
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 on 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 teletype (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 teletype, when given by telephone or teletype 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 Name of Bank)

(Print Authorized Signer's Name and Title)

(Address of Bank)

(Telephone Number/Fax Number)

(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 Name of Bank)

(Print Authorized Signer's Name and Title)

(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