

LOAN AGREEMENT

by and between the

METROPOLITAN TRANSPORTATION COMMISSION,

as Lender

and the

[OPERATOR],

as Borrower

Dated as of [DATE]

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of [DATE] (the “**Agreement**”), by and between the Metropolitan Transportation Commission, a public agency of the State of California duly organized and existing under the Metropolitan Transportation Commission Act (California Government Code Section 66500 et seq.), as lender (the “**Lender**” or “**MTC**”), and [Operator], an [AGENCY ORGANIZATION], as borrower (the “**Borrower**” or “[**Operator**]”). Lender and Borrower are hereinafter at times collectively referred to as the “**Parties**” and individually as a “**Party**.”

WITNESSETH:

WHEREAS, pursuant to the authority granted under Section 75227 of the Public Resources Code of the State of California (as the same may be amended or modified, the “**Transit Law**”), the State of California has authorized the California State Transportation Agency, a California State Agency (“**CalSTA**”) to make a loan to MTC for the purpose of providing emergency transit operating assistance to certain Bay Area transit operators (the “**CalSTA Loan**”);

WHEREAS, MTC is the designated regional transportation planning agency for the San Francisco Bay Area and is authorized under applicable law, including the Transit Law, to receive and distribute State Transit Assistance funds and to enter into loan and financing agreements on behalf of, and for the benefit of, regional transit operators;

WHEREAS, the Transit Law requires MTC to use the proceeds of the CalSTA Loan to offer loans to the specified transit entities identified therein—[the Alameda-Contra Costa Transit District (“**AC Transit**”), the Peninsula Corridor Joint Powers Board (“**Caltrain**”), the San Francisco Bay Area Rapid Transit District (“**BART**”), and the San Francisco Municipal Transportation Agency (“**SFMTA**” and, collectively, the “**Operators**”)]—for public transit operating purposes, including but not limited to costs necessary to avoid or mitigate service reductions and costs to maintain or restore existing transit service levels for bus, rail, and other public transportation services (as further defined herein, “**Public Transit Operating Purposes**”), as each Operator faces near-term operating funding shortfalls that threaten continuity of transit service in the Bay Area;

WHEREAS, this Agreement constitutes one of [four] separate loan agreements that MTC is entering into with each Operator, the terms of which shall be consistent with the terms of the loan agreement between CalSTA and MTC providing for the CalSTA Loan, and the payment obligations under which shall be several and not joint;

WHEREAS, MTC desires to enter into this Agreement to loan a portion of the proceeds of the CalSTA Loan to [AC Transit] / [BART] / [Caltrain] / [SFMTA], and [AC Transit] / [BART] / [Caltrain] / [SFMTA] wishes to borrow such funds from MTC, all on the terms and conditions set forth herein;

WHEREAS, the Transit Law requires that [AC Transit] / [BART] / [Caltrain] / [SFMTA] use its share of State Transit Assistance funds allocated to it based on its revenues, as distinct from the population-based allocation, calculated in accordance with applicable law, as security for this Loan (as further defined herein, the “STA Revenue-Based Funds”), and such funds may be redirected to MTC as repayment for the Loan if [AC Transit] / [BART] / [Caltrain] / [SFMTA] fails to make timely payments hereunder; and

WHEREAS, the Parties intend this Agreement to constitute a legally binding obligation of both Parties, consistent with the requirements and intent of the Transit Law and the CalSTA Loan.

NOW, THEREFORE, in consideration of these premises and of the promises and mutual agreements herein contained, the Parties do hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01. Definitions.

Unless defined above or within this Agreement, or the context clearly otherwise requires, the capitalized terms in this Agreement shall have the respective meanings set forth below.

[“AC Transit” or “Borrower” means the Alameda-Contra Costa Transit District, a transit district duly established by voters in 1956 pursuant to Part 1 of Division 10 of the Public Utilities Code of the State of California (Section 24501 *et seq.*), and designated a rapid transit district.]

“Agreement” means this Loan Agreement, between Lender and the Borrower, together with all Exhibits hereto, as originally entered into and as amended from time to time pursuant to the provisions hereof.

“Amortization Period” means the approximately ten (10) year period commencing on July 1, 2028 and ending on the Maturity Date.

“Amortization Schedule” means the quarterly principal amortization schedule, to be determined by the Lender and the Borrower on or before March 1, 2028, in accordance with Section 2.05, setting forth the quarterly principal payment amounts during the Amortization Period.

[“BART” or “Borrower” means the San Francisco Bay Area Rapid Transit District, a transit district organized and existing under the laws of the State.]

“Borrower Representative” shall have the meaning set forth in Section 8.08(b).

“Business Day” means any day, Monday through Friday, which is not a legal holiday of the State or a date on which banks are required or authorized by law to close.

“CalSTA” means the California State Transportation Agency, a State Agency.

“CalSTA Due Date” means the third (3rd) Business Day of September, December, March or June, commencing on September 3, 2026 and continuing through the Maturity Date.

“CalSTA Loan” means the loan from CalSTA to MTC authorized by the Transit Law, the proceeds of which shall be used to offer loans to the Operators for Public Transit Operating Purposes, as it may be amended or supplemented from time to time.

“CalSTA Loan Agreement” means the Loan Agreement, dated as of [DATE], by and between MTC and CalSTA, providing for the CalSTA Loan to MTC as authorized by the Transit Law.

[“Caltrain” or “Borrower” means the Peninsula Corridor Joint Powers Board, a joint powers authority organized and existing under the laws of the State.]

“Certificate of the Borrower” means a request or certificate, in writing, signed by a duly authorized representative of the Borrower.

“Effective Date” means [DATE], the date on which this Agreement becomes effective and binding on the Parties.

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

“Fiscal Year” means the twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive.

“Interest-Only Period” means the two (2) year period commencing on the Loan Issue Date and extending to but not including July 1, 2028, in connection with which only interest payments (and no principal payments) are due on the Loan.

“Lender Representative” shall have the meaning set forth in Section 8.08(a).

“Loan” means the loan from the Lender to the Borrower in an aggregate principal amount equal to the Loan Amount made on the terms and conditions set forth herein.

“Loan Amount” means the aggregate principal amount of [LOAN AMOUNT] Dollars (\$[_____]).

“Loan Issue Date” means the date on which Lender receives proceeds of the CalSTA Loan.

“Maturity Date” means June 3, 2038.

“MTC” or “Lender” means the Metropolitan Transportation Commission, acting as lender hereunder.

“Operators” means BART, SFMTA, AC Transit, and Caltrain, collectively, and “Operator” means any one of them individually.

“Payment Date” means the second (2nd) Business Day prior to each September 1, December 1, March 1, and June 1, commencing on August 28, 2026, and continuing until the final Payment Date before the Maturity Date; *provided that*, for the avoidance of doubt, payments made to the Lender on such dates shall include all interest scheduled to accrue through the immediately subsequent CalSTA Due Date.

“Public Transit Operating Purposes,” as defined in Section 75227(b)(1) of the California Public Resources Code, includes, but is not limited to, costs necessary to avoid or mitigate service reductions and costs to maintain or restore existing transit service levels for bus, rail, and other public transportation services. “Public Transit Operating Purposes” does not include capital construction costs or any other capital expenses.

“Quarterly SMIF Rate” means the State Controller’s most recently published quarterly interest rate for the Surplus Money Investment Fund (SMIF).

“Responsible Officer” means [_____].

[“SFMTA” or “Borrower” means the San Francisco Municipal Transportation Agency, an agency of the City and County of San Francisco duly constituted and established under Article VIIIA of the Charter of the City and County of San Francisco.”]

“SMIF” means the Surplus Money Investment Fund maintained by the State of California Pooled Money Investment Account, as administered by the State Controller's Office.

“STA Revenue-Based Funds” means the portion of State Transit Assistance revenues received by the Borrower based on operator revenues that would otherwise be administered by MTC pursuant to Section 99314 of the Public Utilities Code, as distinct from the population-based allocation, calculated in accordance with applicable law.

“State” means the State of California.

“State Transit Assistance” or “STA” means funds apportioned to transit operators pursuant to the State Transit Assistance Program under California Public Utilities Code Sections 99314 *et seq.*

“Tranche” shall have the meaning assigned to such term in the CalSTA Loan Agreement.

“Transit Law” means Section 75227 of the California Public Resources Code, as the same may be amended or modified, the statutory authority under which this Agreement is made.

“Undisbursed Amounts” means all undisbursed proceeds of the CalSTA Loan held by MTC from time to time for the Tranche allocated to Borrower under the CalSTA Loan Agreement.

“Undisbursed Investment Calculation Date” means the end of the calendar month preceding any Payment Date.

“Undisbursed Proceeds Investment Earnings” means, as of any Payment Date, investment earnings, if any, on Undisbursed Amounts as of the most recent Undisbursed Investment Calculation Date which have not yet been credited to the Borrower’s payment obligations pursuant to Section 2.05(h) hereof.

SECTION 1.02. Rules of Construction.

Except where the context otherwise requires, words imparting the singular number shall include the plural number and vice versa, and pronouns inferring the masculine gender shall include the feminine gender and vice versa. All references herein to particular articles or sections are references to articles or sections of this Agreement. The headings and subheadings herein are solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

SECTION 1.03. Conditions Precedent.

As conditions precedent to the Lender’s obligations hereunder, each Party shall have signed this Agreement and delivered its signature to the other Party on or before the Effective Date. If these conditions precedent are not satisfied, neither Party shall have any obligations under this Agreement. Signatures received in portable document format, with original signatures to follow within a mutually agreeable reasonable time thereafter, are deemed to satisfy this condition.

ARTICLE II TERMS OF LOAN

SECTION 2.01. Loan to the Borrower.

Lender hereby agrees to loan to the Borrower, and the Borrower hereby agrees to borrow from Lender, the Loan Amount under and subject to the terms of this Agreement. This Agreement constitutes a continuing agreement between the Borrower and Lender governing the Loan and to secure the full and final payment of the Loan, subject to the covenants, agreements, provisions and conditions herein contained. The Loan is non-revolving; amounts may not be borrowed, repaid, and re-borrowed.

SECTION 2.02. Loan Administration.

Lender shall administer and service the Loan, and shall designate a contact person pursuant to Section 8.08 who shall be responsible for day-to-day administration of this Agreement. All disbursements, notices, approvals, and other administrative actions required under this Agreement shall be performed by MTC directly, without the involvement of any third-party servicer. The Borrower shall direct all communications, disbursement requests, and certifications to MTC's designated contact person.

SECTION 2.03. Use of Proceeds.

(a) **Use of Proceeds.** The Borrower shall use all proceeds of the Loan solely for Public Transit Operating Purposes as provided in the Transit Law.

(b) **Allocation Discretion.** Subject to the restrictions set forth in subsection (a) above, the allocation of Loan proceeds to specific categories of Public Transit Operating Purposes shall be at the discretion of the Borrower in consultation with MTC.

SECTION 2.04. Disbursement; Conditions.

(a) Subject to the conditions set forth herein, Lender shall disburse the Loan Amount to Borrower as follows: (i) the first installment shall be disbursed to the Borrower within ten (10) Business Days of Lender's receipt of proceeds of the CalSTA Loan, and (ii) the second installment shall be disbursed to the Borrower on the first Business Day of calendar year 2027; *provided that*, MTC shall review, by January 1, 2027, in consultation with CalSTA, the planned distribution to [AC Transit] / [BART] / [Caltrain] / [SFMTA] and make any necessary adjustments to such remaining disbursement pursuant to the Transit Law.

(b) Lender shall not be required to disburse any amounts hereunder unless: (i) this Agreement is in full force and effect, and (ii) Lender has first received and holds proceeds of the CalSTA Loan in an amount sufficient to make such disbursement. Notwithstanding anything to the contrary herein, the Loan shall be funded solely from proceeds of the CalSTA Loan available to, and held by, the Lender. If CalSTA does not provide sufficient available proceeds of the CalSTA Loan to the Lender to fund the full amount of all loans to be made by Lender pursuant to the Transit Law, the principal amount of the Loan shall be reduced by an amount equal to the proportion of the Loan to the amount of all loans to be made by Lender under the Transit Law multiplied by the amount of the total deficiency of proceeds under the CalSTA Loan. The Lender shall not be required to apply any other funds to cure a deficiency in proceeds of the CalSTA Loan.

SECTION 2.05. Interest Rate; Amortization Method; Payment Dates.

(a) **Interest-Only Period.** During the Interest-Only Period (from the Loan Issue Date to but not including July 1, 2028), the Loan shall accrue simple interest on the average outstanding

principal balance (including on Undisbursed Amounts still held by Lender as provided in Section 2.04) for each quarter at the Quarterly SMIF Rate most recently published by the State Controller prior to the commencement of such quarter. No principal payments shall be due during the Interest-Only Period. Interest shall be due and payable on each Payment Date commencing August 28, 2026; *provided that*, for the avoidance of doubt, payments made by the Borrower on such Payment Dates shall include all accrued interest and all interest scheduled to accrue through the immediately subsequent CalSTA Due Date; *and provided further that*, the amount of interest due shall be reduced by the amount of Undisbursed Proceeds Investment Earnings applied by Lender as a credit against interest due on any Payment Date pursuant to Section 2.05(h).

(b) **Amortization Period Interest.** During the Amortization Period (commencing July 1, 2028), the Loan shall accrue simple interest for each one-year period commencing from July 1 of such year at the average of the four (4) published Quarterly SMIF Rates for the prior calendar year. Interest shall be calculated on the actual average outstanding principal balance of the Loan; *provided that*, the amount of interest due shall be reduced by the amount of Undisbursed Proceeds Investment Earnings applied by Lender as a credit against interest due on any Payment Date pursuant to Section 2.05(h).

(c) **Amortization Schedule Determination.** On or before March 31, 2028, the Parties shall jointly determine and memorialize the principal Amortization Schedule, which shall be calculated as provided in the CalSTA Loan Agreement for the applicable Tranche. [Lender shall use commercially reasonable efforts to provide a draft Amortization Schedule to the Borrower for review on or before [_____].]

(d) **Payment Dates.** Payments of interest and, during the Amortization Period, principal and interest, shall be due and payable on each Payment Date; *provided that*, for the avoidance of doubt, payments made by the Borrower on such Payment Dates shall include all accrued interest and all interest scheduled to accrue through the immediately subsequent CalSTA Due Date. The first Payment Date during the Amortization Period shall be August 30, 2028, and payments shall continue on each Payment Date thereafter until the Payment Date immediately prior to the Maturity Date, on which date all outstanding principal and accrued interest shall be due and payable in full.

(e) **Application of Payments.** All payments by Borrower shall be applied first to accrued and unpaid interest and all interest scheduled to accrue through the immediately subsequent CalSTA Due Date, and then to outstanding principal. Prepayments made on any Payment Date, in excess of the principal and interest due and payable on the immediately subsequent CalSTA Due Date, shall be applied as set forth in Section 2.06.

(f) **Business Day Adjustment.** Whenever any payment is required to be made on a day that is not a Business Day, such payment shall be required to be made on the next succeeding

Business Day with the same effect as if it had been paid on the date required, and no further interest shall accrue on such payment for the intervening period.

(g) **Unconditional Obligation.** The obligation of the Borrower to repay the Loan as set forth herein is absolute and unconditional; provided that, notwithstanding anything to the contrary herein, such obligation shall be a special, limited obligation of the Borrower, secured solely by STA Revenue-Based Funds, and the Borrower shall not be obligated to expend any of its other funds to satisfy such obligation or make any payment or satisfy any obligation hereunder. The Borrower shall not discontinue or suspend any payments of principal or interest required to be paid under this Agreement when due, and such payments shall not be subject to reduction by offset or otherwise, nor conditional upon the performance or nonperformance by any other party for any cause whatsoever. The ‘notwithstanding anything to the contrary’ language in this section is not intended to conflict with Section 4.01(a), and if a conflict is found between these sections, the provisions of 4.01(a) take precedence and govern.

(h) **Passthrough Obligation and Investment Earnings Credit.** Notwithstanding anything herein to the contrary, the amount of principal and interest due and payable on the Loan at any time is intended to be, and shall be, equal to the principal and interest due and payable by MTC on the Tranche allocated to the Borrower under the CalSTA Loan Agreement; *provided that*, Lender shall apply Undisbursed Proceeds Investment Earnings as a credit against the principal and interest due on any Payment Date.

SECTION 2.06. Prepayment.

The Borrower shall have the right to prepay any or all of the scheduled principal amortization payments, in whole or in part, in any order and as of any scheduled CalSTA Due Date, at no premium or penalty. Any such prepayment shall be applied in the order of priority set forth in Section 2.05(e). Conditional notice of any prepayment shall be provided to Lender no later than fifteen (15) Business Days prior to the intended prepayment date that is a CalSTA Due Date. Funds for such prepayment must be delivered to Lender together with regularly scheduled amounts on the applicable Payment Date.

SECTION 2.07. Investment of Undisbursed Amounts.

Lender shall manage all Undisbursed Amounts for the Tranche allocated to Borrower under the CalSTA Loan Agreement in accordance with Lender’s investment policy for its funds. On the tenth (10th) day of any month in which a Payment Date falls, or if such day is not a Business Day, on the next succeeding Business Day, Lender shall provide Borrower with documentation of any Undisbursed Proceeds Investment Earnings, which shall be credited to Borrower’s payment obligations pursuant to Section 2.05(h), and Lender shall remit such amount to CalSTA on the immediately subsequent CalSTA Due Date.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower hereby represents that each of the following are true and correct as of the Effective Date.

SECTION 3.01. Organization; Authority.

The Borrower is a[n] [AC Transit: a transit district duly established by voters in 1956 pursuant to Part 1 of Division 10 of the Public Utilities Code of the State of California (Section 24501 *et seq.*), and designated a rapid transit district] / [BART: a rapid transit district duly established pursuant to Part 2 of Division 10 of the Public Utilities Code of the State of California (Section 28500 *et seq.*)] / [Caltrain: joint exercise of powers agency duly established pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Section 6500 *et seq.*)] / [SFMTA: agency of the City and County of San Francisco, duly constituted and established under Article VIII A of the Charter of the City and County of San Francisco], and has all necessary power and authority to enter into and perform its duties under this Agreement. The Borrower's execution, delivery, and performance of this Agreement has been duly authorized by all necessary action under applicable law, including any required approval by the Borrower's governing board.

SECTION 3.02. Transit Law Authority.

This Agreement is made under, and consistent with, the authority granted to the Parties by the Transit Law. The Parties acknowledge that the Loan is authorized under the Transit Law and shall be administered consistent with the requirements and intent of that statute.

SECTION 3.03. Agreement Valid and Binding.

This Agreement has been duly authorized, executed, and delivered by the Borrower and constitutes the legal, valid, and binding obligation of the Borrower, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors' rights generally.

SECTION 3.04. No Conflict in Execution of Agreement.

The execution and delivery by the Borrower of this Agreement and compliance with the provisions hereof will not conflict with or constitute a breach of or default by the Borrower under any law, administrative regulation, court decree, resolution, charter, bylaw, or any agreement or instrument to which the Borrower is subject or by which it is bound or by which its properties may be affected.

SECTION 3.05. No Litigation.

There is no action, suit, proceeding, or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the Borrower to restrain or enjoin the execution or delivery of this Agreement, or in any way contesting or affecting the validity of this Agreement, or contesting the powers of the Borrower to enter into or perform its obligations under this Agreement.

SECTION 3.06. No Breach or Default.

The Borrower is not in breach of or in default under any applicable law or administrative regulation of the State or the United States, the Constitution of the State, any applicable judgment or decree, or any agreement, indenture, bond, note, resolution, or other instrument to which the Borrower is a party or is otherwise subject, which, if not resolved in favor of the Borrower, would have a material adverse impact on the Borrower's ability to perform its obligations under this Agreement.

SECTION 3.07. No Consent Required.

No consent, permission, authorization, order, or license of, or filing or registration with, any governmental authority (other than those already obtained) is necessary in connection with the execution and delivery of this Agreement or the consummation of any transaction contemplated herein.

SECTION 3.08. Accuracy and Completeness of Information.

The information relating to the Borrower submitted by or on behalf of the Borrower to Lender and CalSTA, as applicable, at any time in connection with this Agreement was true and correct at the time submitted and, as of the Effective Date, remains true and correct in all material respects. Such information did not at the time submitted, and does not as of the Effective Date (provided that any such information shall be deemed to speak only as of the date thereof), contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

SECTION 3.09. Eligibility for STA Funds.

The Borrower is, as of the Effective Date, an eligible recipient of State Transit Assistance funds pursuant to California Public Utilities Code Sections 99310 *et seq.*, and is in compliance in all material respects with the requirements for receipt of STA Revenue-Based Funds.

ARTICLE IV SECURITY; PLEDGE OF STA REVENUE-BASED FUNDS

SECTION 4.01. Pledge of STA Revenue-Based Funds.

(a) **Security.** As security for the Loan, the Borrower hereby pledges and assigns to Lender, the STA Revenue-Based Funds allocable to the Borrower that would otherwise be administered by MTC pursuant to Section 99314 of the Public Utilities Code of the State of California. The Borrower hereby consents to Lender's pledge of its interest in, and rights to receive, payment thereof from the Borrower as security for the CalSTA Loan, including without limitation, Lender's rights to receive payment thereof from Borrower and all authority therefor conferred under this Agreement.

(b) **Offset; Limitation.** Lender shall have no right of offset of payments due under this Loan other than against the STA Revenue-Based Funds of the Borrower pursuant to Section 7.04(b)(2) or 7.04(d).

SECTION 4.03. Maintenance of STA Eligibility.

The Borrower shall take all actions necessary to maintain eligibility to receive STA Revenue-Based Funds throughout the term of this Agreement. The Borrower shall promptly notify Lender and CalSTA in writing if Borrower becomes aware of any event, action, or proceeding that could reasonably result in the suspension, reduction, or termination of the Borrower's receipt of STA Revenue-Based Funds.

ARTICLE V AFFIRMATIVE COVENANTS OF THE BORROWER

SECTION 5.01. Punctual Payment.

The Borrower hereby covenants to punctually pay, or cause to be paid, all payments required hereunder when due and in all other respects in strict conformity with the terms of this Agreement, and to faithfully observe and perform all of the conditions, covenants, and requirements of this Agreement, *provided that*, notwithstanding anything to the contrary herein, such obligations shall be special, limited obligations of the Borrower, secured solely by STA Revenue-Based Funds, and the Borrower shall not be obligated to expend any of its other funds to satisfy such obligations or make any payment hereunder. MTC shall hold all payments received from Borrower on behalf of Borrower and shall remit such payments to CalSTA as required under the terms of the CalSTA Loan Agreement. The 'notwithstanding anything to the contrary' language in this section is not intended to conflict with Section 4.01(a), and if a conflict is found between these sections, the provisions of 4.01(a) take precedence and govern.

SECTION 5.02. Books, Accounts, and Financial Statements.

(a) The Borrower hereby covenants that it will keep proper books of record and accounts in which complete and correct entries shall be made of all transactions related to this Agreement and the Loan. Such books shall at all times during business hours be subject to the inspection of Lender or its designee.

(b) The Borrower shall prepare and file with Lender and CalSTA annually, as soon as practicable through commercially reasonable efforts, but in no event later than two hundred seventy (270) calendar days after the close of each Fiscal Year, so long as the Loan has not been repaid in full, its annual financial statements, together with any independent audit reports required by applicable law.

(c) Simultaneously with the delivery of annual financial statements, the Borrower shall deliver to Lender and CalSTA a Certificate of the Borrower stating: (1) that, to its knowledge, no Event of Default has occurred or is continuing, and, to its knowledge, no event has occurred which, with the passage of time or the giving of notice, or both, would constitute an Event of Default; and (2) such other information as may be reasonably requested by Lender or CalSTA.

SECTION 5.03. Reporting and Compliance.

(a) The Borrower shall prepare and file with Lender and CalSTA, simultaneously with the delivery of other required documentation, but in no event later than two hundred seventy (270) calendar days after the close of each Fiscal Year, a written certificate certifying that all Loan proceeds have been used in accordance with Section 2.03.

(b) The Borrower shall promptly notify MTC of any event or circumstance that would materially affect the Borrower's ability to repay the Loan.

SECTION 5.04. Transit Law Compliance.

The Parties shall comply with all requirements, conditions, and restrictions imposed by the Transit Law in connection with the Loan. The Borrower shall cooperate with any audit or review conducted by MTC, CalSTA, the State Controller, or any other State agency with oversight authority over the Loan or the use of Loan proceeds.

SECTION 5.05. Further Assurances.

The Borrower will adopt, make, execute, and deliver, or will cause to be made, executed, and delivered, any and all such further resolutions, instruments, and assurances as may be agreed upon by the parties as necessary or proper to carry out the intention or to facilitate the performance of this Agreement and for the better assuring and confirming unto Lender the rights, remedies, and benefits provided in this Agreement.

SECTION 5.06. Notice of Default.

The Borrower covenants that it will deliver to Lender, immediately upon a [Responsible Officer] of the Borrower obtaining actual knowledge of the occurrence of an Event of Default or an event that, in such Responsible Officer's reasonable determination would, with the passage of

time or the giving of notice, constitute an Event of Default, a written statement setting forth the details of such event and the action which the Borrower proposes to take with respect thereto.

ARTICLE VI NEGATIVE COVENANTS OF THE BORROWER

SECTION 6.01. Limitation on Use of Proceeds.

The Borrower shall not use any Loan proceeds for any purpose other than Public Transit Operating Purposes in accordance with the Transit Law, as described in Section 2.03.

SECTION 6.02. No Amendment of CalSTA Loan Agreement Without Consent.

MTC shall not amend, waive, or otherwise modify any material term of the CalSTA Loan Agreement without the prior written consent of the Operators, which consent shall not be unreasonably withheld or delayed.

SECTION 6.03. No Impairment of Security.

The Borrower shall take no action, and shall not authorize any action, that would materially impair CalSTA or MTC's security interest in the STA Revenue-Based Funds pledged under Article IV, or that would cause the Borrower to become ineligible to receive STA Revenue-Based Funds.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default and Acceleration.

(a) Each of the following events shall constitute an Event of Default hereunder:

- (1) Failure by the Borrower to pay principal or interest due on the Loan when and as the same shall become due and payable, provided that STA Revenue-Based Funds are available to the Borrower in an amount sufficient to make such payment;
- (2) Failure by the Borrower to observe and perform any of the covenants, agreements, or conditions on its part contained in this Agreement, other than as referred to in subsection (1) above, for a period of sixty (60) calendar days after written notice has been given to the Borrower by Lender specifying such failure and requesting that such failure be remedied; provided, however, that if the failure stated in such notice can be corrected, but not within such sixty (60) calendar day period, Lender may, in its reasonable discretion, consent to an extension of such time if corrective action is instituted by the Borrower within such sixty (60) calendar day period and diligently pursued until such failure is corrected;

(3) The filing by the Borrower of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Borrower seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Borrower or of any substantial part of its properties; and

(4) Any representation, warranty, or other written statement made by the Borrower contained in this Agreement, or in any instrument furnished in compliance with or in reference thereto, shall prove to have been incorrect in any material respect at the time made in a manner that would reasonably result in an impairment of the ability of the Borrower to perform its obligations hereunder, including repayment of the Loan, or otherwise impair the security of MTC with respect to repayment of the Loan.

(b) If an Event of Default has occurred and is continuing, MTC may seek to enforce its rights hereunder and compel performance by pursuing any remedies available at law or in equity, including through writ of mandamus or a suit for damages. Immediately upon becoming aware of the occurrence of an Event of Default, MTC shall give written notice of such Event of Default to the Borrower and CalSTA.

SECTION 7.02. No Waiver.

Nothing in this Article VII or in any other provision of this Agreement shall affect or impair the obligation of the Borrower, which is absolute and unconditional, to pay all payments due hereunder, provided that, notwithstanding anything to the contrary herein, such obligations shall be special, limited obligations of the Borrower, payable solely from STA Revenue-Based Funds, and the Borrower shall not be obligated to expend any of its other funds to satisfy such obligations or make any payment hereunder. A waiver of any default by MTC shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of MTC to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein, and every power and remedy conferred by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by MTC. The ‘notwithstanding anything to the contrary’ language in this section is not intended to conflict with Section 4.01(a), and if a conflict is found between these sections, the provisions of 4.01(a) take precedence and govern.

SECTION 7.03. Remedies Not Exclusive.

No remedy herein conferred is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute or otherwise.

SECTION 7.04. Non-Payment Events and CalSTA Remedies.

(a) If the Borrower fails to make any payment due to Lender hereunder, which failure continues unremedied for a period of thirty (30) calendar days after written notice of such failure has been delivered to the Borrower, Lender shall have the right, and Borrower acknowledges and agrees that such right will be collaterally assigned by Lender to CalSTA under the CalSTA Loan Agreement, to pursue the remedies set forth in Section 7.04(b) with respect to the Loan, including the rights set out in Section 4.01.

(b) If an event specified in Section 7.04(a) has occurred and is continuing, Lender or CalSTA, as applicable, may:

(1) enforce all remedies available under applicable law and in equity with respect to any past due principal or interest; and

(2) after giving 10-day written notice to the Lender and the Borrower that CalSTA is exercising offset rights against the STA Revenue-Based Funds of the Borrower as to the applicable late payment, CalSTA may exercise any offset rights against the STA Revenue-Based Funds of the Borrower as to that late payment, including CalSTA taking the applicable STA Revenue-Based Funds before disbursement to the Borrower and intervening with State Controller's Office before disbursement of such funds, as set out in Section 4.01 of the CalSTA Loan Agreement.

(c) If Borrower shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Borrower seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Borrower or of any substantial part of its properties, Lender shall have the right to pursue the remedies set forth in Section 7.04(d), including the rights set out in Section 4.01, and Borrower acknowledges and agrees that such right will be collaterally assigned by Lender to CalSTA under the CalSTA Loan Agreement.

(d) If an event specified in Section 7.04(c) has occurred and is continuing, MTC may declare the principal of the Loan, together with all accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable and Borrower acknowledges and agrees that such right shall be collaterally assigned by MTC to

CalSTA under the CalSTA Loan Agreement; and CalSTA may further exercise any offset rights against the STA Revenue-Based Funds of the Borrower, including CalSTA taking the applicable STA Revenue-Based Funds before disbursement to the Borrower and intervening with State Controller's Office before disbursement of such funds, including the rights set out in Section 4.01.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01. California Law; Venue.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California. Any action or proceeding arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of [Sacramento], California.

SECTION 8.02. Assignment of Rights.

The Borrower may not assign its rights and obligations hereunder without the prior written consent of MTC, which consent shall be granted or denied in MTC's sole and absolute discretion. MTC may assign its rights and duties under this Agreement to any successor agency created by law as an authorized successor hereunder, and otherwise shall not assign its rights without the prior written approval of the Borrower, which approval shall not be unreasonably withheld. In the event of any assignment by either Party, such Party agrees to execute all documents as the other Party may reasonably require in connection with such assignment.

SECTION 8.03. Third Party Beneficiaries.

Nothing in this Agreement, expressed or implied, is intended to give to any person other than MTC and the Borrower any right, remedy, or claim under or by reason of this Agreement. All covenants, stipulations, promises, or agreements contained in this Agreement by and on behalf of the Borrower shall be for the sole and exclusive benefit of MTC and its permitted assigns.

SECTION 8.04. Successor Entities.

Whenever in this Agreement either the Borrower or Lender is named or referred to, such reference shall be deemed to include the permitted successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the Borrower or Lender shall bind and inure to the benefit of the respective permitted successors and assigns thereof, whether so expressed or not.

SECTION 8.05. Amendment.

No term or provision of this Agreement may be waived or otherwise modified except by a written agreement signed by both Parties. The Parties acknowledge and agree that the previous sentence shall be interpreted, enforced, and adhered to strictly, notwithstanding any legal doctrine,

rule, statute, or case law that may permit oral modification of this Agreement. To the greatest extent permissible under the law, the Parties hereby agree to waive any legal doctrine, rule, statute, or case law that permits, or could be construed to permit, modification of this Agreement by means other than a writing signed by both Parties.

SECTION 8.06. Arm's Length Transaction.

The Borrower acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's-length transaction between governmental entities; (ii) MTC is acting solely as Lender and is not acting as agent, advisor, or fiduciary of the Borrower; (iii) MTC has not assumed any advisory or fiduciary responsibility in favor of the Borrower with respect to the Loan; and (iv) the Borrower has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

SECTION 8.07. Notices.

All written notices to be given under this Agreement shall be transmitted by a nationally recognized overnight mail carrier, or by electronic mail with confirmation of receipt, at the addresses set forth below, or at such other addresses as may be provided in writing from time to time. Notice shall be effective upon actual receipt.

If to Lender (MTC):

Metropolitan Transportation Commission
Attn: Executive Director
[Additional Notice Address Information]

If to Borrower ([AC Transit] / [BART] / [Caltrain]):

[Operator Name]
[Notice Address]

SECTION 8.08. Contact Persons.

(a) The Executive Director of MTC, or his or her permitted assignee, shall manage this Agreement for MTC and shall have authority to act on behalf of MTC in connection with this Agreement (the "**Lender Representative**"). All communications given to the Lender Representative shall be as binding as if given to the Lender.

(b) The [TITLE] of [Operator Name], or his or her permitted assignee, shall manage this Agreement for the Borrower and shall have authority to act on behalf of the Borrower in connection with this Agreement (the "**Borrower Representative**"). All communications given to the Borrower Representative shall be as binding as if given to the Borrower.

SECTION 8.09. Partial Invalidity.

The illegality, unenforceability, or invalidity of any provision of this Agreement shall not render that provision illegal, unenforceable, or invalid with regard to any other provision or circumstance. All provisions of this Agreement, in all other respects, shall remain legal, enforceable, and valid to the fullest extent permitted by law. If any provision of this Agreement is held to be illegal, unenforceable, or invalid by a court of competent jurisdiction, then such provision shall be deemed severed from this Agreement, and this Agreement shall be construed and enforced as if such provision had never been part hereof.

SECTION 8.10. Entire Agreement.

Except as expressly stated herein, this Agreement, together with the exhibits and attachments hereto, constitutes the entire agreement between the Parties with respect to the Loan. There are no understandings, agreements, representations, or warranties, express or implied, not specified herein regarding this Agreement.

SECTION 8.12. Waiver of Consequential Damages.

To the fullest extent permitted by law, the Borrower shall not assert, and hereby waives, any claim against MTC on any theory of liability for special, indirect, consequential, or punitive damages (as opposed to direct actual damages) arising from, or in connection with, this Agreement.

SECTION 8.13. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

SECTION 8.14. Time of the Essence.

Time is of the essence with respect to this Agreement, the conditions of this Agreement, and the performance of each obligation contained herein. Whenever the last day for performance of any obligation falls on a Saturday, Sunday, or legal holiday in the State, the time for performance shall be extended to the next Business Day. The first day shall be excluded and the last day shall be included when computing time periods under this Agreement. Unless otherwise provided herein, all time periods shall end at 5:00 p.m. California time.

SECTION 8.15. Execution in Counterparts.

This Agreement shall become enforceable upon its execution and delivery. This Agreement may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument. Signatures hereto may

be provided in portable document format, with original signatures to follow within a mutually agreeable reasonable time thereafter.

SECTION 8.16. Usury Savings.

Nothing herein shall be construed as entitling Lender to charge, receive, or collect interest in a sum greater than the maximum interest rate permitted to be charged under applicable law. The Parties intend that this Agreement shall comply with applicable law and that the rate of interest charged hereunder shall not exceed such maximum rate. If any circumstance, event, or contingency should cause such interest to exceed the maximum rate, any such excess amount shall be applied to the reduction of the unpaid principal balance of the Loan.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective authorized officers, all as of the Effective Date.

METROPOLITAN TRANSPORTATION COMMISSION, as Lender

By: _____

[NAME]

Executive Director

Metropolitan Transportation Commission

[ALAMEDA-CONTRA COSTA TRANSIT DISTRICT] / [SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT] / [PENINSULA CORRIDOR JOINT POWERS BOARD] / [SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY], as Borrower

By: _____

[NAME]

[TITLE]

[OPERATOR NAME]

EXHIBIT A

FORM OF AMORTIZATION SCHEDULE CERTIFICATE

[TO BE DETERMINED ON OR BEFORE MARCH 1, 2028, IN ACCORDANCE WITH SECTION 2.05(c) OF THE LOAN AGREEMENT]

The Amortization Schedule shall set forth the scheduled quarterly principal amortization payments for the Amortization Period (July 1, 2028 through June 3, 2038), calculated in accordance with Exhibit A to the CalSTA Loan Agreement. The Amortization Schedule shall be executed by both Parties and attached hereto upon determination, and shall thereupon constitute a part of this Agreement.

CalSTA Due Date:

Wednesday, September 6, 2028

Tuesday, December 5, 2028

Monday, March 5, 2029

Tuesday, June 5, 2029

Wednesday, September 5, 2029

Wednesday, December 5, 2029

Tuesday, March 5, 2030

Wednesday, June 5, 2030

Wednesday, September 4, 2030

Wednesday, December 4, 2030

Wednesday, March 5, 2031

Wednesday, June 4, 2031

Wednesday, September 3, 2031

Wednesday, December 3, 2031

Wednesday, March 3, 2032

Thursday, June 3, 2032

Friday, September 3, 2032

Friday, December 3, 2032

Thursday, March 3, 2033

Friday, June 3, 2033
Monday, September 5, 2033
Monday, December 5, 2033
Friday, March 3, 2034
Monday, June 5, 2034
Tuesday, September 5, 2034
Tuesday, December 5, 2034
Monday, March 5, 2035
Tuesday, June 5, 2035
Wednesday, September 5, 2035
Wednesday, December 5, 2035
Wednesday, March 5, 2036
Wednesday, June 4, 2036
Wednesday, September 3, 2036
Wednesday, December 3, 2036
Wednesday, March 4, 2037
Wednesday, June 3, 2037
Thursday, September 3, 2037
Thursday, December 3, 2037
Wednesday, March 3, 2038
Thursday, June 3, 2038