Repurchase agreements, including those of the Issuing and Paying Agent or any of its affiliates, longer than one year with financial institutions such as banks or trust companies organized under State or federal law, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation, or with a dealer or parent holding company that is rated at the time of purchase of the investment “AA” or better by the Rating Agencies then rating the Commercial Paper Notes. The repurchase agreement must be in respect of Government Obligations and Government Certificates or obligations described in paragraph (b) of this definition.

(i) Prime commercial paper of a corporation, finance company or banking institution rated at the time of purchase of the investment in the highest short-term rating category by the Rating Agencies then rating the Commercial Paper Notes.

(j) State or public agency or municipality obligations rated at the time of purchase of the investment in the highest credit rating category by the Rating Agencies then rating the Commercial Paper Notes.

(k) Shares of a diversified open-end management investment company, as defined in the Investment Company Act of 1940, as amended, or shares in a regulated investment company, as defined in Section 851 (a) of the Code, that is a money market fund that has been rated in the highest rating category by the Rating Agencies then rating the Commercial Paper Notes.

(l) Money market mutual accounts of any state or federal bank, or bank whose holding parent company is, rated in the top two short-term or long-term rating categories by the Rating Agencies then rating the Commercial Paper Notes, including such funds for which the Issuing and Paying Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Issuing and Paying Agent or an affiliate of the Issuing and Paying Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Issuing and Paying Agent or an affiliate of the Issuing and Paying Agent receives fees from funds for services rendered, (ii) the Issuing and Paying Agent collects fees for services rendered pursuant to the Issuing and Paying Agent Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such

funds and pursuant thereto may at times duplicate those provided to such funds by the Issuing and Paying Agent or an affiliate of the Issuing and Paying Agent.

(m) Investment agreements the issuer of which is rated at the time of purchase of the investment “AA” or better by the Rating Agencies then rating the Commercial Paper Notes.

(n) The City and County of San Francisco Treasurer’s Investment Pool.

(o) Any other debt or fixed income security specified by an Authorized Agency Representative and rated at the time of purchase of the investment in the highest short-term rating category or one of the three highest long-term rating categories by the Rating Agencies then rating the Commercial Paper Notes.

“Principal Office” means the office of the Issuing and Paying Agent designated in writing to the Agency.

“Project” means any lawful expenditure of the Agency.

“Project Costs” means, collectively, the Tax-Exempt Project Costs and the Taxable Project Costs.

“Project Fund” means the Fund by that name established pursuant to the Issuing and Paying Agent Agreement.

“Rating Agencies” means the rating agencies providing a rating on the Commercial Paper Notes.

“Rebate Fund” means the Fund by that name established pursuant to the Issuing and Paying Agent Agreement.

“Reimbursement Agreement” means (i) the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2018, between the Agency and the Bank, as amended, supplemented and modified from time to time, in accordance with the provisions thereof, and (ii) any similar document entered into with respect to the issuance of a subsequent Alternate Facility. All references to obligations of the Agency under the Reimbursement Agreement and the Fee Agreement in the Issuing and Paying Agent Agreement shall be deemed to include the Agency’s obligations under the Bank Note.

“Senior Lien Parity Obligations” means the Senior Lien Revenue Bonds, including the Series 2012 Bonds, the Series 2013 Bonds, the Series 2014 Bonds and the Series 2017 Bonds, and any evidences of indebtedness for borrowed money issued from time to time by the Agency under the Senior Lien Revenue Bonds Indenture, including but not limited to bonds, notes, bond anticipation notes, commercial paper, lease or installment purchase agreements or certificates of participation therein or loans from financial institutions or governmental agencies. Senior Lien Parity Obligations may also include any other obligation, including but not limited to Repayment Obligations (as defined in the Senior Lien Revenue Bonds Indenture) and other contractual obligations, entered into by the Agency pursuant to the terms of the Issuing and Paying Agent

Agreement with a lien on Pledged Revenues on a parity with the lien on Transportation System Revenues securing the Senior Lien Revenue Bonds.

“Senior Lien Revenue Bonds” means all bonds outstanding on April ___, 2018 or thereafter issued by the Agency with a pledge or lien on Transportation System Revenues senior to the lien on Available Transportation System Revenues securing the Commercial Paper Notes and the Obligations, including without limitation the Series 2012 Bonds, the Series 2013 Bonds, the Series 2014 Bonds and the Series 2017 Bonds.

“Senior Lien Revenue Bonds Indenture” means the Indenture of Trust, dated as of July 1, 2012, as supplemented from time to time, including by the First Supplemental Indenture of Trust, dated as of July 1, 2012, the Second Supplemental Indenture of Trust, dated as of December 1, 2013, the Third Supplemental Indenture of Trust, dated as of December 1, 2014 and the Fourth Supplemental Indenture of Trust, dated as of June 1, 2017, each by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee.

“Series 2012 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2012A and the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2012B, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“Series 2013 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2013, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“Series 2014 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2014, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“Series 2017 Bonds” means the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2017, issued pursuant to the Senior Lien Revenue Bonds Indenture.

“Supplemental Agreement” means any Supplemental Agreement authorized by the Issuing and Paying Agent Agreement.

“Tax Certificate” means the Tax Certificate, dated as of its date, concerning certain matters pertaining to the use and investment of proceeds of the Commercial Paper Notes, executed by the Agency on the date of issuance of the Commercial Paper Notes, including any and all exhibits attached thereto.

“Tax-Exempt Notes” means the San Francisco Municipal Transportation Agency Commercial Paper Note Series A-1 (Tax-Exempt) in the form set forth in Exhibit A of the Issuing and Paying Agent Agreement.

“Tax-Exempt Project Costs” means costs and expenses incurred or to be incurred by the Agency for the Project that are permitted under the Code.

“Taxable Notes” means the San Francisco Municipal Transportation Agency Commercial Paper Note Taxable Series A-2 (Taxable) in the form set forth in Exhibit B of the Issuing and Paying Agent Agreement

“Taxable Project Costs” means costs and expenses incurred or to be incurred by the Agency for the Project.

“Term Loan” means the unpaid principal amount of an Advance Loan deemed to be a loan by the Bank to the Agency pursuant to the Reimbursement Agreement.

“Transportation System Revenues” means the Pledged Revenues, as defined in the Senior Lien Revenue Bonds Indenture, which definition, as of April ___, 2018, provides the following (all defined terms in the following definition shall have the meaning set forth in the Senior Lien Revenue Bonds Indenture): Pledged Revenues shall mean all revenue of the SFMTA from or with respect to its management, supervision, operation and control of the Transportation System of the City, as determined in accordance with generally accepted accounting principles. Pledged Revenues shall include, but not be limited to, (i) grants or transfers funded pursuant to the Transportation Development Act (Sections 99200 et seq. of the California Public Utilities Code) and AB 1107 (Sections 29140 et seq. of the Public Utilities Code) and (ii) SFMTA parking meter revenues (but only to the extent Bonds or other Parity Obligations have financed traffic regulation and control functions). Pledged Revenues shall not include: (a) Special Facility Revenue and any interest income or profit realized from the investment thereof, unless such receipts or a portion thereof are designated as Pledged Revenues by the SFMTA, (b) grants or contributions, which by their terms would be restricted to uses inconsistent with the payment of the Bonds, (c) any state or federal grant (except for grants or transfers funded pursuant to the Transportation Development Act or AB 1107) unless such grant by its terms may be used to pay debt service and is designated as Pledged Revenues in a Supplemental Indenture or certificate of an Authorized SFMTA Representative, (d) any amounts transferred to the SFMTA from the City’s General Fund and any amounts in the SFMTA General Fund Transfer Account or (e) SFMTA parking meter revenues allocable to all or a portion of any Bonds or Parity Obligations that have not financed traffic regulation and control functions.

“2018 Letter of Credit” means the Irrevocable Letter of Credit, dated April ___, 2018, issued by the Bank to the Issuing and Paying Agent pursuant to the terms of the Reimbursement Agreement to support the Commercial Paper Notes.

THE ISSUING AND PAYING AGENT AGREEMENT

The following is a summary of certain provisions of the Issuing and Paying Agent Agreement.

General Authorization and Issuance; the Commercial Paper Notes

Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes. Under the Issuing and Paying Agent Agreement the Agency authorized the issuance from time to time on a revolving basis of its “San Francisco Municipal Transportation Agency Commercial Paper Notes Series A-1 (Tax-Exempt)” (the “Tax-Exempt Notes”) and its “San Francisco Municipal Transportation Agency Commercial Paper Note Series A-2 (Taxable)” (the “Taxable Notes” and, together with the Tax-Exempt Notes, the “Commercial Paper Notes”). The Commercial Paper Notes shall be issued to finance and refinance the Project Costs. Proceeds of Commercial Paper Notes may be used to repay the Bank for draws on the Letter of Credit used to

pay principal and interest due on any maturing Commercial Paper Notes and may be used to repay the Bank for principal or interest due on the Bank Note under the Reimbursement Agreement. The aggregate principal amount of Commercial Paper Notes that may be Outstanding at any one time under the Issuing and Paying Agent Agreement shall not at any time exceed \$100,000,000.

The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form, shall be issued in denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof. The Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable), not to exceed the Maximum Interest Rate, (ii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the Business Day immediately preceding the Commitment Expiration Date (*provided, however*, that, subject to the terms of the Reimbursement Agreement relating to the issuance of Commercial Paper Notes, the Agency or Dealer shall not issue any Commercial Paper Note or Commercial Paper Notes with a maturity shorter than three (3) days from the date of issuance without the Bank's prior written consent), and (iii) shall be sold by a Dealer pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date and other terms of each Commercial Paper Note shall be as set forth in the Issuance Request required by the Issuing and Paying Agent Agreement directing the issuance of such Commercial Paper Note; provided that such Issuance Request is consistent with the terms thereof.

The Commercial Paper Notes shall not be subject to redemption prior to maturity. The definitive Commercial Paper Notes shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

The Agency and the Issuing and Paying Agent may deem and treat the registered owner of Commercial Paper Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Agency nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

Payment. The Agency covenants to duly and punctually pay or cause to be paid, from draws on the Letter of Credit or from the proceeds of the sale of Commercial Paper Notes, the principal of and interest on each and every Commercial Paper Note when due, as described in the Issuing and Paying Agent Agreement.

The principal of and the interest on the Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Commercial Paper Notes have become due and payable, *provided* that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent by 9:00 a.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 9:00 a.m. (New York City time) on a Business Day, payment

therefor may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Commercial Paper Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

Funds and Accounts; Application of Note Proceeds

Establishment and Designation of Funds and Accounts. The Issuing and Paying Agent Agreement establishes the following Funds and Accounts, which the Issuing and Paying Agent shall hold in accordance with the terms thereof:

(a) The Project Fund, and within such Project Fund, subaccounts known as the “Tax-Exempt Account of the Project Fund” and the “Taxable Account of the Project Fund;”

(b) A Debt Service Fund, and within such Debt Service Fund, (1) a Letter of Credit Proceeds Account, into which proceeds of draws on the Letter of Credit shall be deposited and from which the principal and interest coming due on maturing Commercial Paper Notes shall be paid (all draw proceeds of the Letter of Credit shall be held in the Letter of Proceeds Account and no other amounts shall be commingled in such Account), and (2) a Debt Service Account, which shall receive deposits of proceeds from the sale of Commercial Paper Notes and deposits of Available Transportation System Revenues, and from which the Issuing and Paying Agent shall reimburse the Bank for draws under the Letter of Credit, make payments to the Bank for Advances, and transfer amounts to the Project Fund; and

(c) A Closing Costs Account.

Deposit of Proceeds of Commercial Paper Notes. Immediately upon receipt thereof, the Issuing and Paying Agent shall deposit the proceeds of the sale of any Commercial Paper Notes into the Debt Service Account. Such amount, together with any amount paid by the Agency for deposit into such Debt Service Account shall be applied in the following order:

First: to reimburse the Bank for any draws made under the Letter of Credit;

Second: to make payments on outstanding Advances, as directed in writing by the Agency; and

Third: if so directed by the Agency, for transfer to the Project Fund.

Deposits Into and Uses of the Letter of Credit Proceeds Account and the Debt Service Account. The Issuing and Paying Agent shall make information available to the Agency and the Bank on the Issuing and Paying Agent’s Securities Processing Automated Notes System on or before [5:00 p.m.] (New York City time), on the Business Day prior to the maturity date of each Commercial Paper Note, as to the total amount of principal and interest due on such maturity date. Except as provided below, the principal of and interest coming due on maturing Commercial Paper Notes shall be paid with the proceeds of a draw on the Letter of Credit.

On or before [11:30 a.m.] (New York City time) on the maturity date of each maturing Commercial Paper Note, the Issuing and Paying Agent shall submit to the Bank a request to draw an amount under the Letter of Credit sufficient to pay the principal of and interest coming due on each maturing Commercial Paper Note. The Issuing and Paying Agent shall deposit the proceeds of such draw directly into the Letter of Credit Proceeds Account and shall apply such proceeds to pay the principal of and interest coming due on each maturing Commercial Paper Note on or before [2:00 p.m.] (New York City time) on such maturity date.

On or before [3:00 p.m.] (New York City time) on the date of any draw on the Letter of Credit pursuant to the Issuing and Paying Agent Agreement, the Agency shall transfer to the Issuing and Paying Agent Available Transportation System Revenues from the Enterprise Account in an amount sufficient, together with all other amounts on deposit in the Debt Service Account, to reimburse the Bank for such draw. The Issuing and Paying Agent shall deposit such Available Transportation System Revenues, if any, into the Debt Service Account, and thereafter shall transfer by wire funds from the Debt Service Account in the amount necessary to reimburse the Bank for the draw on the Letter of Credit by [3:30 p.m.] (New York City time) on the date of such draw.

If the Agency shall so direct, the Issuing and Paying Agent shall transfer funds on deposit in the Debt Service Account to the Project Fund.

If, on the maturity date of any Commercial Paper Note, the Bank fails to honor a draw under the Letter of Credit, the Agency shall transfer to the Issuing and Paying Agent on or before [2:00 p.m.] (New York City time) for deposit into the Debt Service Account sufficient funds from Available Transportation System Revenues, together with any other amounts on deposit in the Debt Service Account, to pay in full each maturing Commercial Paper Note on such date, which funds the Issuing and Paying Agent shall so deposit and shall so apply.

If, on the maturity date of any Commercial Paper Note, the Bank fails to honor a draw under the Letter of Credit and other amounts available to the Issuing and Paying Agent (including proceeds from the sale of new Commercial Paper Notes) are not sufficient to pay the principal and interest due on such Commercial Paper Note, then the Agency shall transfer to the Issuing and Paying Agent sufficient funds from Available Transportation System Revenues to pay in full each maturing Commercial Paper Note on such date.

Draws Under the Letter of Credit. As a beneficiary of the Letter of Credit, the Issuing and Paying Agent agrees to take such action as necessary so as to assure timely payment under the Letter of Credit (to the extent permitted by law) for the payment, from time to time, of the Commercial Paper Notes. On or before each maturity date for any Commercial Paper Note, in the manner described in the Issuing and Paying Agent Agreement, an authorized officer of the Issuing and Paying Agent shall present all required drawing certificates and accompanying documentation, if required, to the Bank and demand payment be made under the Letter of Credit on such maturity date at such time and in such amount so as to be timely and sufficient to pay the entire amount of principal becoming due on all Commercial Paper Notes on such date; *provided*, that in each case, any certificates of the Issuing and Paying Agent shall be signed by one who states therein that such person is a duly authorized officer of the Issuing and Paying Agent. All draw proceeds of the Letter

of Credit shall be held in the Letter of Credit Proceeds Account and no other amounts shall be commingled in such Account).

Upon the Issuing and Paying Agent's receipt of a Final Drawing Notice, the Issuing and Paying Agent shall draw on the Letter of Credit as promptly as possible and in any event no later than one (1) Business Day prior to the 15th day after receipt of such Final Drawing Notice, in an amount at least equal to the principal of and interest accrued and to accrue until the scheduled maturity date on all outstanding Commercial Paper Notes.

Application of Moneys in Project Fund. Moneys in the Tax-Exempt Account of the Project Fund shall be applied to the payment of the Tax-Exempt Project Costs, and Moneys in the Taxable Account of the Project Fund shall be applied to the Taxable Project Costs, and moneys in either subaccount of the Project Fund shall be applied to the payment of the administrative costs related to the Commercial Paper Notes, including but not limited to the fees and expenses of the Dealers, the Issuing and Paying Agent, the Rating Agencies, the Bank and any other attorneys, consultants or service providers.

Application of Moneys in Closing Costs Account. On or after April ____, 2018, the Agency shall transfer to the Issuing and Paying Agent for deposit into the Closing Costs Account an amount sufficient to pay the closing costs of the Commercial Paper Notes detailed in the Closing Costs Requisition or Requisitions, and the Issuing and Paying Agent shall pay such costs from the Closing Costs Account as provided in the Closing Costs Requisition.

Investments Authorized. Money held by the Issuing and Paying Agent in any fund or account under the Issuing and Paying Agent Agreement shall be invested by the Issuing and Paying Agent in Permitted Investments pending application as provided therein solely at the written direction of an Authorized Agency Representative, shall be registered in the name of the Issuing and Paying Agent where applicable, as Issuing and Paying Agent, and shall be held by the Issuing and Paying Agent. Money held in any fund, account, or subaccount thereunder (other than the Rebate Fund) may be commingled for purposes of investment only; *provided, however*, that each fund, account, or subaccount held by the Issuing and Paying Agent thereunder shall be accounted for separately and *provided, further*, that moneys in the Debt Service Account and the Letter of Credit Proceeds Account shall not be invested or commingled. The Issuing and Paying Agent shall have no duty to determine whether any investment direction received from the Agency complies with the requirements of these investment restrictions or requirements. The Issuing and Paying Agent may elect, but shall not be obligated, to credit the Note Payment Account established hereunder with funds representing income or principal payments due on, or sales proceeds due in respect of, assets in such account, or to credit to such Note Payment Account assets intended to be purchased with such funds, in each case before actually receiving the requisite funds from the payment source, or to otherwise advance funds for transactions hereunder. Notwithstanding anything else in the Issuing and Paying Agent Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Issuing and Paying Agent is authorized to reverse or offset any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in the Issuing and Paying Agent Agreement shall constitute a waiver of any of U.S. Bank National Association's rights as a securities intermediary under Uniform Commercial Code §9-206. The Issuing and Paying Agent may also set-off and deduct

funds in any account under the Issuing and Paying Agent Agreement with respect to deposits that have been credited to such account but are subsequently returned unpaid or reversed.

Moneys Remaining in Funds and Accounts. At any time there are no Commercial Paper Notes Outstanding or any amounts outstanding under the Reimbursement Agreement, the Agency may withdraw moneys from any Fund or Account established by the Issuing and Paying Agent Agreement by written direction to the Issuing and Paying Agent. Upon receipt of such a written request, the Issuing and Paying Agent shall deliver any amounts so specified to, or upon the order of, the Agency.

Covenants; Representations

No Arbitrage. The Agency shall not take, nor permit to be taken by the Issuing and Paying Agent or otherwise, any action which, if such action had been reasonably expected to have been taken or had been deliberately and intentionally taken on the date of the issuance of any Tax-Exempt Notes, would have caused such Tax-Exempt Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and Regulations. To that end, the Agency will comply with all requirements of Section 148 of the Code to the extent applicable to the Tax-Exempt Notes. In the event that at any time the Agency is of the opinion that for purposes of the Issuing and Paying Agent Agreement it is necessary to restrict or to limit the yield on the investment of any moneys held thereunder, the Agency shall take such action as may be necessary in accordance with such opinion.

Rebate to United States. The Agency will pay or cause to be paid to the United States Government the amounts required by Section 148(f) of the Code and any Regulations promulgated thereunder at the times required thereby. To further the satisfaction of such rebate requirement, Issuing and Paying Agent Agreement creates the Rebate Fund, to be held by the Issuing and Paying Agent as a separate fund for the Tax-Exempt Notes distinct from all other funds and accounts held by the Issuing and Paying Agent under the Issuing and Paying Agent Agreement. The Issuing and Paying Agent shall hold any payments received from the Agency for deposit into the Rebate Fund for purposes of ultimate rebate to the United States, all as more particularly described in the Tax Certificate. Pending payment to the United States, moneys held in the Rebate Fund are thereby pledged to secure such payments to the United States as provided therein and in the Tax Certificate, and neither the Agency, the Holders nor any other person shall have any rights in or claim to such moneys. The Issuing and Paying Agent shall invest all amounts held in the Rebate Fund as directed in writing by an Authorized Agency Representative in Nonpurpose Investments (as defined in the Tax Certificate), as directed by the Agency in the Tax Certificate.

Computations of the rebate amount and all calculations under the Issuing and Paying Agent Agreement and the Tax Certificate shall be furnished by or on behalf of the Agency. The Issuing and Paying Agent shall be deemed conclusively to have complied with the provisions of the Issuing and Paying Agent Agreement if it follows the payment directions of the Authorized Agency Representative. The Issuing and Paying Agent shall have no liability or responsibility to enforce compliance by the Agency with the Tax Certificate. The Issuing and Paying Agent shall have no obligation to pay any amounts required to be rebated pursuant to the Issuing and Paying Agent Agreement, other than from moneys required to be held in the funds and accounts created thereunder, including the Rebate Fund, or from other moneys provided to it by the Agency.

The Agency and the Issuing and Paying Agent shall keep and retain, for a period of three (3) years following the retirement of the Tax-Exempt Notes, records of the determinations made pursuant to the Issuing and Paying Agent Agreement.

Tax Covenant. The Agency shall not use or knowingly permit the use of any proceeds of the Commercial Paper Notes or any other funds of the Agency, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Tax-Exempt Notes being treated as an obligation not described in Section 103(a) of the Code. Without limiting the generality of the foregoing, the Agency will comply with all the requirements and covenants contained in the Tax Certificate. This covenant shall survive the payment in full or defeasance of the Commercial Paper Notes.

Letter of Credit. Under the Issuing and Paying Agent Agreement the Agency covenants to maintain in effect a Letter of Credit or an Alternate Facility meeting the requirements of the Issuing and Paying Agent Agreement at all times that Commercial Paper Notes are Outstanding.

Representations and Warranties of The Agency. The Agency warrants and represents to Issuing and Paying Agent, and, each request to issue Commercial Paper Notes shall constitute the Agency's continuing warranty and representation, as follows:

(a) The Issuing and Paying Agent Agreement is, and all Commercial Paper Notes delivered to the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement will be, duly authorized, executed and delivered by the Agency. The Issuing and Paying Agent's appointment to act for the Agency under the Issuing and Paying Agent Agreement is duly authorized by the Agency.

(b) The issuance and delivery of the Commercial Paper Notes will not violate any state or federal law and the Commercial Paper Notes do not require registration under the Securities Act of 1933, as amended.

(c) The Issuing and Paying Agent Agreement constitutes, and the Commercial Paper Notes, when completed, countersigned, and delivered pursuant hereto, will constitute, the Agency's legal, valid and binding obligations enforceable against the Agency in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(d) The Agency has, and at all relevant times has had, all necessary power and authority to execute, deliver and perform the Issuing and Paying Agent Agreement and to issue the Commercial Paper Notes.

(e) The Agency has taken all actions which are required for the authorization of the issuance of the Commercial Paper Notes, and for the authorization, execution, delivery and performance of the Issuing and Paying Agent Agreement, and such actions do not require the approval or consent of any holder or trustee of any indebtedness or obligations of the Agency.

(f) The issuance of Commercial Paper Notes by the Agency (i) does not and will not contravene any provision of any governmental law, regulation or rule applicable to the Agency,

and (ii) does not and will not conflict with, breach or contravene the provisions of any contract or other instrument binding upon the Agency.

(g) Each Issuance Request given to the Issuing and Paying Agent in accordance with the Issuing and Paying Agent Agreement shall constitute a representation and warranty by the Agency that the issuance and delivery of such Commercial Paper Note(s) have been duly and validly authorized by the Agency.

Pledge of Available Transportation System Revenues

Pledge of Available Transportation System Revenues; Trust Estate. Principal and interest payments on the Commercial Paper Notes shall be secured by a pledge of, first lien on and security interest in, and, to the extent not paid from proceeds from the sale of Commercial Paper Notes or proceeds of draws on the Letter of Credit, shall be paid exclusively from, the Available Transportation System Revenues. Additionally, the payment of all Obligations under the Reimbursement Agreement and the Fee Agreement are secured by a pledge of, first lien and security interest in the Available Transportation System Revenues on parity with the lien on Available Transportation System Revenues securing the Commercial Paper Notes. The Available Transportation System Revenues deposited in the Enterprise Account established under the Senior Lien Revenue Bonds Indenture shall constitute a trust fund for the security and payment of the principal amount of and interest on the Commercial Paper Notes and obligations to the Bank under the Reimbursement Agreement and the Fee Agreement, on a *pari passu* basis; *provided, however*, that the lien on such trust fund shall be subordinate at all times to the lien on the Pledged Revenues established under the Senior Lien Revenue Bonds Indenture for the benefit of the holders of the Senior Lien Revenue Bonds. Under the Issuing and Paying Agent Agreement the Agency grants a first lien and charge on and security interest in, assigns, transfers, pledges and grants and conveys to the Holders and the holders of any other Parity Obligations and the Bank with respect to Obligations under the Reimbursement Agreement and the Fee Agreement, the following property:

(a) amounts on deposit from time to time in the Funds and Accounts created pursuant to the Issuing and Paying Agent Agreement, including the earnings thereon, subject to the provisions thereof permitting the application thereof for the purposes and on the terms and conditions set forth in the Issuing and Paying Agent Agreement, provided, however, that the duties and obligations of the Issuing and Paying Agent under the Issuing and Paying Agent Agreement are solely to the Agency;

(b) amounts constituting Available Transportation System Revenues in the Enterprise Account or otherwise available; and

(c) any and all other property of any kind from time to time conveyed, pledged, assigned or transferred, as and for additional security under the Issuing and Paying Agent Agreement for the Commercial Paper Notes.

The pledge of the Available Transportation System Revenues and other moneys and property described above shall be irrevocable until all of the Commercial Paper Notes have been paid and retired and all obligations of the Agency under the Issuing and Paying Agent Agreement, the Reimbursement Agreement and the Fee Agreement, without priority or distinction of one over the other, except as expressly provided by the Issuing and Paying Agent Agreement, have been

met. Such pledge shall be valid and binding from and after the date of the Issuing and Paying Agent Agreement and all Available Transportation System Revenues shall immediately be subject to the lien of such pledge as and when received by the Agency, without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Agency.

All Commercial Paper Notes issued under the Issuing and Paying Agent Agreement and at any time Outstanding shall be equally and ratably secured with all Parity Obligations, with the same right, lien, preference and priority with respect to Available Transportation System Revenues, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity thereof or otherwise. Notwithstanding the foregoing, amounts drawn under the Letter of Credit or an Alternate Facility with respect to particular Commercial Paper Notes and all other amounts held in Funds or Accounts established with respect to particular Commercial Paper Notes pursuant to the provisions thereof shall be applied solely to make payments on such particular Commercial Paper Notes.

The Commercial Paper Notes are special, limited obligations of the Agency payable solely from Available Transportation System Revenues of the Agency, from moneys held in certain Funds and Accounts established under the Issuing and Paying Agent Agreement, and draws on the Letter of Credit or an Alternate Facility. The General Fund of the City is not liable for the payment of principal or interest on the Commercial Paper Notes, and neither the credit nor the taxing power of the City is pledged to the payment of principal or interest on the Commercial Paper Notes. The Commercial Paper Notes are not secured by a legal or equitable pledge of, or charge, lien, or encumbrance upon, any of the property of the City or of the Agency or any of its income or receipts, except Available Transportation System Revenues as provided in the Issuing and Paying Agent Agreement.

Events of Default and Remedies of Commercial Paper Noteholders

Events of Default. Each of the following shall constitute an “Event of Default”:

(a) if default shall be made in the due and punctual payment of the principal of any Commercial Paper Notes when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Commercial Paper Notes when and as such interest installment shall become due and payable;

(c) if material default shall be made by the Agency in the performance or observance of any other of the material covenants, agreements or conditions on its part in the Issuing and Paying Agent Agreement or in the Commercial Paper Notes contained, and such material default shall have continued for a period of sixty (60) days after written notice thereof, specifying such material default and requiring the same to be remedied, shall have been given to the Agency by the Issuing and Paying Agent; or

(d) if the Bank shall have declared an Event of Default under the Reimbursement Agreement.

If the Bank becomes insolvent or for any reason fails to honor a properly presented and conforming draw under the Letter of Credit or Alternate Facility and there is a default in the payment of principal or interest on the Commercial Paper Notes as provided in subsections (a) or (b) above, the Issuing and Paying Agent shall declare the principal of the Commercial Paper Notes Outstanding and the interest accrued thereon to be due and payable immediately, whereupon the same shall become and shall be immediately due and payable, anything in the Issuing and Paying Agent Agreement or in the Commercial Paper Notes or in the Reimbursement Agreement contained to the contrary notwithstanding.

Upon the Issuing and Paying Agent's receipt of the Bank's declaration of an Event of Default as described in subsection (d) above and a Final Drawing Notice, the Issuing and Paying Agent shall draw on the Letter of Credit no later than one (1) Business Day prior to the 15th day after receipt of such Final Drawing Notice in an amount at least equal to the principal of and interest accrued and to accrue until the scheduled maturity date on all outstanding Commercial Paper Notes. The Issuing and Paying Agent shall deposit such amounts in the Letter of Credit Proceeds Account and shall pay the principal and interest on Commercial Paper Notes as they come due.

Upon the Issuing and Paying Agent's receipt from the Agency or the Bank of a written notice identified therein as a No Issuance Notice, the Issuing and Paying Agent shall promptly discontinue the issuance of Commercial Paper Notes. After the receipt of a No Issuance Notice, the Issuing and Paying Agent may resume the issuance of the Commercial Paper Notes only upon receipt of prior written notice from the Bank that the No Issuance Notice has been rescinded.

Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case, subject to the provisions of the Issuing and Paying Agent Agreement described below in "—Bank to Control Remedies," any Holder of any Commercial Paper Note at the time Outstanding and the Bank shall be entitled to proceed to protect and enforce such Holder's rights or the Bank's rights, as the case may be, by such appropriate judicial proceeding as such enforcer shall deem most effectual to protect and enforce any such right, whether by mandamus or other suit or proceeding at law or in equity, for the specific performance of any covenant or agreement contained in the Issuing and Paying Agent Agreement, or in aid of the exercise of any power granted therein, or to enforce any other legal or equitable right. The provisions of the Issuing and Paying Agent Agreement shall be a contract with the Bank and with each and every Holder of Commercial Paper Notes, and the duties of the Agency and of the Board shall be enforceable by the Bank (subject to the requirements of the Issuing and Paying Agent Agreement) or any Commercial Paper Noteholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Remedies Not Exclusive. No remedy in the Issuing and Paying Agent Agreement conferred upon the Bank or the Holders of Commercial Paper Notes is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given thereunder or now or thereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Bank (subject to the requirements of the Issuing and Paying Agent Agreement) or the Holder of any one or more of the Commercial Paper Notes.

Bank to Control Remedies. So long as the Bank is not insolvent and has not failed to honor a properly presented and conforming drawing under the Letter of Credit, no remedy (other than the right of the Holders of the Commercial Paper Notes to declare an acceleration thereof and the right of the Issuing and Paying Agent to request a draw under the Letter of Credit) under the Issuing and Paying Agent Agreement with respect to the Commercial Paper Notes may be pursued without the prior written consent of the Bank. The Bank shall have the right to direct the Issuing and Paying Agent to pursue any right, power, or remedy available thereunder.

Waiver of Events of Default. No Event of Default with respect to the Commercial Paper Notes shall be waived pursuant to the Issuing and Paying Agent Agreement unless after such waiver the Letter of Credit shall have been reinstated and shall be in full force and effect.

Miscellaneous

Supplemental Agreements. The Agency may modify or amend the Issuing and Paying Agent Agreement and the rights and obligations of the Bank and the Holders of Commercial Paper Notes and the Agency thereunder at any time by a supplemental agreement, without notice to or the consent of the Bank or any Commercial Paper Noteholder, but only to make such provisions for the purpose of (i) curing any ambiguity or formal defect or omission therein, (ii) curing, correcting or supplementing any defective provision contained in the Issuing and Paying Agent Agreement which may be inconsistent with any provision therein, or to make any other provisions with respect to matters or questions arising thereunder which shall not have a material adverse effect on the Holders or the Bank, (iii) granting or conferring upon the Holders and the Bank any additional rights, remedies, powers or authority that may be lawfully granted or conferred, (iv) securing additional revenues or providing additional security for the payment of any Commercial Paper Notes and the Bank Note, (v) complying with requirements of the Code, in order to satisfy the covenants of the Issuing and Paying Agent Agreement, (vi) adding requirements the compliance of which is required by a Rating Agency in connection with issuing or maintaining a rating on the Commercial Paper Notes and (vii) making any change or addition to the Issuing and Paying Agent Agreement which, in the opinion of Bond Counsel, shall not have a material adverse effect on the interests of the Holders or the Bank. The Agency shall also have the right to make any change or addition thereto with the consent of the Bank. The Agency shall provide a copy of any such amendment to the Bank promptly upon its execution.

Alternate Facility. Notwithstanding anything contained in the Issuing and Paying Agent Agreement to the contrary, the Agency may obtain an Alternate Facility to replace a Letter of Credit (or Alternate Facility) then in effect so long as (i) there shall be no Commercial Paper Notes outstanding on the effective date of said replacement Alternate Facility, or the maturing principal and accrued interest on all Outstanding Commercial Paper Notes shall have been fully paid with the proceeds of a draw on the Letter of Credit (or Alternate Facility) to be replaced (in which case, such replacement Alternate Facility may be utilized to support the sale of rollover Commercial Paper Notes on such substitution date), and (ii) the Expiration Date with respect to such replacement Alternate Facility shall be no earlier than the earlier of (x) six (6) months after its date, or (y) the Expiration Date set forth in the Letter of Credit (or Alternate Facility) then in effect. The following are further conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept an Alternate Facility:

(a) The Agency shall deliver written notice of the proposed Alternate Facility to the Issuing and Paying Agent, the Bank, the City and each Dealer not less than 30 days prior to the substitution date.

(b) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the Alternate Facility is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(c) An opinion of Bond Counsel shall be delivered to the Issuing and Paying Agent to the effect that the substitution of a Letter of Credit is authorized under the Issuing and Paying Agent Agreement and will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Tax-Exempt Notes.

Defeasance of Commercial Paper Notes. Commercial Paper Notes shall be deemed to have been paid in full, and the obligation of the Agency thereunder to have ceased, terminated and become void and completely discharged and satisfied, if payment of the principal of, and interest on the Commercial Paper Notes shall have been provided for by irrevocably depositing with the Issuing and Paying Agent in trust and irrevocably setting aside exclusively for such payment (a “Defeasance Escrow”): (i) moneys sufficient to make such payment, and/or (ii) Government Obligations, in each case, in an amount sufficient, with reinvestment, to pay when due the principal amount of the Commercial Paper Notes, including accrued interest thereon; *provided*, that such Defeasance Escrow shall be funded solely by a draw on the Letter of Credit or the Issuing and Paying Agent shall have received an opinion of counsel to the effect that the moneys funding such Defeasance Escrow would not constitute a voidable preference in the event of a bankruptcy under the United States Bankruptcy Code.